

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF KENTUCKY-)	
AMERICAN WATER COMPANY TO)	CASE NO. 2023-00030
AMEND TARIFF TO REVISE QUALIFIED)	
INFRASTRUCTURE PROGRAM CHARGE)	

DIRECT TESTIMONY OF JEFFREY NEWCOMB
SENIOR MANAGER, RATES AND REGULATORY
KENTUCKY-AMERICAN WATER COMPANY, INC.

Filed: March 1, 2023

1 I. INTRODUCTION

2 Q. Please state your name, position, and business address.

3 A. My name is Jeffrey Newcomb. I am the Senior Manager, Rates and Regulatory, for
4 Kentucky-American Water Company (“KAW” or “the Company”). My business address
5 is 2300 Richmond Road, Lexington, Kentucky 40502.

6 Q. Have you previously filed testimony at the Kentucky Public Service Commission
7 (“Commission”) or any other regulatory commission?

8 A. I have not previously filed testimony before the Commission. I have previously submitted
9 testimony before the Indiana Utility Regulatory Commission in support of Northern
10 Indiana Public Service Company LLC’s gas rate case in Cause No. 45621 and the Public
11 Service Commission of Maryland in support of Columbia Gas of Maryland, Inc.’s gas rate
12 case in Case No. 9644.

13 Q. Please state your educational and professional background.

14 A. I graduated from the Kelley School of Business, Indiana University, Bloomington, Indiana,
15 in 2007 as a Bachelor of Science in Business Administration, and in 2008 as a Master of
16 Business Administration, both with a major in Accounting. My professional career started
17 with Ernst & Young, LLP, as an Intern during the summers of 2006 and 2007 before
18 working full-time as an Associate from 2008 to 2010 and Senior Associate from 2010 to
19 2011 with the firm’s tax practice in Chicago, Illinois. Prior to joining American Water, I
20 worked for NiSource Inc. from 2011 to 2022, where I held various roles during my tenure,
21 including Senior Financial Analyst in Accounting, Lead Financial Planning Analyst, Lead
22 Regulatory Strategy and Support Analyst, Capital Planning and Execution Manager, and
23 Manager, Regulatory – Rate Case Optimization. I accepted my current position of Senior

1 Manager, Rates and Regulatory, for Kentucky-American Water Company on October 3,
2 2022.

3 **Q. What is the purpose of your direct testimony?**

4 A. The purpose of my testimony is to describe and support the calculated amount of KAW’s
5 Year 4 Qualified Infrastructure Program (“QIP”) proposed charge. KAW’s QIP was
6 approved by the Commission in its June 27, 2019, Order in Case No. 2018-00358, which
7 was KAW’s last general water rate case.

8 **Q. Are you sponsoring any exhibits?**

9 A. Yes. I am sponsoring Exhibit 1 to my testimony which shows the QIP 4 calculations that
10 lead to the requested revenue requirement in this case. I am also sponsoring my workpapers
11 as an Excel file titled KAW_DT_JN_WP_030123.

12 **Q. Are KAW’s revenue requirement calculations in this case consistent with the
13 Commission’s Orders in KAW’s previous QIP cases?**

14 A. Yes. After the Commission approved KAW’s QIP in Case No. 2018-00358, KAW filed
15 its first QIP case which was for QIP Year 1. QIP Year 1 was for the period July 1, 2020,
16 to June 30, 2021, and it was Case No. 2020-00027. The Commission decided that case by
17 Order on June 17, 2020. In that Order, the Commission scaled back significantly the
18 infrastructure asset classes that could be included in the QIP charge from what it had
19 approved in Case No. 2018-00358 and then approved a QIP charge amount of 0.97%.¹

¹ Case No. 2020-00027, June 17, 2020, Order, p. 20.

1 KAW's next QIP case for QIP Year 2 was Case No. 2021-00090. In that case, the
2 Commission scaled back even further the infrastructure asset classes that could be included
3 in the QIP charge and approved a cumulative QIP charge of 2.04%.²

4 KAW's most recently completed QIP case for QIP Year 3 was Case No. 2022-00032. In
5 that case, the Commission approved a cumulative QIP charge of 4.61%³ and KAW's
6 proposed revision to the calculation of its QIP 2 rate to reflect forecasted "end-of-period"
7 construction investment. The Commission also directed KAW in its 2023 QIP filing that
8 its end-of-period update to QIP 3 should reflect the actual construction costs incurred for
9 the QIP 3 projects as of January 31, 2023, that the remaining five months (February 1,
10 2023-June 30, 2023) of the QIP 3 period should reflect the forecasted construction costs
11 for that period, and additionally, any differences between the forecasted construction costs
12 for the remaining period and what was forecasted in Case No. 2022-00032 should be
13 supported by filed testimony.

14 KAW proposal in this matter includes: (a) a single asset class for the Year 4 QIP, which
15 is "Budget Line B: QIP Mains Replaced/Restored;" (b) the end-of-period update to QIP 3
16 reflecting the actual construction costs incurred for the QIP 3 projects as of January 31,
17 2023; (c) the remaining five months (February 1, 2023-June 30, 2023) of the QIP 3 period
18 reflects the forecasted construction costs for that period, and additionally, any differences
19 between the forecasted construction costs for the remaining period and what was forecasted
20 in Case No. 2022-00032. The revenue requirement for QIP 4 is based on the 47 proposed

² The QIP charge was subsequently increased to 2.14% as a result of the Commission's January 25, 2022, Order in Case No. 2021-00376, which was the balancing adjustment case to "true up" the actual results of the QIP Year 1 projects.

³ In Case No. 2022-00328, the balancing adjustment case to "true up" the actual results of the QIP Year 2 projects where a Commission order still pending, KAW proposed that the QIP charge be decreased to 4.49%.

1 projects in that “Budget Line B” asset class. Please see the engineering direct testimony
2 of Krista Citron filed contemporaneously herewith for a detailed description for each main
3 replacement project proposed in this case and support for any differences between the
4 current forecast of constructions costs and what was forecasted in Case No. 2022-00032
5 for the remaining five months (February 1, 2023-June 30, 2023) of the QIP 3 period.

6 II. DESCRIPTION OF THE QIP RIDER

7 **Q. Please explain the purpose of the QIP Rider.**

8 A. The QIP Rider is a regulatory tool to provide for the recovery of the costs of capital,
9 depreciation and taxes associated with qualified infrastructure investment between base
10 rate case filings. KAW’s tariff on file with the Commission describes the QIP Rider at
11 Sheet Nos. 48-49.

12 **Q. Is KAW proposing in this case an addition to the amount that will be charged to**
13 **customers as a line item on customer bills?**

14 A. Yes. KAW seeks the Commission’s approval of an additional QIP amount that will appear
15 on customer bills effective July 1, 2023. The total amount requested for QIP 4, which is
16 for the period July 1, 2023, to June 30, 2024, is the QIP Year 1 authorized reconciliation
17 amount of 1.03%, plus an additional charge of 2.47% for the rate base of QIP Year 2 based
18 on “end of period” values as of June 30, 2022, plus an additional charge of 3.59% for the
19 recalculated rate base of QIP Year 3 based on “end of period” values as of June 30, 2023,
20 plus an additional charge of 1.32% for the projects proposed in QIP Year 4 based on a
21 forecasted 13-month average rate base for those forecasted projects. Thus, the cumulative
22 amount KAW proposes in this matter is 8.41%, as set forth in the proposed tariff sheet
23 attached to KAW’s Application in this case.

1 **Q. What will happen to the QIP Rider amount upon approval of new rates in a rate case**
2 **proceeding?**

3 A. The QIP Rider amount will be reset to zero as of the effective date of the new base rates.
4 Upon reset, the base rates would be providing recovery of the annual costs that had
5 previously been recovered through the QIP.

6 **Q. Does the QIP Rider Include a Balancing Adjustment?**

7 A. Yes. As mentioned above, the QIP mechanism, as approved by this Commission and as
8 set forth in KAW's tariff, includes an annual Balancing Adjustment Filing. This filing is
9 made within 90 days after the conclusion of each QIP annual period. Thus, KAW filed
10 and the Commission approved a balancing adjustment for QIP Year 1 in Case No. 2021-
11 00376. KAW filed for a balancing adjustment for QIP Year 2 in Case No. 2022-00328,
12 with a decision still pending as of the filing of this application. The next Balancing
13 Adjustment Filing will be for QIP Year 3 (the period July 1, 2022 to June 30, 2023) and
14 will be made no later than 90 days after June 30, 2023.

15 **Q. How is the QIP Rider billed to customers?**

16 A. The QIP is expressed as a percent of water and fire service charges for each customer class
17 included in the QIP tariff. It applies to all Water Revenue (meter fees, fire service fees,
18 public or private hydrant fees, and volumetric water sales), but prior to the inclusion of any
19 other surcharge or tax (such as franchise fees or Kentucky River Authority withdrawal
20 fees). The QIP Rider is reflected as a line item on each customer's bill.

21 **III. KEY COMPONENTS OF THE QIP RIDER**

22 **Q. What is the QIP test period in this filing, which is QIP 4?**

23 A. July 1, 2023 – June 30, 2024.

1 **Q. Does this filing include a detailed listing of each qualifying QIP project for which**
2 **recovery is sought under this rider?**

3 A. Yes. KAW witness Krista Citron discusses the details of the qualifying QIP projects for
4 which recovery is sought in this case.

5 **Q. Please describe the QIP revenue requirement calculation.**

6 A. The components of the revenue requirement calculation include:

7 1. Pre-Tax Return: The qualified additions and removal expenditures, less the related
8 accumulated depreciation and QIP related accumulated deferred income taxes, are
9 multiplied by the authorized rate of return on capital, grossed up for federal and state taxes.

10 2. Depreciation and Property Tax Expense: The qualified plant additions are reduced by
11 the retirements associated with the QIP eligible additions in the calculation of applicable
12 depreciation and property tax expense. The depreciation rates last approved by the
13 Commission, for the respective plant accounts in which the specific items of QIP-eligible
14 plant are recorded, are used to determine the depreciation expense.

15 The property tax rate for QIP utility plant is estimated at 1.43%.

16 3. Total QIP Revenue Requirement: The total QIP revenue requirement is equal to the pre-
17 tax return plus the depreciation and property tax.

18 4. QIP Percentage: The QIP percentage is calculated by dividing the QIP revenue
19 requirement by the total authorized Water Revenues for classes listed on the QIP tariff
20 sheet.

21 **IV. QIP CALCULATION AND PROPOSED TARIFF**

22 **Q. Have you included the calculation of the QIP Rider in this petition?**

1 A. Yes. The revenue requirement calculation is attached as Exhibit 1 to this testimony. All
2 supporting calculations for the revenue requirement are set forth in the Excel file being
3 submitted electronically along with this testimony.

4 **Q. You mentioned above that KAW is requesting two additions to the current QIP**
5 **charge. The first is for a recalculated rate base for QIP Year 3 based on “end of**
6 **period” values. Please explain the reason for that addition.**

7 A. In Case No. 2021-00090, which was for QIP Year 2 (the forecasted period of July 2021 to
8 June 2022), KAW’s proposed rate base was based on “end of period” or “terminal” values
9 as of the end of June 2022. In its June 21, 2021, Order deciding that case, the Commission
10 disagreed with that approach and recalculated QIP Year 2 rate base on a 13-month average.
11 The Commission stated that use of a 13-month average is both appropriate when
12 *forecasting* rate base and is consistent with how rate base is calculated in *forecasted* period
13 general base rate cases.⁴ In fact, the Commission directed KAW to revise its QIP tariff
14 language to state the following, which KAW did:

15 Within 20 days of the date of this Order, Kentucky-American shall,
16 using the Commission’s electronic Tariff Filing System, file its
17 revised tariffs setting out the rates authorized in this Order and the
18 revised QIP Rider and reflecting they were approved pursuant to this
19 Order, and stating that Kentucky-American’s QIP rate base in any
20 *forecasted* period will be calculated in a manner consistent with 807
21 KAR 5:001, Section 16(6)(c).⁵

22 The gist of the Commission’s June 21, 2021, Order in Case No. 2021-00090 on this issue
23 is that, when calculating rate base for a *forecasted* period, it is appropriate to use a 13-

⁴ 807 KAR 5:001, Section 16(6) is the Commission’s regulation with specific requirements for forecasted period general base rate cases. Section 16(6)(c) states that “rate base shall be based on a thirteen (13) month average for the *forecasted* period.” (Emphasis added). For general base rate cases based on a *historic* period, no such requirement exists because “end-of-period” rate base is already known when the case is filed; there is no forecasting, so there is no need to use a 13-month average.

⁵ Case No. 2021-00090, June 21, 2021 Order, Ordering Paragraph 5, p. 22 (emphasis added).

1 month average rather than “end-of-period” since the investment has not yet occurred and
2 the exact timing of the investment is not known for certain. However, once the period is
3 no longer forecasted, it then becomes historic. So, as of July 1, 2023, the effective date of
4 the new charge to come out of this proceeding, the QIP 3 period will be completely historic.
5 The amount of the QIP 3 investments will be known precisely and all of the investments
6 will then be “used and useful.” Thus, at that point in time, it is appropriate to use “end-of-
7 period” values in calculating rate base, just as would occur in a general rate case based on
8 a historic test period.

9 When the new rate from the QIP Year 4 filing becomes effective on July 1, 2023, the QIP
10 Year 3 investment period will have actually occurred and no longer be based on a
11 forecasted period. All QIP Year 3 investment will be used and useful. Therefore, for
12 consistent and sound ratemaking purposes, it is appropriate to update the QIP Year 3 rate
13 base calculation using “end-of-period” values, and in turn, update the revenue requirement
14 based on “end-of-period” rate base values rather than 13-month average values. The
15 Commission agreed with this approach and specifically approved it in its June 30, 2022
16 Order in Case No. 2022-00032 (pp. 9, 12).

17 **Q. Will actual QIP Year 3 rate base be trued-up based on actual investment using end**
18 **of period values?**

19 A. Yes, it will. There will be two pieces to the QIP Year 3 Annual Balancing Adjustment,
20 which will be filed no later than 90 days after the period ends on June 30, 2023. First, KAW
21 will true-up the QIP Year 3 actual rate base for the period of July 2022 to June 2023 using
22 13-month average rate base, just as it was done in the QIP Year 1 and Year 2 Annual
23 Balancing Adjustments. Both rate base and the associated revenue requirement will be

1 calculated using a 13-month average of actuals and compared to the forecasted amounts.
2 Any resulting over or under collection of authorized revenue using 13-month average rate
3 base will be made to the QIP rate for the QIP Year 3 rate that was effective July 1, 2022,
4 to June 30, 2023.

5 In addition, the Annual Balancing Adjustment for the period of July 2022 to June 2023 will
6 reconcile the authorized “end of period” rate base in QIP Year 3 to the actual “end of
7 period” rate base. Any resulting differences to the revenue requirement using “end of
8 period” rate base will also be made to the QIP rate that became effective July 1, 2023. This
9 ensures actual investment will be trued-up in a timely manner and KAW will not over or
10 under collect based on “end of period” rate base.

11 **Q. What is the impact to the QIP Year 3 rate in using “end of period” rate base in this**
12 **filing?**

13 A. Using “end of period” rate base results in additional revenue requirement of \$2,444,656,
14 or an additional 2.48%, QIP rider charge. It will increase the current QIP 3 rate from 1.11%
15 to 3.59%. This represents an increase to the average residential customer of \$0.92 per
16 month.

17 **Q. The second requested addition is for QIP Year 4 based on a 13-month average**
18 **calculation of rate base. Please explain that addition.**

19 A. The 13-month average calculation of rate base for QIP Year 4 is comprised of specific
20 projects that are planned to be in-service during the future test year period of July 1, 2022,
21 to June 30, 2023, less estimated retirements, accumulated depreciation, and deferred taxes.
22 KAW witness Krista Citron explains the specific planned projects in more detail in her

1 testimony. Since they are forecasted projects, rate base for them is based on a 13-month
2 average.

3 **Q. What is the Net Change to Gross Plant for QIP Year 4?**

4 A.

<u>Line No.</u>		<u>July 2023 - June 2024</u>
1	QIP Plant Additions	\$9,728,609
2	Retirements	(219,472)
3	Net Change to Gross Plant	<u>\$9,509,137</u>

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6 KAW is proposing QIP Plant Additions of \$9,728,609, less Retirements of \$219,472, for
7 a Net Change to Gross Plant of \$9,509,137. Additional plant addition details are found on
8 the workbook sheet labelled 2023_Placed in Service. QIP 4 Retirements are calculated by
9 taking the Plant Additions of \$9,728,609, times the average of the most current three years
10 retirement rate of 2.26%, arriving at \$219,472. Retirement detail used to determine the
11 retirement rate is located on the workbook sheet labelled 2023_Retirement Ratio.

12 **Q. Have all of the QIP Year 2 adjustments made in the QIP Year 3 filing been removed
13 in this filing?**

14 A. No, they have not been removed. Since a Commission decision is still pending in Case
15 No. 2022-00328, which includes the update to actuals and reconciliation of QIP Year 2,
16 the adjustments to retirements, depreciation, deferred taxes, and property taxes are still
17 necessary.

18 **Q. What is the Net Change to Accumulated Depreciation for QIP Year 4?**

19 A.

5	Cost of Removal	\$972,861
6	Retirements	219,472
7	Depreciation Accrual - QIP 1	

8	Depreciation Accrual - QIP 2	
9	Depreciation Accrual - QIP 3	
10	Depreciation Accrual - QIP 4	(145,490)
11	Net Change to Accum Depr	<u>\$1,192,333</u>

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KAW has calculated the Net Change to Accumulated Depreciation as \$1,192,333. The components include Cost of Removal of \$972,861, plus retirements of \$219,472, less the depreciation accrual for QIP 4 of \$145,490. Details of the Cost of Removal may be found on the workbook sheet labelled 2023_Placed in Service. Retirement rate detail is found in the workbook sheet labelled 2023_Retirement Ratio, as discussed above. The QIP 4 Depreciation Accrual was calculated by taking a composite depreciation rate of 1.53%, times the 2023 Net Plant of \$9,509,137, to arrive at \$145,490. Additional detail for the composite rate of the Depreciation Accrual is found in the workbook sheet labelled 2023_Depreciation Rates.

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11 **Q. What is the Net Change to Rate Base for QIP Year 4?**

12 A.

13	Net Change to Net Plant	\$10,701,470
14	Accumulated Deferred Taxes - QIP 1	
15	Accumulated Deferred Taxes - QIP 2	
16	Accumulated Deferred Taxes - QIP 3	
17	Accumulated Deferred Taxes - QIP 4	(1,750,395)
18	Net Change to Rate Base	<u>\$8,951,075</u>

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Net Change to Rate Base is \$8,951,075. This is calculated by taking the Net Change to Net Plant of \$10,701,470, less the Accumulated Deferred Taxes QIP 4 of \$1,750,395. Additional details of the QIP 3 Accumulated Deferred Taxes can be found on the workbook sheet labelled 2023_Deferred Income Taxes.

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18 **Q. Are there any changes in how QIP 4 projects are projected to go in-service?**

1 A. No. In QIP Years 1 and 2, the assumption was that Line B – Mains Replaced projects
 2 would go into service two months after the spend occurred. Rather than use the same two-
 3 month timeframe from spend to in-service, KAW has projected actual in-service dates
 4 based on current planning and best estimates for project completion for each individual
 5 QIP 4 project. KAW used the same approach for each individual QIP 3 project. Witness
 6 Krista Citron discuss the individual projects and the projected spend and in-service dates
 7 in more detail in their joint testimony.

8 **Q. Have any updates been made to calculate estimated accumulated deferred taxes?**

9 A. No. The methodology in how deferred taxes is calculated is the same as the QIP 2 filing,
 10 but rather than use a five-year average for repairs and replacements to come up with the
 11 average repairs percentage, a three year average was used in the QIP 3 filing. A three-year
 12 average was again used in the QIP 4 filing to be consistent with how estimates were
 13 calculated in KAW’s QIP 3 filing and in the Company’s financials.

14 **Q. What is the Proposed QIP Revenue Requirement and QIP Rider Percentage KAW is**
 15 **requesting for QIP Year 4?**

16 A.

18	Net Change to Rate Base	\$8,951,075
19	Pre-Tax Rate of Return	9.28%
20	QIP Revenue on Net Change to Rate Base	\$830,848
21	QIP Depreciation Expense - QIP 1	
22	QIP Depreciation Expense - QIP 2	
23	QIP Depreciation Expense - QIP 3	
24	QIP Depreciation Expense - QIP 4	145,490
25	QIP Property Taxes - QIP 1	7,826
26	QIP Property Taxes - QIP 2	17,216
27	QIP Property Taxes - QIP 3	25,447
28	QIP Property Taxes - QIP 4	274,540
29		
30	QIP Revenue Requirement Rate Adj	\$1,301,367
31		

32	Authorized Revenues 2018-0358	<u>\$98,880,622</u>
33	QIP Rider Charge	<u>1.32%</u>

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KAW is proposing a QIP rider that would result in an increase of annualized revenue recovery of \$1,301,367 for the 12-month period July 1, 2023, to June 30, 2024, or a QIP additional percentage of 1.32%. This represents an increase to the average residential customer of \$0.49 per month. The QIP Revenue on Net Change to Rate base is \$830,848, which is the product of Net Change to Rate Base of \$8,951,075, times the Pre-Tax Rate of Return authorized in the last rate case of 9.28%. Adding Depreciation Expense of \$145,490 for QIP 4, plus Property Taxes for QIP 4 of \$274,540, and adding the Property Tax difference from QIP 1, QIP 2, and QIP 3 of \$7,826, \$17,216, and \$25,447, respectively, arrives at the total revenue requirement of \$1,301,367. Property Taxes were calculated based on the property tax rate of 1.43%, as shown on the workbook sheet labelled 2023_Property Taxes. Additional assumptions are documented on the workbook sheet labelled 2023_Assumptions. The QIP Percentage was calculated by taking the QIP Revenue Requirement divided by the authorized revenues from the last rate case of \$98,880,622. These calculations are summarized on the attachment to my testimony in the workbook sheet labelled 2023_QIP Revenues.

Q. Has KAW filed a tariff addressing the proposed QIP Rider?

A. Yes. New proposed tariff sheets are attached to the Application and include a Seventh Sheet No. 49 setting forth the cumulative rate of 8.41%. The 8.41% consists of the 1.03% that was approved in for the QIP 1 Reconciliation in Case No. 2021-00376, plus 2.47% from the recalculated rate base using “end of period” values for QIP Year 2, plus 3.59% from the recalculated rate base using “end of period” values for QIP Year 3, plus 1.32%

1 from the QIP Year 4 projects using a 13-month average rate base for those forecasted
2 projects.

3 **V. CONCLUSION**

4 **Q. What is your recommendation for the Commission?**

5 A. I recommend that the Commission approve the revision of the QIP percentage in this filing.

6 **Q. Does this conclude your testimony?**

7 A. Yes, it does.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF FAYETTE)

The undersigned, Jeffrey Newcomb, being duly sworn, deposes and says that he is the Senior Manager of Rates and Regulatory for Kentucky-American Water Company, that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of his information, knowledge, and belief.

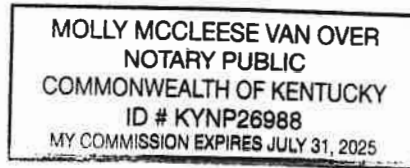
[Signature]
Jeffrey Newcomb

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 1st day of March, 2023.

[Signature]
Notary Public

My Commission Expires:

July 31st 2025
ID# KYNP26988



Kentucky American Water Company
Case No. 2023-00030
QIP Revenues

Line No.		Case No. 2021-00376	Case No. 2021-00090	Case No. 2022-00032	Case No. 2023-00030	Total QIP
		QIP 1 July 2020 - June 2021	QIP 2 July 2021 - June 2022	QIP 3* July 2022 - June 2023	QIP 4 July 2023 - June 2024	
1	QIP Plant Additions	\$9,328,645	\$20,050,000	\$29,387,592	\$9,728,609	\$68,494,846
2	Retirements	(633,049)	(920,606)	(1,309,626)	(219,472)	(3,082,753)
3	Net Change to Gross Plant	8,695,596	19,129,394	28,077,966	9,509,137	65,412,093
4						
5	Cost of Removal	549,261	2,005,000	2,814,869	972,861	6,341,991
6	Retirements	633,049	920,606	1,309,626	219,472	3,082,753
7	Depreciation Accrual - QIP 1	(137,516)				(137,516)
8	Depreciation Accrual - QIP 2		(292,680)			(292,680)
9	Depreciation Accrual - QIP 3			(429,593)		(429,593)
10	Depreciation Accrual - QIP 4				(145,490)	(145,490)
11	Net Change to Accum Depr	1,044,794	2,632,926	3,694,901	1,192,333	8,419,464
12						
13	Net Change to Net Plant	9,740,390	21,762,320	31,772,868	10,701,470	73,977,048
14	Accumulated Deferred Taxes - QIP 1	(1,550,183)				(1,550,183)
15	Accumulated Deferred Taxes - QIP 2		(1,635,882)			(1,635,882)
16	Accumulated Deferred Taxes - QIP 3			(2,135,155)		(2,135,155)
17	Accumulated Deferred Taxes - QIP 4				(1,750,395)	(1,750,395)
18	Net Change to Rate Base	8,190,207	20,126,438	29,637,713	8,951,075	66,905,433
19	Pre-Tax Rate of Return	9.28%	9.28%	9.28%	9.28%	9.28%
20	QIP Revenue on Net Change to Rate Base	760,223	1,868,156	2,751,002	830,848	6,210,229
21	QIP Depreciation Expense - QIP 1	137,516				137,516
22	QIP Depreciation Expense - QIP 2		292,680			292,680
23	QIP Depreciation Expense - QIP 3			429,593		429,593
24	QIP Depreciation Expense - QIP 4				145,490	145,490
25	QIP Property Taxes - QIP 1	120,869	18,819	(4,348)	7,826	143,166
26	QIP Property Taxes - QIP 2		265,899	(9,565)	17,216	273,550
27	QIP Property Taxes - QIP 3			378,880	25,447	404,327
28	QIP Property Taxes - QIP 4				274,540	274,540
29						
30	QIP Revenue Requirement Rate Adj	\$1,018,608	\$2,445,553	\$3,545,562	\$1,301,367	\$8,311,090
31						
32	Authorized Revenues 2018-0358	\$98,880,622	\$98,880,622	\$98,880,622	\$98,880,622	\$98,880,622
33	QIP Rider Charge	1.03%	2.47%	3.59%	1.32%	8.41%