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JUN 28 2012

PUBLIC SERVICE
COMMISSIONAPPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSIONFor Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)Graves County Water District
*(Name of Utility)*P. O. Box 329*(Business Mailing Address - Number and Street or P.O. Box)*Mayfield, KY 42066*(Business Mailing Address - City, State and Zip)*270-247-4661*(Telephone Number)*BASIC INFORMATIONNAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:Johnny Dowdy, Chairman
*(Name)*P.O. Box 329*(Address - Number and Street or P.O. Box)*Mayfield, KY 42066*(Address - City, State, Zip)*270-247-4661*(Telephone Number)*N/A*(Email Address)*

(For each statement below, the Applicant should check either "YES" or "NO".)

- | | YES | NO |
|---|-------------------------------------|--------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 4. a. Applicant is a corporation. A certified copy of its articles of incorporation and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Applicant is a limited liability company. A certified copy of its articles of organization and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant is a limited partnership. A certified copy of its limited partnership agreement and all amendments thereto are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Applicant is a sole proprietorship or partnership. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Applicant is a water district organized pursuant to KRS Chapter 74. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Applicant is a water association organized pursuant to KRS Chapter 273. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. a. Applicant has 20 or fewer customers or is a sewer utility and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Applicant has more than 20 customers, is not a sewer utility, and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant has more than 20 customers, is not a sewer utility, and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." (Attach completed "Reasons for Application" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | | YES | NO |
|--------|--|-------------------------------------|-------------------------------------|
| 8. | Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." (Attach completed "Current and Proposed Rates" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. | Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, <u>2010</u> . | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. | Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." (Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. | Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ <u>Attach E. p2</u> and total revenues from service rates of \$ <u>Attach E. p2</u> . The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. (Attach a completed "Revenue Requirement Calculation" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. | As of the date of the filing of this application , Applicant had <u>3,164</u> customers. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. | A billing analysis of Applicant's current and proposed rates is attached to this application. (Attach a completed "Billing Analysis" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. | Applicant's depreciation schedule of utility plant in service is attached. (Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. a. | Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. | Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution). | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. | Applicant has attached an amortization schedule for each outstanding evidence of indebtedness. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 16. a. Applicant is not required to file state and federal tax returns. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant is required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant's most recent state and federal tax returns are attached to this Application.
(Attach a copy of returns.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. Approximately <u>0</u> (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed Johnny Dowdy
Officer of the Company/Authorized Representative

Title Chairman

Date 6-26-2012

COMMONWEALTH OF KENTUCKY

COUNTY OF GRAVES

Before me appeared JOHNNY DOWDY, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.



Belva A. Wilkerson
 Notary Public

My commission expires: Jan 23, 2014

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- All amendments to Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- Customer Notice of Proposed Rate Adjustment *A*
- "Reasons for Application" Attachment *B*
- "Current and Proposed Rates" Attachment *No Attachment C*
- "Statement of Adjusted Operations" Attachment *D*
- "Revenue Requirements Calculation" Attachment *E*
- "Billing Analysis" Attachment *F*
- Depreciation Schedule *G*
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.) *H*
- State Tax Return
- Federal Tax Return

NOTICE

Notice is hereby given that the Graves County Water District seeks approval by the Public Service Commission, Frankfort, Kentucky, for an adjustment of rates. Graves County proposes a total revenue requirement of \$1,180,954, which is an increase of \$215,409, approximately 22.3 percent. Graves County Water District is proposing to phase in the requested increase in two phases. The initial phase will produce annual operating revenues from water sales of \$1,048,259, an increase of \$145,526 or approximately 16.1 percent over normalized revenues from water sales of \$902,733. The Phase II rate increase will produce annual operating revenues from water sales of \$1,118,142, an increase of \$69,883 or approximately 6.67 percent over normalized revenues from the phase I increase of \$1,048,259. Graves County Water District is requesting the Phase I rates be effective upon Public Service Commission approval and the Phase II rates to become effective when payback of KIA loan for the AMI meter project starts.

Customer Bill	Phase 1 Proposed Rate	Current		Phase 2 Proposed Rate	Phase 1 Proposed Rate	Increase
		Rate	%			
Usage level		Graves	Hardeman			
2,000 gallons	\$13.30	\$14.25	\$13.10	1.5%	\$12.01	9.70%
5,000 gallons	\$27.49	\$34.86	\$21.35	28.8%	\$20.86	31.8%
10,000 gallons	\$51.14	\$67.96	\$31.95	60.1%	\$35.61	43.6%
100,000 gallons	\$372.14	\$553.96	\$197.15	88.8%	\$244.81	52.0%
WHOLESALE						
RATE						
per 1,000 gallon	\$2.52	\$2.17				
Customer Bill						
Usage level						
2,000 gallons	\$13.53	\$13.30		1.7%		
5,000 gallons	\$29.37	\$27.49		6.8%		
10,000 gallons	\$55.77	\$51.14		9.1%		

100,000 gallons \$409.47 \$372.14 10.0%
%

WHOLESALE
RATE Increase
per 1,000 gallon \$2.69 \$2.52 6.7%

The rates contained in this notice are the rates proposed by the Graves County Water District; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Notice is further given that any corporation, association, or person with a substantial interest in the matter may, by written request within thirty (30) days after the publication of this notice, request to intervene in the matter before the Public Service Commission. Intervention may be granted beyond the thirty (30) day period for good cause shown. The request should be submitted to the Public Service Commission at its address shown below. Any person who has been granted intervention by the Commission may obtain copies, free of charge, of the application and testimony by contacting Graves County Water District at the address below. Any person may examine the rate application and any other filings made by Graves County Water District at its offices or at the Public Service Commission at the addresses below.

Graves County Water District
P. O. Box 329
Mayfield, KY 42066
Telephone: 270-247-4661

Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602
Telephone: 502-564-3940

Persons may also view and download a copy of the rate application through the Public Service Commission's website at psc.ky.gov.

"Reasons for Application"

Graves County Water District was created in 2008 by the merger of South Graves Water District, Fancy Farm Water District, Hardeman Water District, and Consumers Water District. The Kentucky Public Service Commission ("KPSC") approved the merger by Order dated May 21, 2008, in Case No. 2007-00496.¹ As noted in the KPSC's Order, the Commissioners of the Districts to be merged agreed that a unified rate design, to be charged to all customers of the merged district, would be created and submitted to the KPSC for approval²

In this Application, Graves requests a two-phase adjustment to rates. Phase 1 rates are necessary to unify the rates of the four former districts and were designed on a cost basis, to recover current operating costs necessary to provide safe and reliable potable water service to all customers. The unified rate was developed by allocating the cost of service to a five-step declining block rate design to be charged to retail customers. The rate design has a customer charge with minimum usage that escalates for meters larger than 5/8-inch. Also, a single volumetric rate for Graves' single wholesale customer is requested

The cost of service study includes the calculation of pro forma operating revenues and pro forma operating expenses (Attachment D), the calculation of the overall revenue requirement and required revenue increase (Attachment E), and the

¹ In the Matter of Joint Application of Consumers Water District, Fancy Farm Water District, Hardeman Water District, and South Graves Water District for Approval of Merger and Formation of Graves County Water District.

² See Commission's Order, Finding 26. g.

classification of each component of the revenue requirement as either customer cost, demand cost, or commodity cost (Attachment F).

Phase 1 rates will generate revenues from water sales totaling \$1,048,259, an increase of \$145,526, or 16.12 percent, over normalized test-year water sales. As shown in the financial exhibits attached to the Application, this level of revenue is necessary to:

- 1) pay annual principal and interest payment to the Kentucky Infrastructure Authority ("KIA") for the two loans currently outstanding;
- 2) pay pro forma operation and maintenance expenses totaling \$837,466; and
- 3) provide depreciation funds necessary to pay for recurring renewals and replacements of assets in the amount of \$201,857.

Phase 2 rates are to become effective on the date of closing of a third KIA loan that was approved by Order of the KPSC dated November 3, 2011, in Case No. 2011-00390.³ This loan is to be in the original amount of \$1,000,000; however, KIA will forgive a portion of the loan so that the total principal repaid over the 20-year life of the loan is equal to \$780,000. The loan will be used to pay for the installation of an Automated Metering Infrastructure ("AMI") project in the area of Graves formerly served

³ In the Matter of Application of Graves County Water District for Authority to Enter into a Loan Agreement with the Kentucky Infrastructure Authority

by South Graves Water District, Consumers Water District, and Fancy Farm Water District.⁴

Phase 2 rates are necessary to produce revenue sufficient to repay the third KIA loan and provide for recovery of depreciation on the portion of the AMI project in those three service areas. As shown in the financial exhibits attached to the Application, Phase 2 rates will produce additional revenues of \$69,883, or 6.67 percent, over and above the revenues produced by Phase 1 rates. Phase 2 rates were developed by increasing the Phase 1 rates "across-the-board" evenly by 6.7 percent.

⁴ Graves has already installed the AMI assets in its area that was formerly served by Hardeman Water District using KIA grant funds that remained in Graves' possession after the completion of a separate project. The effect on Graves' operating costs of this portion of the AMI project has been accounted for in Phase 1 rates.

Adjusted Operations

As shown in Table D1, Graves made adjustments to test-year revenues and expenses to account for known and measurable changes that are applicable to Phase 1 operations. Adjustments to Phase 1 operations were then made that are applicable to Phase 2 operations. All adjustments are explained following the table.

Table D1
Pro forma Operating Statement

	Test Year December 31, 2010	Phase 1			Phase 2		
		Adjustments	Ref.	Pro forma	Adjustments	Ref.	Pro forma
Operating Revenue							
Water Sales	\$ 894,270	\$ 8,463	A	\$ 902,733	\$ 145,526	E	\$ 1,048,259
Other Operating Revenue	55,913			55,913			55,913
Total Water Sales	950,183	8,463		958,646	145,526		1,104,172
Operating Expenses							
Operation and Maintenance							
Salaries and Wages - Officers	15,750			15,750			15,750
Purchased Water	142,994	(8,851)	B	134,143			134,143
Purchased Power	65,813	(4,074)	B	61,739			61,739
Chemicals	65,880	(4,078)	B	61,802			61,802
Materials and Supplies	29,115			29,115			29,115
Contractual Services	486,994	(4,848)	C	482,146	(35,016)	F	447,130
Rental of Equipment	21,435			21,435			21,435
Insurance General Liability	11,056			11,056			11,056
Bad Debt	10,613			10,613			10,613
Miscellaneous Expense	9,667			9,667			9,667
Total Operation and Maintenance	859,317	(21,851)		837,466	(35,016)		802,450
Depreciation Expense	244,839	(42,982)	D	201,857	55,909	G	257,765
Amortization	1,475			1,475			1,475
Total Operating Expenses	1,105,631	(64,833)		1,040,798	20,893		1,061,690
Net Operating Income	(155,448)	73,296		(82,152)	124,634		42,482
Interest and Dividend Income	6,899			6,899			6,899
Income Available to Service Debt	\$ (148,549)	\$ 73,296		\$ (75,253)	\$ 124,634		\$ 49,381

(A) Water Sales. Graves reported test-year water sales in the amount of \$894,270. Graves proposes to increase this amount by \$8,463 to match reported

revenues to the amount calculated using a billing analysis and to account for the addition of ten new residential customers.

A billing analysis was performed to verify the amount of water sales reported for the test year. To complete the billing analysis, each customer's bill was recalculated for each month of the test year by applying the rates in effect during the year to the monthly usages. The sum of these recalculations was compared to reported water sales. The billing analysis demonstrates that test-year water sales should have been reported at \$900,230. Accordingly, the test-year amount was increased by \$5,960.

Subsequent to the test year, Graves added 10 new residential customers to its distribution system. It is appropriate to add the revenue collected from these customers to test-year water sales when calculating pro forma operations. To account for the additional revenue, test-year water sales were increased by \$2,503, or .28 percent (\$2,503, new revenue / \$894,270, test-year sales). The amount was calculated by applying Graves' current residential rates to the average residential usage.

(B) Purchased Water, Purchased Power, and Chemicals. Kentucky Administrative Regulation 807 5:066 Section 6 (3) limits water loss to 15 percent. The regulation allows for an alternative level if it is found to be reasonable. In its 2010 annual report, Graves reported a 21.19 percent water loss, exceeding the allowable limit by 6.19 percent.

Graves will not request that the Commission approve a level alternative to the 15 percent stated in the regulation. Instead, it proposes to remove 6.19 percent of the direct variable costs to purchase, treat, and deliver the excess water loss. Accordingly,

test-year Purchased Water, Purchased Power, and Chemicals were decreased as shown below.

Purchased Water	142,994	-6.19%	(8,851)
Purchased Power	65,813	-6.19%	(4,074)
Chemicals	65,880	-6.19%	(4,078)

Graves recognizes that an adjustment could be made to these three expense accounts to correspond with the customer growth revenue adjustment; however, Graves did not propose an adjustment as it is not material to its operations.

(C) Contractual Services. Graves has no employees. It contracts with Mayfield Electric and Water Systems ("MEWS") to perform all duties necessary to complete its daily operations. The amount charged against revenues during the test year for these services totaled \$486,994.

By Order dated November 3, 2011, in Case No. 2011-00233³ Graves received Commission approval to construct a \$1,330,491 Advance Metering Infrastructure ("AMI") project.⁴ A portion of the project is to be funded with a \$1,000,000 loan from the Kentucky Infrastructure Authority ("KIA"). This financing was also approved by Order dated November 3, 2011, in Case No. 2011-00390.⁵

Prior to the issuance of the Order approving the construction and financing of the AMI project, Graves completed a construction project that was separate from the AMI

³ In the Matter of Application of Graves County Water District for Approval of Construction and Issuance of a Certificate of Convenience and Necessity for the Purchase and Installation of Automated Meter Reading Equipment.

⁴ Appendix A to the Order incorrectly stated the estimated project cost to be \$1,749,794. This amount included the portion of the AMI project for Graves and Hickory Water District. Graves' portion of the projected costs is \$1,330,491.

⁵ In the Matter of Application of Graves County Water District for Authority to Enter into a Loan Agreement with the Kentucky Infrastructure Authority.

project. This project was funded by a KIA grant. The amount of the KIA grant unexpectedly exceeded the final cost of the project. Graves received permission from KIA to use the excess funds to begin construction of its AMI project. With this funding, Graves completed the installation of AMI assets for its 385 customers residing in the territory formerly served by Hardeman Water District. In Phase 1 rates, Graves requests recovery of the cost of this portion of the AMI project through depreciation. These assets total \$212,319 and are included in the calculation of Phase 1 depreciation shown in Attachment G-2. Accordingly, Graves requests to adjust all other test-year expenses that will be affected by this portion of the AMI project to calculate Phase 1 rates.

As noted in the Order dated November 30, 2011, the AMI project will likely produce many savings; however, the only savings immediately identifiable are those related to meter reading. The meter reading savings were estimated to be \$1.05 per meter per month.⁶ Graves reduced test-year contractual services by \$4,848 (\$1.05, savings per meter x 385 customers x 12 months) to account for these savings in Phase 1. Savings related to costs other than meter reading will only be identifiable after the AMI system has been in service for a reasonable length of time. Since AMI project had not been in place long enough to identify and quantify other savings at the time this application was being prepared, no other adjustments were made.

(D) Depreciation Expense. Graves reported test-year depreciation expense of \$244,839. This amount was calculated using the remaining-life method. The

⁶ Commission Order dated November 30, 2011, Finding 19, Finding 20, Footnote 13.

calculation is shown in Attachment G-1. As shown in Attachment G-2, Graves proposes to decrease the test-year amount by \$42,982 when calculating Phase 1 revenue requirements to account for:

1. a change from the remaining-life depreciation method to the whole-life depreciation method;
2. new whole-life depreciable lives assigned to each asset account group, and
3. depreciation taken on assets placed into service subsequent to the test year.

Change in Depreciation Methods. When the water districts merged in 2008 to create Graves, Graves reported the assets of each district at net book value, original cost less accumulated depreciation, as of August 31, 2008. This represented a "write-down" of assets in excess of \$4.5 million, approximately 46 percent of the plant's *original cost*. The journal entry making this recording was submitted to the KPSC by letter dated September 8, 2008. After recording the assets at net book value, Graves adopt the remaining-life method to calculate annual depreciation expense. Prior to the merger, each of the former districts used the whole-life method.

After using the remaining life method for the two years subsequent to the merger, Graves is of the opinion that the whole-life method is more appropriate for calculating its annual depreciation expense. Graves requests that the KPSC allow it to restate its assets, and related accumulated depreciation, to their original balances at the time of merger, with adjustments made for additions subsequent to the merger, and begin *calculating depreciation using the whole-life method*. This method was used in

Attachment G-2 to calculate pro forma depreciation expense for Phase 1 operations and Phase 2 operations. As discussed in complete detail later, the depreciable life applied to each account group in Attachment G-2 was selected using guidance from a study performed by the National Association of Regulatory Utility Commissioners ("NARUC").

In support of its request, Graves argues that Accounting Instruction 21 of the Uniform System of Accounts ("USoA") was violated when it first recorded its assets using net plant values. Instruction 21 requires the accounts for plant, accumulated depreciation, and donated capital reported by a merged utility be stated at the balances reported by the former utilities at the time of merger. This ensures that the requirements of Accounting Instruction 18 of the USoA are met. Instruction 18 requires that all assets be stated at their original cost when first devoted to public service. To adhere to the requirements of the USoA, Graves must restate its balances for plant and accumulated depreciation; otherwise, plant and accumulated depreciation will remain understated in future reporting periods by a material amount and the original cost principal will remain violated.

After restating its plant balances, it only seems fitting that Graves be allowed to begin applying the whole-life depreciation method as was used prior to the merger. The whole-life method is far less cumbersome to apply than the remaining-life method and, in Graves' opinion, is a superior method for a "small" utility with a less sophisticated *fixed asset accounting system when compared to a "large" utility which often has an accounting department dedicated solely to asset management practices.*

For these reasons, Graves requests approval to restate its assets to their original cost and to begin applying the whole-life method of depreciation as applied in Attachment G-2.

Change to Depreciable Lives Generally, the Commission requires a "large" utility to perform a depreciation study to determine the appropriate depreciable lives to be assigned to each plant account group. Detailed property records specific to historic plant additions, plant retirements, and salvage practices are required to complete a depreciation study. Generally, "small" water utilities, such as Graves, do not maintain property records with enough detail to properly complete a formal study. Furthermore, even if adequate records were maintained, "small" utilities do not have the financial resources to fund a formal study. Therefore, to evaluate the reasonableness of the depreciation practices of small utilities, the Commission has historically relied upon the report published in 1979 by NARUC entitled *Depreciation Practices for Small Water Utilities* ("NARUC Study").

Graves referenced to the NARUC study to determine the appropriate depreciable whole-life to be assigned to each asset group except for the AMI project. Graves selected lives for each group that are at, or near, the mid-point of the recommended ranges. The middle of the ranges is representative of the depreciation practices of an "average" small water utility. Graves requests that the KPSC approve the lives selected using the NARUC study.

The NARUC study is not applicable to the infrastructure used for the installation of the AMI project. The NARUC study was prepared long before this infrastructure was designed and developed. Relying on information obtain from the manufacturer of the

AMI components, Graves requests that a 20-year depreciable live be assigned to these assets.

Post Test-Year Plant Additions. As shown on Attached G-2, subsequent to the end of the test year, Graves placed additional plant into service with a total cost of \$933,027. These assets consist of \$655,777 for an interconnection with the city of Mayfield, \$157,414 for the AMI project in the Hardeman area, and \$119,836 for locating and mapping transmission and distribution mains. Graves is requesting recovery of the cost of these assets through Phase 1 rates with adjustments to test-year depreciation expense as discussed below.

In 2011 Graves completed the construction of pumping and main facilities that were necessary to connect its transmission and distribution system to the water system of the city of Mayfield. This interconnection provides Graves with an alternative source of finished water and was paid for through KIA grant funds. Graves requests that depreciation on this asset be included in the calculation of Phase 1 revenue requirements.

As discussed at Reference Item C, Graves completed installation of the AMI project in the area formerly served by Hardeman Water District in 2011. The total cost of this portion of the AMI project was \$212,319, \$54,905 was capitalized in 2010 while the remaining \$157,414 was capitalized in 2011. Graves requests to recover this entire amount over a 20-year depreciable life.

Subsequent to the test year, in years 2011 and 2012, Graves incurred significant costs for mapping the location of its existing transmission and distribution mains. As of

May 31, 2012, these costs totaled \$119,836. Graves capitalized and depreciated this amount over the 65-year depreciable life assigned to mains.

(E) Water Sales. As shown in Table E1 of Attachment E, Graves requested rates in Phase 1 that will produce additional annual revenues in the approximate amount of \$145,526. This additional revenue should be included in normalized revenues when calculating the required revenue increase for Phase 2.

(F) Contractual Services. The Phase 2 rates requested in this application are necessary after accounting for all known and measurable changes to operating costs that will result from completion of the AMI project. As previously discussed in Reference Item C, in Phase 1 Contractual Services were reduced by \$4,848 to account for savings in meter reading expenses resulting from the installation of the AMI project in the Hardeman area. Following this principal, Contractual Services were reduced in Phase 2 by an additional \$35,016 ($3,164$ total customers – 385 Hardeman Customers = $2779 \times \$1.05 \times 12$ months) to account for the meter reading savings that will result from completion of the remaining portion of the AMI project.

(G) Depreciation. In Phase 2, Graves is requesting recovery of annual depreciation expense in the amount of \$66,525 for the entire estimated cost of the AMI project, \$1,330,491. Through the AMI project Graves will replace all of its mechanical meters. As previously discussed, Graves was granted a certificate of public convenience and necessity to construct the AMI project by Commission Order dated November 30, 2011 in Case No 2011-00233. The manufacturer of the AMI meters estimates their life to be equal to 20 years. Based on this estimate, the AMI project has been depreciated over a 20-year period. As shown on Attachment G-2, the additional

depreciation adjustment required in Phase 2 is \$55,909. Depreciation in the amount of \$10,616 was included in the calculation of Phase 1 depreciation for the Hardeman area.

Graves notes that, in addition to depreciating the AMI project on Attachment G-2, it also continues to depreciate the cost of the old mechanical meters even though they will be removed from service. Although this action is in violation of Accounting Instruction 27 B. (2) of the USoA, it is reasonable. It does not have a material effect on depreciation in the years immediately following the removal of the assets and has no effect on depreciation taken in the long term.

The cost of the mechanical meters is reported in the same account group as their installation costs. The total combined cost of the group is \$501,283 (annual depreciation totals \$10,616). There is no way to accurately separate the meter's cost to record their retirement.

Although the cost of meters cannot be accurately identified and separated, the majority of the cost of the account group is attributable to installations. This is evidenced by comparing the cost of a mechanical meter to the cost of installing a meter. The majority of Graves' meters are 5/8-inch meters. The current average combined cost of a meter and meter installation is assumed to be equal to the current tap fee charged for a 5/8-inch connection, \$450. Of this amount, the cost of the mechanical meter is roughly \$35. The installation is then assumed to represent approximately \$415, or over 92 percent of the combined cost.

Since the installations represent such a significant amount of the combined costs and will remain in service even after the mechanical meters are removed, it is appropriate and necessary to continue depreciation on this component of the asset

group. Given the relatively small amount of meter's cost in the asset group, their inclusion is of no material consequence to the annual depreciation expense.

Furthermore, this accounting treatment will result in the same amount charged to depreciation expense in the later years. If the cost of the meters could be separated and were accounted for in accordance with Accounting Instruction 27, a loss in the amount of the undepreciated balance of the meters would be reported. This loss would flow through the meter and meter installations accumulated depreciation account. This would increase the depreciable basis of the account group by an amount equal to the loss. This loss would ultimately flow through to the income statement as a component of depreciation expense in future periods.

As explained, no matter which of the two accounting treatments discussed herein is used, the "stranded costs" of the mechanical meters will be included in the calculation of future depreciation expense taken on the meter and meter installation account. The proposed method is of no material consequence in the immediate reporting periods and is of no consequence, whatsoever, in the long term. It is therefore reasonable.

Calculation of Revenue Requirements

As shown in Table E1, Graves calculated the overall revenue requirement for Phase 1 to be \$1,111,071. The overall revenue requirement was determined by adding pro forma operating expenses to the three-year average principal and interest payments payable on KIA for Loan No B05-04 and KIA Loan No. B07-03. By reducing the overall revenue requirement by pro forma other revenues and interest income, the revenue required from rates was determined to be \$1,048,259. This represents an increase of \$145,526, or 16.12 percent, over normalized test-year water sales revenue of \$902,773.

All of the components of these calculations are shown and explained in Attachment D of the Application except for the payments to KIA. The calculation of the debt payments are shown Table E2 and are explained following the table. The rates shown in Attachment F (Page 13 and Page 17 – Page 19) are the unified rates that were designed to meet the Phase 1 revenue requirement.

Also shown in Table E1 is the calculation of the overall revenue requirement for Phase 2 in the amount of \$1,180,954. This amount was determined by adjusting the Phase 1 revenue requirement for known and measurable changes that will result from the installation of the Automated Metering Infrastructure ("AMI") project. This project could be completed as soon as December 31, 2013. The most critical adjustment for this project is for the future debt payments to KIA for the loan to be assumed to finance the project. The calculation of this adjustment is shown on Table E2. The remaining adjustments are shown and explained in Attachment D

The first payment on the KIA loan will be due one year after the loan is closed. Therefore, Graves requests that the Phase 2 rates, as shown in Attachment F (Page 22 and Page 26 – Page 28), be made effective on the closing date of the loan. This will allow Graves the opportunity to accumulate enough funds to make the first loan payment when it becomes due.

Table E1
Calculation of Overall Revenue Requirement
and Required Revenue Increase

	Phase 1	Phase 2
Operating Expenses, Refer to Attachment D	\$ 1,040,798	\$ 1,061,690
Three-Year Average Debt Service Payments, See Table E2	<u>70,274</u>	<u>119,264</u>
Total Revenue Requirement	1,111,071	1,180,954
Less: Other Operating Revenue	(55,913)	(55,913)
Interest Income	<u>(6,899)</u>	<u>(6,899)</u>
Revenue Required from Rates	1,048,259	1,118,142
Less: Normalized Water Sales	<u>(902,733)</u>	<u>(1,048,259)</u>
Required Revenue Increase	<u>\$ 145,526</u>	<u>\$ 69,883</u>
Percentage Increase	<u>16.12%</u>	<u>6.67%</u>

The calculation of the three-year average debt service payments shown above for Phase 1 and Phase 2 are shown in Table E2.

Table E2
Calculation of Three-Year Average Debt Payments

<u>KIA Loan No.</u>	<u>Average Debt Payment</u>	
	<u>Phase 1</u>	<u>Phase 2</u>
B05-04, Calculation of Averages Shown Below	\$ 17,223	\$ 17,223
B07-03	53,051	53,051
B11-02		48,990
Total	\$ 70,274	\$ 119,264

Loan No. B05-04, See Amo. Sch. at Attachment H, Page 1.				
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Servicing Fee</u>	<u>Total</u>
2012	\$ 19,500	\$ 1,379	\$ 574	\$ 21,453
2013	19,593	1,285	535	21,414
2014	19,688	1,391	496	21,575
Three-Year Average				\$ 21,480
Percent Allocated to Water Division				80.18%
Three-Year Average Allocated to Water Division				<u>\$ 17,223</u>
Loan No. B07-03, See Amo. Sch. at Attachment H, Page 2				
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Servicing Fee</u>	<u>Total</u>
2012	\$ 48,855	\$ 2,863	\$ 1,431	\$ 53,149
2013	49,051	2,667	1,334	53,051
2014	49,247	2,471	1,235	52,953
Three-Year Average				<u>\$ 53,051</u>
Loan No. B11-02, See Amo. Sch. at Attachment H, Page 3.				
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Servicing Fee</u>	<u>Total</u>
1	\$ 32,070	\$ 15,440	\$ 1,544	\$ 49,055
2	32,715	14,796	1,480	48,990
3	33,372	14,138	1,414	48,925
Three-Year Average				<u>\$ 48,990</u>

The debt service amount requested for Phase 1 is equal to the three-year average principal and interest payments due to KIA on Loan No. B05-04 and Loan No. B07-03.

Loan B05-04 originated from Fancy Farm's former service area where Fancy Farm provided water service and sewer service. Immediately prior to its merger into Graves, Fancy Farm had long-term bonds payable to the United States Department of Agriculture's Rural Development ("RD") in the total amount of \$690,896. The water division's portion was \$553,976 or 80.18 percent of the total. The sewer division's portion was \$136,920 or 19.82 percent of the total (See Finding 12 Commission Order dated May 21, 2008, approving merger in Case No. 2007-00496). Immediately upon merger into Graves, Fancy Farm refinanced the entire amount of the debt using "20/20" grant funds and KIA Loan No. B05-04. The original KIA loan amount was \$596,776.¹ The grant funds and loan funds should be split between the water division and sewer division based on the percentage of the RD bonds outstanding at the time of refinancing. Therefore, the water division has been allocated 80.18 percent of the total debt service requirements for this loan.

Loan No. B07-03 was secured by Graves to refinance a KIA loan that had been originally awarded to South Graves Water District in 1994. This refinancing was approved by the Commission in Case No. 2008-00448.²

¹ In Case No. 2007-00496 Graves stated that the Commission's approval to assume this loan was never sought by Fancy Farm or Graves.

² In the Matter of the Application of Graves County Water District for Approval of Financing.

To calculate the debt service requirement for Phase 2, Graves added to the Phase 1 requirement, the anticipated three-year average principal and interest payments that will become due to KIA on Loan No. B11-02. This loan was approved by the KPSC in Case No. 2011-00390 for the purpose of financing a portion of the AMI project. The approved loan amount is \$1,000,000 with principal forgiveness from KIA of 20 percent. This loan has not yet been closed. It is expected to be closed on, or around, December 31, 2013, the anticipated completion date of the AMI project. The principal and interest payment included for this loan were taken from the loan amortization schedule provided by KIA on September 7, 2011.

It should be noted that there is no provision for a Debt Service Coverage ("DSC") in the calculations shown in Table E1. KIA only requires its borrowers to maintain a DSC when its loans are subordinate to long-term indebtedness owed by its borrowers to other funding agencies. Since Graves has no other long-term indebtedness, the KIA loans are not subordinate and, therefore, require no DSC.

Normalized Revenue:

As Graves County was created by a merger of 4 separate operating utilities to compute the normalized revenue each former utility's rate schedule has been used so as to assign revenues to the customers that formerly were served by these separate utilities. The normalized revenue is shown for the entire system in the table titled Current Rate Summary. Each individual system Billing Analysis with their current rates follows the summary table.

Cost of Service Study:

The Cost of Service Study has been utilized to unify the rates of the entire system and to allocate the pro forma expenses in manner that has been accepted by the Commission in the past. Graves County has completed a Cost of Service Study for Phase I and Phase II that is being requested in this case.

The Wholesale Customer's rate was adjusted using a percentage across the board calculation, which has been accepted by the Commission in the past, and the increase in revenue has been used to reduce the Revenue Requirement from Rates for the Retail Customers. We calculated the adjustment to the Commodity costs and Demand costs by the percentage of these two components for what would have been allocated to the wholesale customer. The Retail rates have been adjusted to meet the revenue requirement for each phase and a Billing Analysis is provided for each phase.

Normalized Billing Analysis for: GRAVES COUNTY WATER DISTRICT
Test Period From: DECEMBER 1 - JANUARY 31, 2010
CURRENT RATES SUMMARY

<u>Meter Size</u>	<u>Bills</u>	<u>Gallons Sold</u>	<u>Revenue</u>
Consumers			
5/8 inch	20,536	95,634,700	\$418,964.44
1 inch	160	2,603,900	9,735.16
2 inch	53	1,360,800	4,984.52
Fancy Farm	5,222	26,025,400	122,473.65
Wholesale	12	8,259,300	17,922.68
Hardeman	4,620	22,102,700	94,356.86
South Graves	7,801	31,550,200	234,295.18
Totals	38,404	187,537,000	\$902,732.49

CONSUMERS AREA OF GRAVES COUNTY WD

Meter Size: 5/8 inch

	USAGE	BILLS	GALLONS	FIRST	NEXT	80	NEXT	100	NEXT	300	OVER	TOTAL
FIRST	20	4,807	46,955	20								46,955
NEXT	80	14,388	682,026	287,760	394,266							682,026
NEXT	100	1,092	142,289	21,840	87,360	33,089						142,289
NEXT	300	223	62,685	4,460	17,840	22,300	18,085					62,685
OVER	500	26	22,392	520	2,080	2,600	7,800	9,392				22,392
TOTALS	Gallons x 100	20,536	95,634,700	36,153,500	50,154,600	5,798,900	2,588,500	939,200				95,634,700

CONSUMERS AREA OF GRAVES COUNTY WD
REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	36,153,500	\$12.01	\$246,637.36
NEXT	8,000	50,154,600	2.95	147,956.07
NEXT	10,000	5,798,900	2.73	15,831.00
NEXT	30,000	2,588,500	2.53	6,548.91
OVER	50,000	939,200	2.12	1,991.10
TOTAL	20,536	95,634,700		\$418,964.44

CONSUMERS AREA OF GRAVES COUNTY WD

Meter Size: 1 inch

	USAGE	BILLS	GALLONS	FIRST	NEXT	NEXT	NEXT	OVER	TOTAL
FIRST	100	101	3,609	100	3,609				3,609
NEXT	100	30	3,794	3,000	794				3,794
NEXT	300	7	2,309	700	700	909			2,309
OVER	500	22	16,327	2,200	2,200	6,600	5,327		16,327
TOTALS	Gallons x 100	160	2,603,900	950,900	369,400	750,900	532,700		2,603,900

CONSUMERS AREA OF GRAVES COUNTY WD
REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	10,000	950,900	\$35.61	\$5,697.60
NEXT	10,000	369,400	2.73	1,008.46
NEXT	30,000	750,900	2.53	1,899.78
OVER	50,000	532,700	2.12	1,129.32
TOTAL	160	2,603,900		\$9,735.16

CONSUMERS AREA OF GRAVES COUNTY WD

Meter Size: 2 inch

	USAGE	BILLS	GALLONS	FIRST	NEXT	NEXT	NEXT	TOTAL
	200	30	2,149	200	300	300	500	2,149
FIRST	200	30	2,149	2,149				2,149
NEXT	300	18	6,885	3,600	3,285			6,885
OVER	500	5	4,574	1,000	1,500	2,074		4,574
TOTALS	Gallons x 100	53	1,360,800	674,900	478,500	207,400		1,360,800

CONSUMERS AREA OF GRAVES COUNTY WD
REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	20,000	53	\$62.91	\$3,334.23
NEXT	30,000	478,500	2.53	1,210.61
OVER	50,000	207,400	2.12	439.69
TOTAL		53	1,360,800	\$4,984.52

FANCY FARM AREA OF GRAVES COUNTY WD

Meter Size: Fancy Farm

USAGE	BILLS	GALLONS	FIRST	NEXT	50	NEXT	100	NEXT	200	TOTAL
FIRST	20	1,185	10,610							10,610
NEXT	30	2,221	44,420	33,401						77,821
NEXT	50	1,390	27,800	41,700	24,832					94,332
NEXT	100	339	6,780	10,170	16,950	10,399				44,299
OVER	200	87	1,740	2,610	4,350	8,700	15,792			33,192
TOTALS	Gallons x 100	5,222	26,025,400	9,135,000	8,788,100	4,613,200	1,909,900	1,579,200		26,025,400

FANCY FARM AREA OF GRAVES COUNTY WD

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	9,135,000	\$13.10	\$68,408.20
NEXT	3,000	8,788,100	3.35	29,440.14
NEXT	5,000	4,613,200	3.18	14,669.98
NEXT	10,000	1,909,900	2.98	5,691.50
OVER	20,000	1,579,200	2.70	4,263.84
Total Retail	5,222	26,025,400		\$122,473.65
Wholesale	12	8,259,300	2.17	17,922.68
TOTAL	5,234	34,284,700		\$140,396.33

HARDEMAN AREA OF GRAVES COUNTY WD

Meter Size: Hardeman

	USAGE	BILLS	GALLONS	FIRST 20	NEXT 30	NEXT 150	OVER 200	TOTAL
FIRST	20	1264	12,575	12,575				12,575
NEXT	30	1940	65,890	38,800	27,090			65,890
NEXT	150	1329	109,211	26,580	39,870	42,761		109,211
OVER	200	87	33,351	1,740	2,610	13,050	15,951	33,351
TOTALS	Gallons x 100	4,620	22,102,700	7,969,500	6,957,000	5,581,100	1,595,100	22,102,700

HARDEMAN AREA OF GRAVES COUNTY WD
REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	2,000	7,969,500	\$13.10	\$60,522.00
NEXT	3,000	6,957,000	2.75	19,131.75
NEXT	15,000	5,581,100	2.12	11,831.93
OVER	20,000	1,595,100	1.80	2,871.18
TOTAL	4,620	22,102,700		\$94,356.86

SOUTH GRAVES AREA OF GRAVES COUNTY WATER DISTRICT

Meter Size:	South Graves														
	USAGE	BILLS	GALLONS	FIRST	NEXT	30	50	NEXT	100	NEXT	300	NEXT	500	Over	TOTAL
FIRST	20	2,487	23,267	23,267											23,267
NEXT	30	3,294	113,756	65,880	47,876										113,756
NEXT	50	1,649	112,074	32,980	49,470	29,624									112,074
NEXT	100	301	39,246	6,020	9,030	15,050	9,146								39,246
NEXT	300	65	16,327	1,300	1,950	3,250	3,327								16,327
NEXT	500	5	3,341	100	150	250	500	841							3,341
OVER	1,000	3	7,491	60	90	150	300	491							7,491
TOTALS	Gallons x 100	7,801	31,550,200	12,960,700	10,856,600	4,832,400	1,644,600	572,700	234,100	449,100	31,550,200				

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE	
FIRST	2,000	7,801	12,960,700	\$14.25	\$111,164.25
NEXT	3,000		10,856,600	6.87	74,584.84
NEXT	5,000		4,832,400	6.62	31,990.49
NEXT	10,000		1,644,600	6.38	10,492.55
NEXT	30,000		572,700	5.89	3,373.20
NEXT	50,000		234,100	4.91	1,149.43
OVER	100,000		449,100	3.43	1,540.41
TOTAL	7,801	31,550,200			\$234,295.18

COST OF SERVICE STUDY

GRAVES COUNTY WATER DISTRICT
ALLOCATION OF PLANT VALUE

PHASE 1

	TOTAL	COMMODITY	DEMAND	CUSTOMER
Water Treatment Equipment	\$188,425		\$188,425	
Land & Land Rights	25,015		25,015	
Structures and Improvements	146,582		146,582	
Pumping Equipment	915,047		915,047	
Wells and Springs	1,400,000		1,400,000	
Transmission & Distribution Mains	2,414,274		2,414,274	
Power Operated Equipment	7,172		7,172	
Meters & Meter Installations	471,321			471,321
Services				0
SUBTOTAL	\$5,567,836	\$0	\$5,096,515	\$471,321
PERCENT	100.00%		91.53%	8.47%
General Plant (1)				
Transportation Equipment			0	0
Office Furniture & Equipment			0	0
Other Plant and Misc. Equipment	145		133	12
TOTAL VALUE	\$5,567,981	\$0	\$5,096,648	\$471,333

(1) General Plant allocated based on overall weighted allocation of all other plant.
Note: Figures used were derived from 2010 annual report

GRAVES COUNTY WATER DISTRICT

ALLOCATION OF DEPRECIATION EXPENSE

PHASE 1

	TOTAL	COMMODITY	DEMAND	CUSTOMER
Structures and Improvements	\$58,514		\$58,514	
Pumping Equipment	60,433		60,433	
Collecting and Impounding Reservoirs	2,731		2,731	
Wells and Springs	37,004		37,004	
Meters & Meter Installations	45,186			\$45,186
Water Treatment Equipment	83,183		83,183	
Services	2,336			2,336
Transmission & Distribution Mains	251,543		251,543	
TOTAL DEPRECIATION	\$540,930	\$0.00	\$493,408	\$47,522
PERCENT	100.00%		91.21%	8.79%

Note: Figures used were derived from 2010 annual report

GRAVES COUNTY WATER DISTRICT

ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE

PHASE 1				
	TOTAL	COMMODITY	DEMAND	CUSTOMER
Contractual services - Labor	294,070		294,070	
Contractual Services- Adm. Fee	146,846			146,846
Purchased Water	134,143	134,143		
Purchased Power	61,739	61,739		
Chemicals	61,802	61,802		
Bad Debt Expense	10,613			10,613
SUBTOTAL	709,213	257,684	294,070	157,459
LESS COMMODITY	-257,684			
SUBTOTAL	451,529		294,070	157,459
PERCENT	100.00%		65.13%	34.87%
Employee Salaries - Commissioners	15,750		10,258	5,492
Amortization Expense	1,475		961	514
Equipment Rental	21,435		13,960	7,475
Contractual Services- Eng.	26,833		17,476	9,357
Contractual Services - Materials	14,397		9,376	5,021
Materials & Supplies	29,115		18,962	10,153
Insurance General Liability	11,056		7,201	3,855
Miscellaneous Expense	9,667		6,296	3,371
TOTAL	838,941	257,684	378,559	202,698

GRAVES COUNTY WATER DISTRICT

SUMMARY OF ALLOCATIONS

PHASE 1

	TOTAL	COMMODITY	DEMAND	CUSTOMER
Plant Percentages	100.00%		91.53%	8.47%
Debt Service Payments	\$70,274		\$64,325	\$5,949
Depreciation Percentages	100.00%		91.21%	8.79%
Total Depreciation	201,857		184,123	17,734
Total Operation & Maintenance	838,941	\$257,684.00	378,559	202,698
Total Revenue Requirement	1,111,072.00	257,684.00	627,007.37	226,380.63
				-6,899.00
				-55,913.00
				\$163,568.63
Revenue Requirement from retail water sales	\$1,048,260.00	\$257,684.00	\$627,007.37	\$163,568.63

GRAVES COUNTY WATER DISTRICT

CALCULATION OF WHOLESALE RATE

Wholesale	Rate	Revenue
Gallons Sold	per 1,000	
8,259,300	\$2.17	\$17,922.68
Revenue Requirement Increase	16.12%	
8,259,300	\$2.52	\$20,813.44

GRAVES COUNTY WATER DISTRICT

SUMMARY OF ALLOCATIONS FOR RETAIL CUSTOMERS

PHASE 1

	TOTAL	COMMODITY	DEMAND	CUSTOMER
Plant Percentages	100.00%		91.53%	8.47%
Debt Service Payment	\$70,274		\$64,325	\$5,949
Depreciation Percentages	100.00%		91.21%	8.79%
Total Depreciation	201,857		184,123	17,734
Total Operation & Maintenance	838,941	257,684	378,559	202,698
Total Revenue Requirement	1,111,072	257,684	627,007	226,381
		<i>Less: Other Income</i>		-6,899
		<i>Less: Other Operating Revenue</i>		-55,913
		<i>Less: Revenue from Wholesale Customer</i>	-6,063	-14,750
Revenue Requirement from retail water sales	\$1,027,447	\$251,621	\$612,257	\$163,569

NOTES:
Wholesale Customer Revenues allocated based on percentage of the total of the Commodity and Demand components.

GRAVES COUNTY WATER DISTRICT

CALCULATION OF RETAIL WATER RATES

PHASE 1

	TOTAL	FIRST 2,000	NEXT 8,000	NEXT 10,000	NEXT 30,000	OVER 50,000
FROM BILLING ANALYSIS:						
COMMODITY PERCENTS	100.00%	37.14%	50.73%	6.59%	3.72%	1.82%
RETAIL COMMODITY SALES	179,277,700	66,587,500	90,943,200	11,819,600	6,661,700	3,265,700
PEAK DEMAND WEIGHTED FACTOR		2	1.75	1.5	1.25	1
PEAK DEMAND WEIGHTED SALES	321,647,825	133,175,000	159,150,600	17,729,400	8,327,125	3,265,700
DEMAND PERCENTS	100.00%	41.40%	49.48%	5.51%	2.59%	1.02%
COMMODITY COSTS	\$251,621.05	\$93,457.34	\$127,641.21	\$16,589.12	\$9,349.87	\$4,583.50
DEMAND COSTS	\$612,256.89	\$253,498.72	\$302,943.29	\$33,747.93	\$15,850.69	\$6,216.26
CUSTOMER COSTS	\$163,568.63	\$163,568.63				
TOTAL COSTS	\$1,027,446.56	\$510,524.68	\$430,584.51	\$50,337.05	\$25,200.56	\$10,799.76
DIVIDE BY BILLS/GALLONS		38,404	90,943,200	11,819,600	6,661,700	3,265,700
CALCULATED RATES		\$13.2935	\$4.7347	\$4.2588	\$3.7829	3.3070
RECOMMENDED RATES		FIRST 2,000	NEXT 3,000	NEXT 5,000	NEXT 10,000	Over 20,000
		\$13.30	\$4.73	\$4.26	\$3.78	\$3.30

Verification Billing Analysis for Unified Rates for:
GRAVES COUNTY WATER DISTRICT
Test Period From: January - December 2010
PHASE 1

Meter Size	Bills	Gallons Sold	Revenue
5/8 inch	38,144	174,891,600	1,007,711.15
1 inch	172	2,719,400	12,832.88
2 inch	76	1,666,700	9,709.62
Wholesale	12	8,259,300	20,813.44
Totals	38,404	187,537,000	\$1,051,067.09

Meter Size: 5/8 inch

	USAGE	BILLS	GALLONS	FIRST	NEXT	NEXT	NEXT	NEXT	NEXT	OVER	TOTAL
				20	80	100	300	500	500		
FIRST	20	9741	93,407	93,407							93,407
NEXT	80	25924	1,217,246	518,480	698,766						1,217,246
NEXT	100	1986	260,328	39,720	158,880	61,728					260,328
NEXT	300	425	118,679	8,500	34,000	42,500	33,679				118,679
OVER	500	68	59,256	1,360	5,440	6,800	20,400	25,256			59,256
TOTALS	Gallons x 100	38144	174,891,600	66,146,700	89,708,600	11,102,800	5,407,900	2,525,600			174,891,600

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	38144	66,146,700	\$13.30	\$507,315.20
NEXT		89,708,600	4.73	424,321.68
NEXT		11,102,800	4.26	47,297.93
NEXT		5,407,900	3.78	20,441.86
OVER		2,525,600	3.30	8,334.48
TOTAL	38144	174,891,600		\$1,007,711.15

Meter Size: 1 inch

	USAGE	BILLS	GALLONS	FIRST	50	NEXT	50	NEXT	100	NEXT	300	OVER	500 TOTAL
FIRST	50	79	1,915	1,915									1,915
NEXT	50	30	2,360	1,500		860							2,360
NEXT	100	34	4,283	1,700		1,700		883					4,283
NEXT	300	7	2,309	350		350		700		909			2,309
OVER	500	22	16,327	1,100		1,100		2,200		6,600		5,327	16,327
TOTALS	Gallons x 100	172	2,719,400	656,500		401,000		378,300		750,900		532,700	2,719,400

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	172	656,500	\$27.49	\$4,728.28
NEXT		401,000	4.73	1,896.73
NEXT		378,300	4.26	1,611.56
NEXT		750,900	3.78	2,838.40
OVER		532,700	3.30	1,757.91
TOTAL	172	2,719,400		\$12,832.88

Meter Size: 2 inch

	USAGE	BILLS	GALLONS	FIRST	NEXT	OVER	TOTAL
FIRST	200	50	4,364	4,364			4,364
NEXT	300	21	7,729	4,200	3,529		7,729
OVER	500	5	4,574	1,000	1,500	2,074	4,574
TOTALS	Gallons x 100	76	1,666,700	966,400	502,900	207,400	1,666,700

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	76	966,400	\$93.74	\$7,124.24
NEXT		502,900	3.78	1,900.96
OVER		207,400	3.30	684.42
TOTAL	76	1,666,700		\$9,709.62

GRAVES COUNTY WATER DISTRICT

ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE

PHASE 2

	TOTAL	COMMODITY	DEMAND	CUSTOMER
Contractual services - Labor	294,070		294,070	
Contractual Services- Adm. Fee	111,830			111,830
Purchased Water	134,143	134,143		
Purchased Power	61,739	61,739		
Chemicals	61,802	61,802		
Bad Debt Expense	10,613			10,613

SUBTOTAL	674,197	257,684	294,070	122,443
LESS COMMODITY	-257,684			
SUBTOTAL	416,513		294,070	122,443
PERCENT	100.00%		70.60%	29.40%

Employee Salaries - Commissioners	15,750		11,120	4,630
Amortization Expense	1,475		1,041	434
Equipment Rental	21,435		15,134	6,301
Contractual Services- Eng.	26,833		18,945	7,888
Contractual Services - Materials	14,397		10,165	4,232
Materials & Supplies	29,115		20,556	8,559
Insurance General Liability	11,056		7,806	3,250
Miscellaneous Expense	9,667		6,825	2,842
TOTAL	803,925	257,684	385,662	160,579

GRAVES COUNTY WATER DISTRICT

SUMMARY OF ALLOCATIONS

PHASE 2

	TOTAL	COMMODITY	DEMAND	CUSTOMER
Plant Percentages	100.00%		91.53%	8.47%
Debt Service Payments	\$119,264		\$109,168	\$10,096
Depreciation Percentages	100.00%		91.21%	8.79%
Total Depreciation	257,765		235,120	22,645
Total Operation & Maintenance	803,925	\$257,684.00	385,662	160,579
Total Revenue Requirement	1,180,954.00	257,684.00	729,949.60	193,320.40
Less: Other Income				-6,899.00
Less: Other Operating Revenue				-55,913.00
Revenue Requirement from retail water sales	\$1,118,142.00	\$257,684.00	\$729,949.60	\$130,508.40

GRAVES COUNTY WATER DISTRICT

CALCULATION OF WHOLESALE RATE

PHASE 2

Wholesale	Rate	Revenue
Gallons Sold	per 1,000	
8,259,300	\$2.52	\$20,813.44
Revenue Requirement increase	6.67%	
8,259,300	\$2.69	\$22,217.52

GRAVES COUNTY WATER DISTRICT

SUMMARY OF ALLOCATIONS FOR RETAIL CUSTOMERS

PHASE 2

	TOTAL	COMMODITY	DEMAND	CUSTOMER
Plant Percentages	100.00%		91.53%	8.47%
Debt Service Payment	\$119,264		\$109,168	\$10,096
Depreciation Percentages	100.00%		91.21%	8.79%
Total Depreciation	257,765		235,120	22,645
Total Operation & Maintenance	803,925	257,684	385,662	160,579
Total Revenue Requirement	1,180,954	257,684	729,950	193,320
	Less: Other Income			-6,899
	Less: Other Operating Revenue			-55,913
	Less: Revenue from Wholesale Customer	-6,472	-15,746	-55,913
Revenue Requirement from retail water sales	\$1,095,924	\$251,212	\$714,204	\$130,508

NOTES:
Wholesale Customer Revenues allocated based on percentage of the total of the Commodity and Demand components.

GRAVES COUNTY WATER DISTRICT
CALCULATION OF RETAIL WATER RATES

PHASE 2

	TOTAL	FIRST 2,000	NEXT 8,000	NEXT 10,000	NEXT 30,000	OVER 50,000
FROM BILLING ANALYSIS:						
COMMODITY PERCENTS	100.00%	37.14%	50.73%	6.59%	3.72%	1.82%
RETAIL COMMODITY SALES	179,277,700	66,587,500	90,943,200	11,819,600	6,661,700	3,265,700
PEAK DEMAND WEIGHTED FACTOR		2	1.75	1.5	1.25	1
PEAK DEMAND WEIGHTED SALES	321,647,825	133,175,000	159,150,600	17,729,400	8,327,125	3,265,700
DEMAND PERCENTS	100.00%	41.40%	49.48%	5.51%	2.59%	1.02%
COMMODITY COSTS	\$251,212.04	\$93,305.42	\$127,433.73	\$16,562.16	\$9,334.68	\$4,576.05
DEMAND COSTS	\$714,204.04	\$295,708.90	\$353,386.51	\$39,367.31	\$18,489.99	\$7,251.34
CUSTOMER COSTS	\$130,508.40	\$130,508.40				
TOTAL COSTS	\$1,095,924.48	\$519,522.72	\$480,820.24	\$55,929.47	\$27,824.67	\$11,827.38
DIVIDE BY BILLS/GALLONS		38,404	90,943,200	11,819,600	6,661,700	3,265,700
CALCULATED RATES		\$13.5278	\$5.2870	\$4.7319	\$4.1768	3.6217
RECOMMENDED RATES		FIRST 2,000	NEXT 3,000	NEXT 5,000	NEXT 10,000	Over 20,000
		\$13.53	\$5.28	\$4.73	\$4.18	\$3.62

Verification Billing Analysis for: GRAVES CO. WD
 Test Period From: January - December 2010

PHASE 2

Meter Size	Bills	Gallons Sold	Revenue
5/8 inch	38,144	174,891,600	1,074,013.67
1 inch	172	2,719,400	14,025.42
2 inch	76	1,666,700	10,686.23
Wholesale	12	8,259,300	22,217.52
Totals	38,404	187,537,000	\$1,120,942.83

GRAVES COUNTY WATER DISTRICT
 Meter Size: 5/8 inch

USAGE	BILLS	GALLONS	FIRST	NEXT	80	NEXT	100	NEXT	300	NEXT	500	TOTAL
FIRST	20	9741	93,407	20	93,407							93,407
NEXT	80	25924	1,217,246	518,480	698,766							1,217,246
NEXT	100	1986	260,328	39,720	158,880	61,728						260,328
NEXT	300	425	118,679	8,500	34,000	42,500	33,679					118,679
OVER	500	68	59,256	1,360	5,440	6,800	20,400	25,256				59,256
TOTALS	Gallons x 100	38144	174,891,600	66,146,700	89,708,600	11,102,800	5,407,900	2,525,600	174,891,600			

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	38144	66,146,700	\$13.53	\$516,088.32
NEXT		89,708,600	5.28	473,661.41
NEXT		11,102,800	4.73	52,516.24
NEXT		5,407,900	4.18	22,605.02
OVER		2,525,600	3.62	9,142.67
TOTAL	38144	174,891,600		\$1,074,013.67

Meter Size: 1 inch

	USAGE	BILLS	GALLONS	FIRST	50	NEXT	50	NEXT	100	NEXT	300	OVER	500	TOTAL
FIRST	50	79	1,915	1,915										1,915
NEXT	50	30	2,360	1,500	860									2,360
NEXT	100	34	4,283	1,700	1,700	883								4,283
NEXT	300	7	2,309	350	350	700	909							2,309
OVER	500	22	16,327	1,100	1,100	2,200	5,327	6,600						16,327
TOTALS	Gallons x 100	172	2,719,400	656,500	401,000	378,300	750,900	532,700						2,719,400

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	172	656,500	\$29.37	\$5,051.64
NEXT		401,000	5.28	2,117.28
NEXT		378,300	4.73	1,789.36
NEXT		750,900	4.18	3,138.76
OVER		532,700	3.62	1,928.37
TOTAL	172	2,719,400		\$14,025.42

Meter Size: 2 inch

	USAGE	BILLS	GALLONS	FIRST	NEXT	OVER	TOTAL
FIRST	200	50	4,364	4,364			4,364
NEXT	300	21	7,729	4,200	3,529		7,729
OVER	500	5	4,574	1,000	1,500	2,074	4,574
		76	1,666,700	956,400	502,900	207,400	1,666,700

REVENUE BY RATE INCREMENT

	BILLS	GALLONS	RATE	REVENUE
FIRST	20,000	956,400	\$103.07	\$7,833.32
NEXT	30,000	502,900	4.18	2,102.12
OVER	50,000	207,400	3.62	750.79
TOTAL		1,666,700		\$10,686.23

Graves County Water District
Capital Assets
FYE 12/31/2010

Description	Year of Acquisition or Improvement	Cost	Remaining/ Useful Life	Less: Salvage/ Adjusted Basis	Calculated Depreciation	Accumulated Depreciation 2009	2010	
							Current Depreciation	Accumulated Depreciation 2010
Structures & Improvements	2008	862,854.00	35	852,341.00	24,332.60	32,473.56	24,332.60	56,826.16
Collecting	2008	54,620.00	20	54,620.00	2,731.00	4,233.92	2,731.00	6,964.92
Water Treatment Equipment	2008	247,162.00	15	247,162.00	16,477.47	21,969.96	16,477.47	38,447.43
Transmission & Distribution Mains	2008	1,691,921.00	30	1,691,921.00	56,397.37	75,196.49	56,397.37	131,593.86
Meters	2008	232,563.00	15	232,563.00	15,504.20	21,418.45	15,504.20	36,922.65
Hydrants	2008	45,333.00	10	45,333.00	4,533.30	6,044.40	4,533.30	10,577.70
Tools & Small Equipment	2008	799.00	10	799.00	79.90	106.53	79.90	186.43
Transmission & Distribution Mains	2008	167,966.00	20	167,966.00	8,398.30	16,796.60	8,398.30	25,194.90
Meters	2009	6,415.63	20	6,415.63	320.78	320.78	320.78	641.56
1/2 Generator	2009	3,285.67	10	3,285.67	328.57	328.57	328.57	657.14
Transmission & Distribution Mains	2009	35,170.31	30	35,170.31	1,172.34	1,172.34	1,172.34	2,344.68
Water Treatment Equipment	2009	16,425.00	15	16,425.00	1,095.00	1,095.00	1,095.00	2,190.00
Transmission & Distribution Mains	2010	306,379.00	30	306,379.00	10,212.63	-	10,212.63	10,212.63
Structures & Improvements	2008	10,391.00	5	4,291.00	2,078.20	1,241.20	838.20	2,099.40
Wells	2008	1,289.00	5	1,289.00	257.80	466.32	257.80	724.12
Distribution	2008	6,579.00	5	6,579.00	1,315.80	1,470.88	1,315.80	2,786.68
Transmission Mains	2008	3,356.00	7	3,356.00	508.00	633.00	508.00	1,141.00
Services	2008	2,498.00	5	3,498.00	699.60	856.00	699.60	1,556.20
Meters	2008	12,453.00	5	12,453.00	2,490.60	2,944.00	2,490.60	5,435.20
Hydrants	2008	570.00	5	570.00	114.00	128.00	114.00	242.00
Furniture & Equipment	2008	793.00	5	793.00	159.00	199.00	159.00	358.00
Other Tangible Plant	2009	4,000.00	5	4,000.00	800.00	1,067.00	800.00	1,667.00
Tank Improvements	2009	4,681.70	10	4,681.70	468.17	468.17	468.17	936.34
AMI Meters	2010	54,904.70	20	54,904.70	2,745.24	-	2,745.24	2,745.24
Transmission Lines	2010	25,895.30	30	25,895.30	853.18	-	853.18	853.18
Meters	2008	189.67	8	189.67	23.00	30.67	23.00	53.67
Cap Exp	2008	962.67	17	962.67	56.00	74.67	56.00	130.67
Services	2008	278.33	18	278.33	34.00	45.33	34.00	79.33
Master Meter	2008	1,458.33	13	1,458.33	112.88	145.51	112.88	257.69
Master Meter	2008	973.67	25	973.67	38.00	50.67	38.00	88.67
Meters	2008	920.33	19	920.33	46.00	61.33	46.00	107.33
Meters	2008	4,375.00	13	4,375.00	336.54	436.54	336.54	773.08
Cap. Exp.	2008	592.00	16	592.00	36.00	48.00	36.00	84.00
Meters	2008	248.00	11	248.00	21.00	38.00	21.00	49.00
Meters	2008	341.67	13	341.67	26.00	34.67	26.00	60.67
Meters	2008	132.33	13	132.33	10.00	13.33	10.00	23.33
Meters	2008	980.00	14	980.00	69.00	92.00	69.00	161.00
Meters	2008	401.00	15	401.00	27.00	36.00	27.00	63.00
Meters	2008	255.33	16	255.33	16.00	21.33	16.00	37.33
Meters	2008	229.33	17	229.33	13.00	17.33	13.00	30.33
Meters	2008	755.33	20	755.33	46.00	61.33	46.00	107.33
Meters	2008	1,600.00	21	1,600.00	72.00	96.00	72.00	168.00
Services	2008	1,951.00	15	1,951.00	123.00	164.00	123.00	287.00
Services	2008	237.33	14	237.33	16.00	21.33	16.00	37.33
Cap. Exp.	2008	3,751.33	14	3,751.33	247.00	329.33	247.00	576.33
Cap. Exp.	2008	3,471.33	13	3,471.33	238.00	317.33	238.00	555.33
Boring	2008	367.67	13	367.67	65.00	86.67	65.00	151.67
Boring	2008	5,023.67	13	5,023.67	344.00	458.67	344.00	802.67
Gate Valves & Boxes	2008	792.33	13	792.33	55.00	73.33	55.00	128.33
Stone & Asphalt	2008	615.00	13	615.00	42.00	56.00	42.00	98.00
Services	2008	2,254.67	13	2,254.67	155.00	206.67	155.00	361.67
Services	2008	12,597.00	13	12,597.00	864.00	1,152.00	864.00	2,016.00
Flush Hydrants	2008	537.00	35	537.00	15.34	20.34	15.34	35.68
Yokes	2008	3,150.00	5	3,150.00	630.00	810.00	630.00	1,440.00
Mains	2008	2,866.67	35	2,866.67	81.90	108.37	81.90	190.47
Mains	2008	2,218.33	34	2,218.33	65.25	86.58	65.25	151.83
Mains	2008	1,126.33	33	1,126.33	34.00	45.33	34.00	79.33
Relocate Main	2008	2,496.67	33	2,496.67	74.00	98.67	74.00	172.67
Relocate Main	2008	381.33	30	381.33	16.00	21.33	16.00	37.33
Boring	2008	3,206.33	40	3,206.33	79.00	105.33	79.00	184.33
Meters	2008	418.67	30	418.67	14.00	18.67	14.00	32.67
Mains	2008	1,541.67	30	1,541.67	51.39	68.06	51.39	119.45
Mains	2008	775.33	30	775.33	25.84	32.17	25.84	58.01
Meters	2008	829.00	30	829.00	27.00	36.00	27.00	63.00
Meters	2008	1,539.67	30	1,539.67	50.00	66.67	50.00	116.67
Meters	2008	113.33	30	113.33	4.00	5.33	4.00	9.33
Recondition Pump	2008	1,083.33	10	1,083.33	108.33	141.66	108.33	249.99
System Imp	2008	70,789.33	36	70,789.33	1,975.00	2,633.33	1,975.00	4,608.33
Meters	2008	157.67	4	157.67	35.00	46.67	35.00	81.67
Meters	2008	6,472.33	27	6,472.33	232.00	309.33	232.00	541.33
Boring	2008	3,051.33	24	3,051.33	124.00	165.33	124.00	289.33
Meters	2008	949.00	19	949.00	60.00	88.00	60.00	134.00
Meters	2008	209.00	17	209.00	12.00	16.00	12.00	28.00
Meters	2008	240.67	16	240.67	14.00	18.67	14.00	32.67
Meters	2008	465.33	15	465.33	31.00	41.33	31.00	72.33
Meters	2008	94.00	14	94.00	6.00	8.00	6.00	14.00
Meters	2008	604.33	13	604.33	46.00	61.33	46.00	107.33
Meters	2008	770.00	10	770.00	75.00	100.00	75.00	175.00
Meters	2008	340.67	8	340.67	41.00	54.67	41.00	95.67
Meters	2008	121.33	6	121.33	19.00	25.33	19.00	44.33
Meters	2008	227.00	5	227.00	45.00	60.00	45.00	105.00
Booster	2008	301.67	3	301.67	80.00	106.67	80.00	186.67
Pump	2008	2,075.00	3	2,075.00	555.00	740.00	555.00	1,295.00
Chemical pump	2008	236.33	3	236.33	64.00	85.33	64.00	149.33
Cap. Exp.	2008	2,380.00	5	2,380.00	476.00	612.00	476.00	1,088.00
Pump	2008	3,647.00	7	3,647.00	465.00	620.00	465.00	1,085.00
Pump	2008	1,532.00	8	1,532.00	174.00	232.00	174.00	406.00
Tank Engineer Fees and const.	2008	71,977.67	36	71,977.67	1,928.00	2,570.67	1,928.00	4,498.67
Well	2008	67,793.00	38	67,793.00	1,746.00	2,328.00	1,746.00	4,074.00
Cap Exp	2008	1,271.00	1	1,271.00	528.00	176.00	528.00	704.00
Cap Exp	2008	181.00	2	181.00	91.00	30.32	91.00	121.32
Storage Bldg	2008	473.67	20	473.67	206.00	274.67	206.00	480.67

Relocate Main	2008	13,443.33	30	13,443.33	403.00	537.33	403.00	940.23
Mains	2008	1,315.67	31	1,315.67	41.00	54.67	41.00	95.67
Relocate Main	2008	3,519.33	30	3,519.33	106.00	141.33	106.00	247.33
Flush Hydrants	2008	1,562.00	20	1,562.00	78.10	103.10	78.10	181.20
Lines	2008	249.00	20	249.00	12.00	16.00	12.00	28.00
Lines	2008	846.33	14	846.33	58.00	77.33	58.00	135.33
Cap. Exp	2008	2,479.67	28	2,479.67	86.00	114.67	86.00	200.67
Project	2008	8,672.67	28	8,672.67	302.00	402.67	302.00	704.67
Flush Hydrants	2008	1,161.33	27	1,161.33	43.00	57.33	43.00	100.33
Boring	2008	899.33	26	899.33	34.00	45.33	34.00	79.33
Lines	2008	7,564.33	25	7,564.33	298.00	397.33	298.00	695.33
Boring	2008	470.00	29	470.00	21.00	28.00	21.00	49.00
Cap. Exp	2008	533.33	16	533.33	31.00	41.33	31.00	72.33
Cap. Exp.	2008	1,539.67	14	1,539.67	107.00	142.67	107.00	249.67
Cap. Exp	2008	16,041.67	13	16,041.67	1,100.00	1,466.67	1,100.00	2,566.67
Casing	2008	1,965.00	13	1,965.00	135.00	180.00	135.00	315.00
Mains	2008	76,010.33	13	76,010.33	8,185.00	10,654.42	8,185.00	18,839.42
Project	2008	89,867.33	23	89,867.33	2,407.00	3,209.33	2,407.00	5,616.33
Tank Cont	2008	9,486.33	7	9,486.33	1,210.00	1,613.33	1,210.00	2,823.33
Mechanical Tank	2008	24,109.00	7	24,109.00	3,078.00	4,104.00	3,078.00	7,182.00
Tank Const.	2008	247,833.67	37	247,833.67	6,638.00	8,850.67	6,638.00	15,488.67
Tank Const.	2008	25,439.67	7	25,439.67	3,212.00	4,282.67	3,212.00	7,494.67
Boring	2008	4,924.33	32	4,924.33	157.00	209.33	157.00	366.33
pump	2008	4,636.33	32	4,636.33	148.00	197.33	148.00	345.33
Cap. Exp.	2008	9,883.33	32	9,883.33	316.00	421.33	316.00	737.33
Non Depreciable Land	2008	10,020.00	0	10,020.00	-	-	-	-
Pumps	2008	17,409.39	15	17,409.39	901.58	1,201.20	901.58	2,102.78
Cap. Ex.	2008	11,268.33	16	11,268.33	704.27	941.60	704.27	1,645.87
Cap. Ex.	2008	14,000.00	32	14,000.00	437.50	582.50	437.50	1,020.00
Cap. Ex.	2008	28,324.67	33	28,324.67	858.32	1,141.99	858.32	2,000.31
Cap. Ex.	2008	6,620.00	34	6,620.00	194.71	257.74	194.74	452.48
Pump	2008	206.67	26	206.67	7.95	10.62	7.95	18.57
Compressor	2008	267.00	4	267.00	66.75	85.75	66.75	152.50
Engineer	2008	133.67	26	133.67	5.14	6.81	5.14	11.95
Equipment	2008	1,172.00	16	1,172.00	73.25	140.25	73.25	213.50
Fees	2008	3,577.67	29	3,577.67	123.37	163.04	123.37	286.41
Hydrants	2008	1,588.33	6	1,588.33	264.72	328.05	264.72	592.77
Hydrants	2008	4,419.00	37	4,419.00	119.43	170.43	119.43	289.86
Hydrants	2008	87.33	17	87.33	5.14	6.47	5.14	11.61
Hydrants	2008	497.33	16	497.33	31.08	40.41	31.08	71.49
Hydrants	2008	737.00	8	737.00	92.13	117.13	92.13	209.26
Lines	2008	495.00	26	495.00	19.04	23.04	19.04	44.08
Lines	2008	9,412.00	36	9,412.00	261.44	378.44	261.44	639.88
Lines	2008	8,086.33	35	8,086.33	231.04	306.37	231.04	537.41
Mains	2008	235,197.83	19	235,197.83	12,378.83	120.20	12,378.83	12,499.03
Mains	2008	1,697.33	19	1,697.33	89.33	116.66	89.33	205.99
Mains	2008	1,717.33	13	1,717.33	152.10	170.43	152.10	302.53
Mains	2008	1,369.67	8	1,369.67	171.21	213.88	171.21	385.09
Mains	2008	38,281.33	6	38,281.33	6,380.22	8,469.55	6,380.22	14,849.77
Mains	2008	471.67	32	471.67	14.74	32.41	14.74	47.15
Mains	2008	1,313.67	26	1,313.67	50.53	66.20	50.53	116.73
Mains	2008	862.67	25	862.67	34.51	45.18	34.51	79.69
Mains	2008	2,895.00	10	2,895.00	289.50	368.50	289.50	658.00
Mains	2008	583.67	21	583.67	27.79	36.46	27.79	64.25
Meters	2008	960.00	5	960.00	192.00	252.00	192.00	444.00
Meters	2008	121.00	4	121.00	30.25	38.25	30.25	68.50
Meters	2008	79.67	32	79.67	2.49	5.16	2.49	7.65
Meters	2008	730.00	29	730.00	25.17	33.17	25.17	58.34
Meters	2008	21,403.33	28	21,403.33	764.40	1,167.73	764.40	1,932.13
Meters	2008	1,252.00	27	1,252.00	46.37	61.37	46.37	107.74
Meters	2008	225.00	5	225.00	45.00	43.00	45.00	90.00
Meter-milbum	2008	265.33	4	265.33	66.33	84.66	66.33	150.99
Land	2008	14,925.00	-	14,925.00	-	-	-	-
Pipe	2008	32,732.67	39	32,732.67	839.30	1,110.97	839.30	1,950.27
Pipe	2008	8,841.33	37	8,841.33	238.95	381.28	238.95	620.23
Pump	2008	7,996.00	27	7,996.00	296.15	392.15	296.15	688.30
Pump	2008	1,029.33	27	1,029.33	38.12	50.85	38.12	88.97
Pump	2008	1,933.00	26	1,933.00	74.35	98.35	74.35	172.70
Tank	2008	362.00	4	362.00	90.50	115.50	90.50	206.00
Tower	2008	540.67	26	540.67	20.80	27.07	20.80	29.27
Tower	2008	38,311.00	9	38,311.00	4,256.78	5,335.78	4,256.78	9,592.56
Tower	2008	254,632.50	20	254,632.50	12,731.63	18,893.56	12,731.63	31,625.19
Well	2008	3,838.67	7	3,838.67	834.10	1,124.77	834.10	1,958.87
Well	2008	221.33	2	221.33	110.67	221.33	110.67	221.33
Well	2008	10,287.67	20	10,287.67	514.98	679.05	514.98	1,193.43
Transmission & Distribution	2008	23,028.98	20	23,028.98	1,151.45	1,727.18	1,151.45	2,878.63
Transmission & Distribution	2009	64,485.00	20	64,485.00	3,224.25	3,224.25	3,224.25	6,448.50
30 FT pole	2009	145.00	5	145.00	29.00	29.00	29.00	38.00
Well	2010	16,755.00	20	16,755.00	837.75	-	837.75	837.75
		<u>\$ 5,567,981.00</u>		<u>\$ 5,551,368.00</u>	<u>\$ 246,166.42</u>	<u>\$ 296,091.00</u>	<u>\$ 244,835.00</u>	<u>\$ 540,926.09</u>
2010 Additions to Plant								
Transmission & Distribution Mains	2010	306,379.00	30	306,379.00	10,212.63	-	10,212.63	10,212.63
AMI Meters	2010	54,904.70	20	54,904.70	2,745.24	-	2,745.24	2,745.24
Transmission Lines	2010	25,595.30	30	25,595.30	853.18	-	853.18	853.18
Well	2010	16,755.00	20	16,755.00	837.75	-	837.75	837.75
		<u>403,634.00</u>		<u>403,634.00</u>	<u>14,648.80</u>	<u>-</u>	<u>14,648.80</u>	<u>14,648.80</u>

Trace to General Ledger and Invoices

SOI: Prior Year Merger, Current Year Additions and General Ledger
 Purpose: To determine if Capital Assets and Depreciation appear reasonable
 Conclusion: Depreciation appears reasonable

Graves County Water District
 Depreciation Schedule
 Test Year Ended 12/31/2010

	Total at August 31, 2008		Plant Additions Subsequent to Merger				Pro forma Water Depreciable Basis Phase 1	Phase 1 Water Depreciation Life Assigned	Phase 1 Annual Expense
	Plant in Service	Accumulated Depreciation	2009	2010	Interconnection with Mayfield 2011	AMI Meters			
Organization	\$ 66,736	\$ 33,354							
Franchises	7,921				\$ 659				
Land and Land Rights	28,329								
Structures and Improvements	1,467,600	235,691							
Collecting and Impounding Reservoirs	54,620	88,226		\$ 16,755					
Lakes, Rivers and Other Intakes	88,226	88,226							
Wells and Springs	314,737	252,369							
Power Generation Equipment	17,141	17,141			2,410				
Pumping Equipment	130,620	118,039	16,425						
Water Treatment Equipment	460,686	197,106							
Distribution Reservoirs and Standpipes	939,102	391,751			652,708				
Transmission and Distribution Mains	3,821,634	1,633,494	99,655	331,974					
Services	214,456	170,867							
Meters and Meter Installations	494,867	265,577	6,416	54,905					
AMI project, Former Hardeman District						157,414			
Hydrants	44,770	41,606							
Other Plant and Miscellaneous Equipment	17,090	2,100							
Office Furniture and Equipment	54,729	53,934							
Transportation Equipment Stores Equipment	10,750	1,080							
Tools, Shop and Garage Equipment	2,158	1,359	3,431						
Other Tangible Plant	4,000								
	1,564,569	1,042,904							
Totals	\$ 9,804,941	\$ 4,546,598	\$ 125,927	\$ 403,634	\$ 655,777	\$ 157,414	\$ 119,836	\$ 9,514,535	
Net Plant		\$ 5,258,343							
									Less: Test Year Decrease
									\$ 201,857
									(244,839)
									\$ (42,982)

Phase 2 Depreciation Adjustment

Total Estimated Cost of AMI Project. See Page 8 of 92 of
 Application filed in Case No. 2011-00233
 Less: AMI Project Installed as of December 31, 2011

Phase 2 Depreciable Basis
 Divide by: Depreciable Life
 Increase

\$ 1,330,491
 (212,319)
 1,118,172
 20
 \$ 55,909

KENTUCKY INFRASTRUCTURE AUTHORITY
REPAYMENT SCHEDULE
LOAN #B05-04
Fancy Farm Water District
Final - After Pay Down

0.48% Rate
\$10,439.20 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Balance
12/01/06	\$14,232.62	\$1,432.26	0.48%	\$15,664.88	\$596.78	\$0.00	\$16,261.66	\$592,543.73
06/01/07	\$14,266.78	\$1,398.10	0.48%	\$15,664.88	\$592.54	\$0.00	\$16,247.42	\$586,276.95
12/01/07	\$14,301.02	\$1,363.86	0.48%	\$15,664.88	\$588.28	\$0.00	\$16,233.16	\$579,975.93
06/01/08	\$14,335.34	\$1,329.54	0.48%	\$15,664.88	\$583.98	\$0.00	\$16,204.52	\$573,640.59
12/01/08	\$14,369.74	\$1,295.14	0.48%	\$15,664.88	\$579.64	\$0.00	\$16,190.15	\$567,268.53
06/01/09	\$14,404.23	\$1,260.65	0.48%	\$15,664.88	\$575.27	\$0.00	\$16,175.00	\$560,856.63
12/01/09	\$170,421.00	\$0.00	0.00%	\$170,421.00	\$0.00	\$0.00	\$170,421.00	\$330,423.49
06/01/09	\$170,421.00	\$0.00	0.00%	\$170,421.00	\$0.00	\$0.00	\$170,421.00	\$11,154.01
12/01/09	\$9,622.13	\$1,021.01	0.48%	\$10,643.15	\$510.87	\$0.00	\$10,770.02	\$21,770.27
06/01/10	\$9,615.22	\$793.98	0.48%	\$10,439.20	\$330.82	\$0.00	\$10,770.02	\$31,509.90
12/01/10	\$9,668.37	\$770.83	0.48%	\$10,439.20	\$321.18	\$0.00	\$10,750.71	\$30,181.32
06/01/11	\$9,691.58	\$747.62	0.48%	\$10,439.20	\$311.51	\$0.00	\$10,744.02	\$28,103.48
12/01/11	\$9,714.84	\$724.36	0.48%	\$10,439.20	\$301.82	\$0.00	\$10,731.30	\$26,365.33
06/01/12	\$9,738.15	\$701.05	0.48%	\$10,439.20	\$292.10	\$0.00	\$10,721.57	\$24,603.81
12/01/12	\$9,761.52	\$677.68	0.48%	\$10,439.20	\$282.37	\$0.00	\$10,711.80	\$22,818.86
06/01/13	\$9,784.95	\$654.25	0.48%	\$10,439.20	\$272.60	\$0.00	\$10,702.02	\$21,010.43
12/01/13	\$9,808.43	\$630.77	0.48%	\$10,439.20	\$262.82	\$0.00	\$10,692.21	\$243,179.45
06/01/14	\$9,831.97	\$607.23	0.48%	\$10,439.20	\$253.01	\$0.00	\$10,682.38	\$233,322.88
12/01/14	\$9,855.57	\$583.63	0.48%	\$10,439.20	\$243.18	\$0.00	\$10,672.52	\$223,373.55
06/01/15	\$9,879.23	\$559.97	0.48%	\$10,439.20	\$233.32	\$0.00	\$10,662.64	\$213,540.71
12/01/15	\$9,902.94	\$536.26	0.48%	\$10,439.20	\$223.44	\$0.00	\$10,652.74	\$203,692.74
06/01/16	\$9,926.70	\$512.50	0.48%	\$10,439.20	\$213.54	\$0.00	\$10,642.82	\$193,663.48
12/01/16	\$9,950.53	\$488.67	0.48%	\$10,439.20	\$203.61	\$0.00	\$10,632.86	\$183,689.07
06/01/17	\$9,974.41	\$464.79	0.48%	\$10,439.20	\$193.66	\$0.00	\$10,622.89	\$173,690.72
12/01/17	\$9,998.35	\$440.85	0.48%	\$10,439.20	\$183.69	\$0.00	\$10,612.89	\$163,668.38
06/01/18	\$10,022.34	\$416.88	0.48%	\$10,439.20	\$173.69	\$0.00	\$10,602.87	\$153,621.97
12/01/18	\$10,046.40	\$392.80	0.48%	\$10,439.20	\$163.67	\$0.00	\$10,592.82	\$143,551.46
06/01/19	\$10,070.51	\$368.69	0.48%	\$10,439.20	\$153.62	\$0.00	\$10,582.75	\$133,456.78
12/01/19	\$10,094.68	\$344.52	0.48%	\$10,439.20	\$143.55	\$0.00	\$10,572.66	\$123,337.88
06/01/20	\$10,118.90	\$320.30	0.48%	\$10,439.20	\$133.46	\$0.00	\$10,562.54	\$113,194.69
12/01/20	\$10,143.19	\$296.01	0.48%	\$10,439.20	\$123.34	\$0.00	\$10,552.40	\$103,027.16
06/01/21	\$10,167.53	\$271.67	0.48%	\$10,439.20	\$113.19	\$0.00	\$10,542.23	\$92,835.23
12/01/21	\$10,191.93	\$247.27	0.48%	\$10,439.20	\$103.03	\$0.00	\$10,532.04	\$82,618.83
06/01/22	\$10,216.40	\$222.80	0.48%	\$10,439.20	\$92.84	\$0.00	\$10,521.82	\$72,377.92
12/01/22	\$10,240.91	\$198.29	0.48%	\$10,439.20	\$82.62	\$0.00	\$10,511.68	\$62,112.42
06/01/23	\$10,265.49	\$173.71	0.48%	\$10,439.20	\$72.38	\$0.00	\$10,501.31	\$51,822.29
12/01/23	\$10,290.13	\$149.07	0.48%	\$10,439.20	\$62.11	\$0.00	\$10,491.82	\$41,507.46
06/01/24	\$10,314.83	\$124.37	0.48%	\$10,439.20	\$51.82	\$0.00	\$10,480.71	\$31,187.88
12/01/24	\$10,339.58	\$99.62	0.48%	\$10,439.20	\$41.51	\$0.00	\$10,470.37	\$20,803.48
06/01/25	\$10,364.40	\$74.80	0.48%	\$10,439.20	\$31.17	\$0.00	\$10,460.00	\$10,414.21
12/01/25	\$10,389.27	\$49.93	0.48%	\$10,439.20	\$20.80	\$0.00	\$10,449.62	(\$0.00)
06/01/26	\$10,414.21	\$24.99	0.48%	\$10,439.20	\$10.41	\$0.00	\$10,449.62	
Totals	\$596,776.35	\$22,770.70		\$619,547.05	\$9,573.24	\$0.00	\$629,120.30	

Created by KIA on 8/26/2009

Reserve = 5% of original loan
\$ 29,838.81

KENTUCKY INFRASTRUCTURE AUTHORITY
REPAYMENT SCHEDULE
LOAN #B07-03
Graves County Water District
ESTIMATE

0.40% Rate
\$25,858.85 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R & H Reserve	Total Reserve
12/01/09	\$24,160.54	\$1,698.31	0.40%	\$25,858.85	\$649.15	\$0.00	\$26,708.01	\$824,993.46		\$
06/01/10	\$24,208.86	\$1,649.99	0.40%	\$25,858.85	\$624.99	\$0.00	\$26,683.85	\$800,764.60		\$
12/01/10	\$24,257.28	\$1,601.57	0.40%	\$25,858.85	\$600.78	\$0.00	\$26,659.64	\$776,527.31		\$
06/01/11	\$24,305.80	\$1,553.05	0.40%	\$25,858.85	\$76.53	\$0.00	\$26,635.38	\$752,221.51		\$
12/01/11	\$24,354.41	\$1,504.44	0.40%	\$25,858.85	\$752.22	\$0.00	\$26,611.07	\$727,857.10		\$
06/01/12	\$24,403.12	\$1,455.73	0.40%	\$25,858.85	\$727.87	\$0.00	\$26,586.72	\$703,463.98		\$
12/01/12	\$24,451.92	\$1,408.93	0.40%	\$25,858.85	\$703.48	\$0.00	\$26,562.32	\$679,012.08		\$
06/01/13	\$24,500.93	\$1,359.02	0.40%	\$25,858.85	\$679.01	\$0.00	\$26,537.86	\$654,511.23		\$
12/01/13	\$24,549.83	\$1,309.02	0.40%	\$25,858.85	\$654.51	\$0.00	\$26,513.36	\$629,961.39		\$
06/01/14	\$24,598.93	\$1,259.92	0.40%	\$25,858.85	\$629.96	\$0.00	\$26,488.81	\$605,362.46		\$
12/01/14	\$24,648.13	\$1,210.72	0.40%	\$25,858.85	\$605.98	\$0.00	\$26,464.21	\$580,714.33		\$
06/01/15	\$24,697.42	\$1,161.43	0.40%	\$25,858.85	\$580.71	\$0.00	\$26,439.57	\$556,016.91		\$
12/01/15	\$24,746.82	\$1,112.03	0.40%	\$25,858.85	\$556.02	\$0.00	\$26,414.87	\$531,270.09		\$
06/01/16	\$24,796.31	\$1,062.54	0.40%	\$25,858.85	\$531.27	\$0.00	\$26,390.12	\$506,473.77		\$
12/01/16	\$24,845.90	\$1,012.95	0.40%	\$25,858.85	\$506.47	\$0.00	\$26,365.33	\$481,627.87		\$
06/01/17	\$24,895.59	\$963.26	0.40%	\$25,858.85	\$481.63	\$0.00	\$26,340.48	\$456,732.28		\$
12/01/17	\$24,945.39	\$913.46	0.40%	\$25,858.85	\$456.73	\$0.00	\$26,315.68	\$431,786.89		\$
06/01/18	\$24,995.28	\$863.57	0.40%	\$25,858.85	\$431.79	\$0.00	\$26,290.64	\$406,791.61		\$
12/01/18	\$25,045.27	\$813.58	0.40%	\$25,858.85	\$406.79	\$0.00	\$26,265.64	\$381,746.33		\$
06/01/19	\$25,095.36	\$763.49	0.40%	\$25,858.85	\$381.75	\$0.00	\$26,240.60	\$356,650.97		\$
12/01/19	\$25,145.65	\$713.30	0.40%	\$25,858.85	\$356.65	\$0.00	\$26,215.60	\$331,505.42		\$
06/01/20	\$25,195.84	\$663.01	0.40%	\$25,858.85	\$331.51	\$0.00	\$26,190.36	\$306,309.58		\$
12/01/20	\$25,246.23	\$612.62	0.40%	\$25,858.85	\$306.31	\$0.00	\$26,165.16	\$281,063.35		\$
06/01/21	\$25,296.72	\$562.13	0.40%	\$25,858.85	\$281.06	\$0.00	\$26,139.92	\$255,766.63		\$
12/01/21	\$25,347.32	\$511.53	0.40%	\$25,858.85	\$256.77	\$0.00	\$26,114.62	\$230,419.30		\$
06/01/22	\$25,398.01	\$460.84	0.40%	\$25,858.85	\$230.42	\$0.00	\$26,089.27	\$205,021.29		\$
12/01/22	\$25,448.81	\$410.04	0.40%	\$25,858.85	\$205.02	\$0.00	\$26,063.87	\$179,572.48		\$
06/01/23	\$25,499.71	\$359.14	0.40%	\$25,858.85	\$179.57	\$0.00	\$26,038.42	\$154,072.77		\$
12/01/23	\$25,550.70	\$308.15	0.40%	\$25,858.85	\$154.07	\$0.00	\$26,012.92	\$128,522.07		\$
06/01/24	\$25,601.81	\$257.04	0.40%	\$25,858.85	\$128.52	\$0.00	\$25,987.37	\$102,920.25		\$
12/01/24	\$25,653.01	\$205.84	0.40%	\$25,858.85	\$102.92	\$0.00	\$25,961.77	\$77,267.24		\$
06/01/25	\$25,704.32	\$154.53	0.40%	\$25,858.85	\$77.27	\$0.00	\$25,936.12	\$51,562.92		\$
12/01/25	\$25,755.72	\$103.13	0.40%	\$25,858.85	\$51.56	\$0.00	\$25,910.41	\$25,910.41		\$
06/01/26	\$25,807.20	\$51.61	0.40%	\$25,858.85	\$25.81	\$0.00	\$25,884.66	(\$0.00)		\$
Totals	\$849,154.00	\$30,046.62		\$879,200.56	\$75,023.48	\$0.00	\$684,224.44		\$0.00	

Created by K/A on 8/21/2009

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAIRMENT SCHEDULE
 LOAN #A B11-02
 GRAVES COUNTY WATER DISTRICT
 PRELIMINARY

2.00% Rate
 \$23,755.37 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Total Payment	Principal Balance	R & M Reserve	Total Reserve
06/01/12	\$15,955.37	\$7,800.00	2.00%	\$23,755.37	\$780.00	\$24,535.37	\$780,000.00	\$0.00	\$0.00
12/01/12	\$16,114.92	\$7,640.45	2.00%	\$23,755.37	\$764.04	\$24,519.41	\$747,929.71	\$2,500.00	\$2,500.00
06/01/13	\$16,276.07	\$7,479.30	2.00%	\$23,755.37	\$747.93	\$24,503.30	\$714,553.62	\$0.00	\$2,500.00
12/01/13	\$16,438.83	\$7,316.54	2.00%	\$23,755.37	\$731.65	\$24,487.02	\$715,214.81	\$2,500.00	\$5,000.00
06/01/14	\$16,603.22	\$7,152.15	2.00%	\$23,755.37	\$715.21	\$24,470.58	\$698,611.80	\$0.00	\$5,000.00
12/01/14	\$16,769.25	\$6,986.12	2.00%	\$23,755.37	\$698.61	\$24,453.98	\$681,842.35	\$2,500.00	\$7,500.00
06/01/15	\$16,936.34	\$6,818.42	2.00%	\$23,755.37	\$681.84	\$24,437.21	\$664,905.30	\$0.00	\$7,500.00
12/01/15	\$17,106.31	\$6,649.05	2.00%	\$23,755.37	\$664.91	\$24,420.27	\$647,799.09	\$2,500.00	\$10,000.00
06/01/16	\$17,277.38	\$6,477.99	2.00%	\$23,755.37	\$647.80	\$24,403.17	\$630,521.71	\$0.00	\$10,000.00
12/01/16	\$17,450.15	\$6,305.22	2.00%	\$23,755.37	\$630.52	\$24,385.89	\$613,071.57	\$2,500.00	\$12,500.00
06/01/17	\$17,624.65	\$6,130.72	2.00%	\$23,755.37	\$613.07	\$24,368.44	\$595,446.91	\$0.00	\$12,500.00
12/01/17	\$17,800.90	\$5,954.47	2.00%	\$23,755.37	\$595.45	\$24,350.81	\$577,646.02	\$2,500.00	\$15,000.00
06/01/18	\$18,158.70	\$5,776.46	2.00%	\$23,755.37	\$577.65	\$24,333.01	\$559,657.11	\$0.00	\$15,000.00
12/01/18	\$18,340.28	\$5,415.08	2.00%	\$23,755.37	\$559.67	\$24,315.03	\$541,508.42	\$2,500.00	\$17,500.00
06/01/19	\$18,523.69	\$5,231.66	2.00%	\$23,755.37	\$541.51	\$24,296.87	\$523,168.13	\$0.00	\$17,500.00
12/01/19	\$18,708.92	\$5,046.44	2.00%	\$23,755.37	\$523.17	\$24,278.53	\$504,644.45	\$2,500.00	\$20,000.00
06/01/20	\$18,896.01	\$4,859.36	2.00%	\$23,755.37	\$504.64	\$24,260.01	\$485,935.53	\$0.00	\$20,000.00
12/01/20	\$19,084.97	\$4,670.40	2.00%	\$23,755.37	\$485.94	\$24,241.30	\$467,038.52	\$2,500.00	\$22,500.00
06/01/21	\$19,275.82	\$4,479.55	2.00%	\$23,755.37	\$467.04	\$24,222.41	\$447,954.54	\$0.00	\$22,500.00
12/01/21	\$19,468.58	\$4,286.79	2.00%	\$23,755.37	\$447.95	\$24,203.32	\$428,678.72	\$2,500.00	\$25,000.00
06/01/22	\$19,663.26	\$4,092.10	2.00%	\$23,755.37	\$428.68	\$24,184.05	\$409,210.14	\$0.00	\$25,000.00
12/01/22	\$19,859.90	\$3,896.47	2.00%	\$23,755.37	\$409.21	\$24,164.58	\$389,546.88	\$2,500.00	\$25,000.00
06/01/23	\$19,859.90	\$3,896.47	2.00%	\$23,755.37	\$389.55	\$24,144.91	\$369,686.98	\$0.00	\$25,000.00
12/01/23	\$20,058.50	\$3,696.87	2.00%	\$23,755.37	\$369.69	\$24,125.05	\$349,628.48	\$2,500.00	\$25,000.00
06/01/24	\$20,259.08	\$3,496.28	2.00%	\$23,755.37	\$349.63	\$24,104.99	\$329,369.40	\$0.00	\$25,000.00
12/01/24	\$20,461.67	\$3,293.69	2.00%	\$23,755.37	\$329.37	\$24,084.74	\$308,907.73	\$2,500.00	\$25,000.00
06/01/25	\$20,666.29	\$3,089.08	2.00%	\$23,755.37	\$308.91	\$24,064.27	\$288,241.44	\$0.00	\$25,000.00
12/01/25	\$20,872.95	\$2,882.41	2.00%	\$23,755.37	\$288.24	\$24,043.61	\$267,368.49	\$2,500.00	\$25,000.00
06/01/26	\$21,081.68	\$2,673.68	2.00%	\$23,755.37	\$267.37	\$24,022.73	\$246,286.61	\$0.00	\$25,000.00
12/01/26	\$21,292.50	\$2,462.87	2.00%	\$23,755.37	\$246.29	\$24,001.65	\$224,984.31	\$2,500.00	\$25,000.00
06/01/27	\$21,505.42	\$2,249.94	2.00%	\$23,755.37	\$224.98	\$23,980.36	\$203,488.89	\$0.00	\$25,000.00
12/01/27	\$21,720.48	\$2,034.89	2.00%	\$23,755.37	\$203.49	\$23,958.86	\$181,768.41	\$2,500.00	\$25,000.00
06/01/28	\$21,937.68	\$1,817.68	2.00%	\$23,755.37	\$181.77	\$23,937.13	\$159,830.73	\$0.00	\$25,000.00
12/01/28	\$22,157.06	\$1,598.31	2.00%	\$23,755.37	\$159.63	\$23,915.20	\$137,673.67	\$2,500.00	\$25,000.00
06/01/29	\$22,378.63	\$1,376.74	2.00%	\$23,755.37	\$137.67	\$23,893.34	\$115,295.92	\$0.00	\$25,000.00
12/01/29	\$22,602.42	\$1,152.95	2.00%	\$23,755.37	\$115.30	\$23,870.66	\$92,692.52	\$2,500.00	\$25,000.00
06/01/30	\$22,828.44	\$898.93	2.00%	\$23,755.37	\$92.69	\$23,848.06	\$69,864.18	\$0.00	\$25,000.00
12/01/30	\$23,056.72	\$688.07	2.00%	\$23,755.37	\$68.86	\$23,825.23	\$46,807.46	\$2,500.00	\$25,000.00
06/01/31	\$23,287.29	\$488.04	2.00%	\$23,755.37	\$48.81	\$23,802.17	\$23,520.16	\$0.00	\$25,000.00
12/01/31	\$23,520.16	\$235.20	2.00%	\$23,755.37	\$23.52	\$23,778.89	\$0.00	\$0.00	\$25,000.00
Totals	\$720,000.00	\$170,214.66		\$890,214.66	\$17,021.47	\$907,236.12		\$25,000.00	

Created by KVA on 9/7/2011

From Case 2011-390