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IN THE TENNESSEE REGULATORY AUTHORITY

AT NASHVILLE, TENNESSEE T.R.A. DOCKET ROOM

RE:

**BERRY'S CHAPEL UTILITY, INC.'s  
PETITION FOR ADJUSTMENT OF  
RATES**

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**DOCKET NO. 11-00198**

**DISCOVERY REQUEST OF THE CONSUMER ADVOCATE AND PROTECTION  
DIVISION TO BERRY'S CHAPEL UTILITY, INC.**

To: Berry's Chapel Utility Inc.  
c/o Henry Walker, Esq.  
Bradley Arant Boult Cummings LLP  
1600 Division Street, Suite 700  
PO Box 340025  
Nashville, Tennessee 37203

### **DISCOVERY REQUESTS**

1. The Consumer Advocate incorporates the Data Request filed by the TRA Staff on January 10, 2012, in this Docket No. 11-00198 as if fully stated herein, and expressly reserves the right to seek supplemental responses and/or file a motion to compel if the Consumer Advocate determines that any responses to the Data Request are inadequate or incomplete.

**RESPONSE: Noted.**

2. Please provide electronic copies (preferably in Microsoft Excel format) of any and all exhibits filed with, or in relation to, Lynwood's Petition to Change and Increase Rates and Charges, as well as the testimony of Tyler Ring and James B. Ford.

**RESPONSE: Noted. Berry's Chapel Petition as Lynwood is no longer a corporate entity. Will also provide Scott Davis Information. See: COMPANY STATEMENT ON DATA attached.**

3. Identify any and all expert witnesses the Company intends to call in support of the petition in this docket, and for each expert witness:

- (a) Identify the field in which the witness is to be offered as an expert;
- (b) Provide complete background information, including the witness's current employer, as well as his or her educational, professional and employment history, and qualifications within the field in which the witness is expected to testify;

- (c) Identify all publications written or presentations presented in whole or in part by the witness, including either a copy of all such publications and presentations or a reference\_ to where such publications and presentations may be publicly obtained;
- (d) Provide the grounds (including without limitation any factual bases) for the opinions to which the witness is expected to testify, and provide a summary of the grounds for each such opinion;
- (e) Identify any matter in which the expert has testified (through deposition or otherwise) by specifying the name, docket number and forum of each case, the dates of the prior testimony and the subject of the prior testimony, and identify the transcripts of any such testimony;
- (f) Identify the terms of the retention or engagement of each expert including but not limited to the terms of any retention or engagement letters or agreements relating to his/her engagement, testimony, and opinions as well as the compensation to be paid for the testimony and opinions;
- (g) Identify any exhibits to be used as a summary of or support for the testimony or opinions provided by the expert; and
- (h) Please produce copies of all documents, summaries, charts, trade articles, journals, treatises, publications, workpapers, and file notes produced by any proposed expert witness in evaluating, reaching conclusions or formulating an opinion in this matter.

**RESPONSE:** Tyler L. Ring                      **Management & Engineering Matters**  
James B. Ford                      **Accounting & Financial Matters**  
Scott Davis                      **Operations and Maintenance, TDEC Matters**

4. Identify any and all non-expert witnesses the Company intends to call in support of the petition in this docket and any position(s) their testimony is intended to support.

**RESPONSE: None.**

5. Provide a narrative description of the Company's processes for computing, recording and crediting customer monthly bills that includes the following.

a. What software does the Company use for customer billing?

What accounting software does the Company use to record customer charges and credits?

The process and lag dates that the Company uses to collect the customer meter readings from the local water utility.

The name of the individual or individuals that carry out the monthly bill calculation and revenue accounting for the Company. Are these individuals employees of Lynwood? At what offices are these functions carried out?

Make the Company's accounting and billing software available for on-site inspection by the CAPD.

**RESPONSE: See RESPONSE TO REQUEST #5 attached.**

6. Provide a copy of the Company's monthly hilling register from January 2008 through December 2011 in Excel format. This response should include the customer account number, billing date, payment receipt date, sales volume, bill amount, payment amount, late fees, taxes, and any other charges or fees added to the customer's bill.

**RESPONSE: See RESPONSE TO REQUEST #5 attached. This information is performed by an outside billing company. BCUI only started with 484 customers in May of 2011. The remaining customers are still billed by billing company.**

7. Provide the number of monthly bad check charges that the Company has assessed since October 1, 2009.

**RESPONSE: Only 1 since October 2009.**

8. Provide a copy of the Company's chart of accounts.

**RESPONSE: See RESPONSE TO TRA STAFF REQUEST #6.**

9. Provide a detail level monthly income statement from January 2008 through December 2011.

**RESPONSE: See RESPONSE TO TRA STAFF REQUEST #6.**

10. Provide a detail level monthly balance sheet from January 31, 2008 through December 31, 2011.

**RESPONSE: See RESPONSE TO TRA STAFF REQUEST #6.**

11. Provide a calculation of the tap fees charged to any non-residential customer since January 2008 that were based upon peak daily usage.

**RESPONSE: None.**

12. Provide a summary narrative of all amounts charged to and received from the Company's customers for the odorization surcharge of \$038/1,000 gallons that was approved in Docket 08-00060. This narrative should include the customer accounts surcharged, the time period that the surcharge remained in effect for each customer and the income statement and balance sheet accounts and amounts that were debited and credited.

**RESPONSE: See TRA filing report on Odor Control for this information.**

13. Provide a summary narrative of all amounts charged to and received from the Company's customers for the unilateral rate increase of \$20 per month that was implemented by the Company as disclosed in Docket 11-00005, but not approved by the TRA. This narrative should include the customer accounts surcharged, the time period that the surcharge remained in effect for each customer and the income statement and balance sheet accounts and amounts that were debited and credited.

**RESPONSE:  $840 \times 20 \times 5 = \$84,000$  charged to Revenues then offset as a credit to deferred flood damage.**

14. Provide a copy of the Company's bank statements from January 2008 through December 2011.

**RESPONSE: This information is available at Company's office for staff's on-site visit.**

15. Please explain the rationale for using different test periods for expenses (Aug. 2011) and revenues (Mar. 2011). (Jim Ford direct testimony, page 5 lines 70, 71, & 79-80.)

**RESPONSE: Historical volumes were used to determine Normalized Revenues while actual expenses for the test period are used.**

16. Please provide the historical volumes for the last twelve months ending June 30, 2011 using current rates.

**RESPONSE: See TRA Staff Request #22.**

17. Please provide documentation that supports the \$6,620 amount for purchased sewage treatment and explain how this category has increased by 160% since the 2009 TRA final order in Docket No. 09-00034.

**RESPONSE: See SUMMARY OF RATE CASE EXPENSES and supporting schedule.**

18. Please provide documentation that supports the \$55,269 amount for sludge removal and explain how this category has increased by 60% since the 2009 TRA final order in Docket No. 09-00034.

**RESPONSE: See RESPONSE TO REQUEST #17 attached.**

19. Please provide documentation that supports the \$3,260 amount for sludge removal in your 2010 annual report filed 9/29/2011 and explain why you're now requesting \$55,269 for this category.

**RESPONSE: Annual Report filed 9/29/2011 represents 8 months of Operations ending 8/31/2010. This completed LUC operations at date of merger into BCUI.**

20. Please provide documentation that supports the \$70,405 amount for purchased power and explain why this category has increased by 35% since the 2009 TRA final order in Docket No. 09-00034.

**RESPONSE: See RESPONSE TO REQUEST #17 attached.**

21. Please provide documentation that supports the \$30,467 amount for purchased power in your 2010 annual report filed 9/29/2011 and explain why you're now requesting \$70,405 for this category.

**RESPONSE: See RESPONSE TO REQUEST #19 attached.**

22. Please provide documentation that supports the \$29,847 amount for chemicals in your 2010 annual report filed 9/29/2011 and explain why you're now requesting \$45,709 for this category.

**RESPONSE: See RESPONSE TO REQUEST #19 attached.**

23. Please provide documentation that supports the \$58,379 amount for materials & supplies and explain why this category has increased by 185% since the 2009 TRA final order in Docket No. 09-00034.

**RESPONSE: See RESPONSE TO REQUEST #17 attached.**

24. Please provide documentation that supports the \$35,369 amount for materials & supplies in your 2010 annual report filed 9/29/2011 and explain why you're now requesting \$58,379 for this category.

**RESPONSE: See RESPONSE TO REQUEST #19 attached.**

25. Please provide documentation that supports the \$168,224 amount for contractual services in your 2010 annual report filed 9/29/2011 and explain where these expenses are found in your petition.

**RESPONSE: See RESPONSE TO REQUEST #19 attached.**

26. Please provide documentation that supports the \$9,979 amount for tax accounting and explain why this category has increased by 250% since the 2009 TRA final order in Docket No. 09-00034.

**RESPONSE: See RESPONSE TO REQUEST #17 attached.**

27. Please provide documentation that supports the \$33,235 amount for legal services and explain why this category has increased by 273% since the 2009 TRA final order in Docket No. 09-00034.

**RESPONSE: See RESPONSE TO REQUEST #17 attached.**

28. Please provide documentation that supports the \$12,000 amount for rent and explain why this category has increased by 16% since the 2009 TRA final order in Docket No. 09-00034.

**RESPONSE: See RESPONSE TO REQUEST #19 attached.**

29. Please provide documentation that supports the \$8,672 amount for rent in your 2010 annual report filed 9/29/2011 and explain why you're now requesting \$12,000 for this category.

**RESPONSE: See RESPONSE TO REQUEST #19 attached.**

30. Please provide documentation that supports the \$31,042 amount for insurance and explain why this category has increased by 66% since the 2009 TRA final order in Docket No. 09-00034, and provide a copy of all policies and invoices for those policies.

**RESPONSE: See RESPONSE TO REQUEST #17 attached.**

31. Please provide documentation that supports the \$48,613 amount for miscellaneous expenses and explain why this category has increased by 2,884% since the 2009 TRA final order in Docket No. 09-00034. The breakdown from your current petition is as follows: \$13,961 for customer accounting, \$3,926 for telephone, \$14,876 for office supplies, \$13,034 for injuries and damage, and other misc. expenses of \$2,816.

**RESPONSE: See RESPONSE TO REQUEST #17 attached.**

32. Please provide documentation that supports the \$29,902 amount for taxes other than income taxes and explain why this category has increased by 44% since the 2009 TRA final order in Docket No. 09-00034.

**RESPONSE: See TRA Staff Request #49.**

33. Please provide documentation that supports the \$145,116 amount for depreciation and explain why this category has increased by 19% since the 2009 TRA final order in Docket No. 09-00034.

**RESPONSE: See RESPONSE TO REQUEST #33 attached.**

34. Please provide documentation that supports the \$99,502 amount for depreciation in your 2010 annual report filed 9/29/2011 and explain why you're now requesting \$145,116 for this category.

**RESPONSE: See RESPONSE TO REQUEST #19 attached.**

35. Please provide documentation that supports the \$218,000 amount for the 2010 flood damage and show check copies and all other forms of documentation from FEMA that shows what they've paid in claims and why they haven't paid any more than the \$28,000 stated in your petition. Also include check copies of the claims paid that comprise the \$28,000 and copies of all checks or other form of payment for any amount claimed for flood damage. To be clear, the Consumer Advocate wants to know what has actually been paid versus what is claimed to be owed or projected as an expense.

**RESPONSE: See ITEM #13 in the PETITION TO RECOVER COSTS TO REPAIR FLOOD DAMAGE AND TO REFUND CUSTOMER SERVICE FEES. Of the \$218,000 total, \$72,792.66 has been paid out and invoices to support this are in the PETITION. \$58,925 is recorded in Accounts Payable to Vendors, and \$58,282.34 is the projected amount of expense that will be incurred once funds are available to complete repairs.**

36. In the current petition 11-00198, Berry's Chapel shows total operating expenses of \$853,994. This number is 37% higher than the total expenses allowed in the 2009 TRA final order in Docket No. 09-00035 of \$623,681. Secondly, the \$853,995 is 95% higher than what you show for your 2010 annual report filed 9/29/2011. That statement shows total operating expenses of \$437,680. Please explain how the numbers asked for in the Company's current petition are 37% higher than in the Docket No. 09-00034 settlement and 95% higher than the 2010 annual report.

**RESPONSE: See RESPONSE TO REQUEST #17 and REQUEST #19 attached.**

37. Which set of books for future financial reporting (i.e. Berry's Chapel audited financial statements or Lynwood's 2010 annual report submitted to the TRA) are going to be used by Berry's Chapel? Reference Lynwood's 9/29/2011 cover letter to the TRA. For example, on your audited Berry's Chapel balance sheet dated 6/30/11, the utility shows a Utility Plant In Service balance of \$5.6M and your annual report for 2010 (submitted on 9/29/2011) shows a Utility Plant In Service balance of \$1.5M.

**RESPONSE: Company will use BCUI accounts for future annual reporting. BCUI will use actual historical balance for the rate making process.**

38. Does Berry's Chapel recognize that utility plant should be recorded at original cost per pages 18 and 47 of the Uniform System of Accounts for Class B wastewater utilities?

**RESPONSE:** BCUI recognizes that utility plant should be recorded at original cost for ratemaking purposes and will maintain records for this purpose. BCUI maintains its financial records per GAAP as reported in the 6/30/2011 Audit Report dated October 2011. This report reflects the value of BCUI assets net of the debt assumed in the merger and the customer's equity created in the transaction.

39. Provide the depreciation rates by plant account used to calculate depreciation expense, as well as any depreciation studies underlying the current depreciation rates.

**RESPONSE:** Depreciation rates by plant accounts are the same that were set by the TRA in the 2002 case and have used since then. (Also in 2006 and the 2008 rate cases).

40. What is the current status of any pending loan or grant applications for Berry's Chapel? Please provide a copy of any pending application.

**RESPONSE:** So far, discussions of the Grant Request have been verbally declined, as the customer base annual median income level is too high to qualify for a grant. BCUI is in discussion with several banks related to the possibility of a USDA insured loan. BCUI has had discussions with the USDA about a direct loan. The discussion is still ongoing.

41. Please provide the full legal name, title, address, telephone number, and e-mail address for each person responsible for completing this set of discovery.

**RESPONSE:** James B. Ford, 321 Billingsly Square, Franklin, TN 37068 615-308-8502  
jburtonford@comcast.net

42. For Berry's Chapel, please produce a copy of each organizational document, including the charter, articles of incorporation, by-laws, and any other governing document, and all amendments to each governing document, including any state and Federal Notices of Determination of nonprofit status.

**RESPONSE:** This information is available for staff review during their on-site visit.

43. For Berry's Chapel, please identify by full legal name, title, address, telephone number, and e-mail address for each director or officer, historical and current. If any officer or director has resigned since the incorporation, please provide the reasons for such removal or resignation.

<b>RESPONSE:</b> Tyler L. Ring	<b>Director</b>	<b>321 Billingsly Square Franklin, TN 37068</b>
John D. Ring	Director	321 Billingsly Square Franklin, TN 37068
James B. Ford	Director	321 Billingsly Square Franklin, TN 37068

**Email is:** [berrychapel@gmail.com](mailto:berrychapel@gmail.com)

44. Please produce a copy of Berrys' Chapel's mission statement.

**RESPONSE: MISSION STATEMENT: BERRYS' CHAPEL UTILITY, INC., A NOT FOR PROFIT CORPORATION, WAS ESTABLISHED TO PROVIDE QUALITY WASTEWATER TREATMENT SERVICES TO THE BERRYS' CHAPEL COMMUNITY WHILE ENVIROMENTALLY PROTECTING THE HARPETH RIVER WATERSHEAD.**

45. For Berry's Chapel, please produce a copy of each document with respect to each meeting, whether regular, special, or otherwise, of the board of directors or any committee or sub-committee thereof, including:

- a. the announcement and the persons to whom the announcement was sent;  
the agenda; the minutes and/or resolutions of meeting;  
each written report or document provided to those in attendance, including but not limited to any committee report or expert report; and each presentation made at the meeting.

**RESPONSE: This information will be provided during the staff's on-site visit.**

46. For Berry's Chapel and Lynwood, if separate audited financial statements or opinions have been prepared since 2010, including the October 2011 work by Lattimore Black Morgan & Cain, PC, please provide a copy of those audits or opinions and all working papers prepared by the auditors.

**RESPONSE: A copy of the BCUI 6/30/2011 Audit Report dated October 2011 from LBMC is attached as RESPONSE TO REQUEST #46. Audit work papers are the property of the auditors and BCUI does not have a copy.**

47. Please provide all documents evidencing the merger of Lynwood and Berry's Chapel, including all corporate documents of either entity as well as any notes, memoranda or the like evidencing the relevant discussions or deliberations leading up to or after the merger.

**RESPONSE: This information is available at the BCUI office for staff review during its onsite visit.**

RESPECTFULLY SUBMITTED,



RESPECTFULLY SUBMITTED,  
TEE, III (BPR# 010278)

Senior Counsel  
Office of the Attorney General  
Consumer Advocate and Protection Division  
P.O. Box 20207

Nashville, Tennessee 37202-0207  
(615) 741-8726

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served via U. S. Mail or electronic mail upon:

Tyler Ring  
President  
Lynwood Utility Corporation  
321 Billingsly Court, Suite 4  
Franklin, IN 37065

Henry Walker, Esq.  
Bradley Arant Boult Cummings LLP  
1600 Division Street, Suite 700  
PO Box 340025  
Nashville, Tennessee 37203

RESPONSE  
TO  
REQUEST  
# 5



LOGICS SOFTWARE (1) \$14,725.00

WORK STATION & EQUIPMENT \$842.00

**BILLING FOR 484 CUSTOMERS**

Day 1 Meters read by HB & TS for service to 15<sup>th</sup>

Day 7 HB & TS Reviews and Test reading 23<sup>rd</sup>

Day 15 HB & TS Process Readings & send on 30<sup>th</sup>

Day 17 BCUI processes & inputs all cash payments for prior months billing to each customers account, then inputs all readings to each customers account. The payments and new meter readings are then merged together.

Day 18 Review problem areas with Logics

Day 19 BCUI sends information to KUBRA (2) for printing and mailing (\$.62 per invoice that they send out)

Day 20 Approval of billing and mailing on 5<sup>th</sup> day of month.

Day 35 Bills are due on 20<sup>th</sup> of month

(1) Same system the Mallory Valley Utility District uses

(2) Same processor used by City of Franklin & Mallory Valley

RESPONSE  
TO  
REQUEST  
# 17

**BERRY'S CHAPEL UTILITY, INC.**

**W/S SUMMARY**

**SUMMARY OF RATE CASE INCREASE**

**2011**

**SCHEDULE:**

W/S-4	LOSS OF VOLUME & TAP FEES FROM 2008	\$97,977
W/S-5	INCREASE IN OPERATING EXPENSES	\$150,241
W/S-5	INCREASE IN DEP. TAXES & REGULATORY EXPENSES	\$78,607
	RETURN (INTEREST) REQUIREMENT	\$13,292
	INCREASE IN RATE BASE	\$9,800
	OTHER	\$11,843
	EXPANSION FACTOR	<u>\$37,093</u>
	TOTAL RATE INCREASE *	<u><u>\$398,853</u></u>

\* Schedule A Rate Case Filing

**BERRY'S CHAPEL UTILITY, INC.**

**W/S**

**EXPENSE RECONCILIATION**

**2011 RATE CASE**

**SCHEDULE**

**2008 RATE CASE FORECASTED EXPENSE**

**\$634,146**

W/S - 1

OPERATING EXPENSES

**\$73,594**

W/S - 2

CUSTOMER ACCOUNTING

**\$31,653**

W/S - 3

GENERAL & ADMINISTRATIVE

**\$44,994**

TAXES

**\$9,186**

REGULATORY EXPENSES

**\$36,874**

DEPRECIATION & AMORTIZATION EXPENSE

**\$23,547**

INCREASES IN EXPENSES

**\$219,848**

**TOTAL EXPENSES \***

**\$853,994**

\* Schedule A Rate Case Filing

**BERRY'S CHAPEL UTILITY, INC.**

**W/S - 1**

**OPERATING EXPENSES**

**2011 RATE CASE**

2008 RATE CASE FORECASTED EXPENSE		
PURCHASED WATER	\$4,069	\$314,932
SLUDGE REMOVAL	\$20,652 (1)	
PURCHASED POWER	\$7,612	
CHEMICALS	\$3,259	
MATERIALS & SUPPLIES	\$37,877 (3)	
TESTING	(\$230)	
REPAIRS & MAINTENANCE	(\$35,685) (3)	
OPERATING MANAGEMENT	\$35,844 (2)	
ENGR INSPECTION	\$196	
INCREASES IN EXPENSES (W/S)		\$73,594
<b>TOTAL EXPENSES</b>		<b><u>\$388,526</u></b>

(1) INCREASED TO MEET TDEC REQUIREMENTS OF WASTE DISPOSAL AND ODOR CONTROL

(2) ADDITION OF OPERATIONS MANAGER AND RECLASS OF \$16,000 FROM GENERAL & ADMINISTRATIVE EXPENSES

(3) CLASSIFIED TO DIFFERENT A/C NET INCREASE OF \$2,243

**BERRY'S CHAPEL UTILITY, INC.**

**W/S - 2**

**BILLING EXPENSES - RECONCILIATION OF CUSTOMER ACCOUNTING EXPENSE  
2011 RATE CASE**

2008 RATE CASE FORECASTED EXPENSES		\$55,330
BILLING EXPENSE	(1)	(\$1,457)
CUSTOMER ACCOUNTING	(1)	\$13,961
BAD DEBTS		\$317
OFFICE SUPPLIES	(1)	\$14,876
UNPAID DISPUTED ACCOUNTS		<u>\$3,926</u>
INCREASES IN EXPENSES (w/s)		<u>\$31,623</u>
TOTAL EXPENSES		<u><u>\$86,953</u></u>

(1) INCREASE WORK TIME BY OFFICE MANAGER, TELEPHONE & OFFICE SUPPLIES DUE TO HB&TS  
NO LONGER DOING BILLING FOR 4 MONTHS OF TEST PERIOD. SEE DECREASE IN BILLING EXPENSE.



**BERRY'S CHAPEL UTILITY, INC.**

**W/S - 3**

**EXPENSE RECONCILIATION - GENERAL & ADMIN EXPENSES**

**2011 RATE CASE**

2008 RATE CASE FORECASTED EXPENSES			\$88,105
ACCOUNTING & BOOKKEEPING		\$2,863	
TAX & AUDIT		\$7,129	(1)
ACCOUNTING - OTHER		(\$1,555)	
LEGAL		\$24,337	
MANAGEMENT		(\$16,000)	(2)
RENT		\$1,656	
INSURANCE		\$12,342	
INJURIES & DAMAGES		\$13,033	(3)
OTHER MISC		\$1,189	
INCREASES IN EXPENSES (W/S)			\$44,994
TOTAL EXPENSES			<u>\$133,099</u>

(1) NEW ANNUAL AUDIT FEE OF \$6,000

(2) RECLASS TO OPERATIONS

(3) INCREASE IN DAMAGE CLAIMS, COVERS DEDUCTIBLE

**BERRY'S CHAPEL UTILITY, INC.**

**W/S - 4**

**RECONCILIATION OF REVENUE LOSS**

**2011 RATE CASE**

2008 ACTUAL REVENUE	\$548,268
TAP FEES	\$17,500
RATE INCREASE ALLOWED	<u>\$125,618</u>
EXPECTED REVENUE	<u>\$691,386</u>
TEST PERIOD REVENUES	<u>(\$593,409)</u>
LOSS OF VOLUMES & TAP FEES (W/S SUMMARY)	<u><u>\$97,977</u></u>

**BERRY'S CHAPEL UTILITY, INC.****W/S - 5****OPERATING EXPENSE DETAIL****2011**

AMORTIZATION, OTHER, NET	\$9,000
DEPRECIATION ON 2008, 2009, & 2010 PLANT ADDITIONS	\$21,422
DECREASE IN CIAC AMORTIZATION DUE TO TRA TREATMENT OF TAP FEES	<u>\$2,125</u>
INCREASE IN DEPRECIATION & AMORTIZATION	<u>\$32,547</u>
INCREASE IN TAXES	\$9,186
INCREASE IN REGULATORY EXPENSES	<u>\$36,874</u>
INCREASE IN DEPRECIATION, TAXES & REGULATORY EXPENSES (W/S SUMMARY)	<u><u>\$78,607</u></u>
INCREASE IN SLUDGE REMOVAL EXPENSE	\$20,652
INCREASE IN OPERATIONS MANAGEMENT	\$35,844
INCREASE IN BILLING EXPENSE	\$31,623
INCREASE IN OUTSIDE SERVICES: (LEGAL, AUDIT, INSURANCE + INJUF	\$55,286
OTHER NET	<u>\$6,836</u>
INCREASE IN OPERATING EXPENSE (W/S SUMMARY)	<u><u>\$160,241</u></u>

**BERRY'S CHAPEL UTILITY, INC.****W/S - 5****OPERATING EXPENSE DETAIL****2011**

AMORTIZATION, OTHER, NET	\$9,000
DEPRECIATION ON 2008, 2009, & 2010 PLANT ADDITIONS	\$21,422
DECREASE IN CIAC AMORTIZATION DUE TO TRA TREATMENT OF TAP FEES	<u>\$2,125</u>
INCREASE IN DEPRECIATION & AMORTIZATION	<u>\$32,547</u>
INCREASE IN TAXES	\$9,186
INCREASE IN REGULATORY EXPENSES	<u>\$36,874</u>
INCREASE IN DEPRECIATION, TAXES & REGULATORY EXPENSES (W/S SUMMARY)	<u><u>\$78,607</u></u>
INCREASE IN SLUDGE REMOVAL EXPENSE	\$20,652
INCREASE IN OPERATIONS MANAGEMENT	\$35,844
INCREASE IN BILLING EXPENSE	\$31,623
INCREASE IN OUTSIDE SERVICES (LEGAL, AUDIT, INSURANCE + INJURIES & DAMAGES)	\$55,286
OTHER NET	<u>\$6,836</u>
INCREASE IN OPERATING EXPENSE (W/S SUMMARY)	<u><u>\$160,241</u></u>

RESPONSE  
TO  
REQUEST  
# 33

BERRY'S CHAPEL UTILITY INC.  
DEPRECIATION ANALYSIS

SCHEDULE B-3

	5%	5%	10%	5%	20%	20%	
		354	371	380	391		
31-Dec	Collection	Structure &	Pump	Treat &	Transport	Lab	
BAL	System	Improve	Equipment	Disposal	Equipment	Equipment	TOTAL
2006	22,252.00	125,105.00	72,256.00	1,059,352.96	7,108.00	0.00	1,286,073.96
ADD	7,588.00	6,579.00	18,622.00	123,258.04	2,677.00		158,764.04
2007	29,840.00	131,684.00	90,918.00	1,182,611.00	9,785.00	0.00	1,444,838.00
ADD	8,412.50		19,234.75	125,674.73	1,338.50	2,553.57	157,214.05
2008	38,252.50	131,684.00	110,152.75	1,308,285.73	11,123.50	2,553.57	1,602,052.05
ADD	9,554.47	7,779.00	20,080.08	126,808.89	2,656.80	3,061.57	169,940.81
2009	47,806.97	139,463.00	130,232.83	1,435,094.62	13,780.30	5,615.14	1,771,992.86
ADD	10,161.00	1,200.00	22,289.60	127,940.60	8,905.00	15,069.00	185,565.20
2010	57,967.97	140,663.00	152,522.43	1,563,035.22	22,685.30	20,684.14	1,957,558.06
ADD	11,211.00	1,200.00	22,289.60	127,940.60	8,905.00	15,069.00	186,615.20
2011	69,178.97	141,863.00	174,812.63	1,690,975.82	31,590.30	35,753.14	2,144,173.86