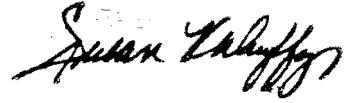


STATE CORPORATION COMMISSION

MAR 16 2011



In the Matter of the Application of )  
Suburban Water, Inc., d/b/a Suburban )  
Water Company, for an Order Increasing )  
Its Rates in Leavenworth County, Kansas )

Docket No. 11-SUBW-448-RTS

STAFF DIRECT TESTIMONY

PREPARED BY

WILLIAM E. BALDRY

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

1 **Q. Would you please state your name?**

2 A. William E. Baldry

3

4 **Q. What is your business address?**

5 A. My business address is the Kansas Corporation Commission, 1500 S.W.  
6 Arrowhead Road, Topeka, Kansas, 66604-4027.

7

8 **Q. By whom are you employed and in what capacity?**

9 A. I am employed by the Kansas Corporation Commission as a Senior Auditor.

10

11 **Q. What is your educational background and professional experience?**

12 A. I earned a Bachelor of Business Administration from Washburn University with a  
13 major in Accounting, and a Master of Science in Accounting from Oklahoma  
14 State University. Upon graduation from Oklahoma State University, I was  
15 employed by Touche Ross as an Auditor. In 1981, I entered the field of oil and  
16 gas at Reading & Bates Corporation and prepared financial statements and  
17 payouts of reversionary wells for the next eight years. In 1989, I joined Duffens  
18 Optical as Assistant Controller. My responsibilities included supervising  
19 employee benefits and payroll administrators and sales tax compliance. In 2000, I  
20 worked for KMC Telecom as Business Manager where my responsibilities  
21 included weekly sales forecast projections and preparation of the annual budget.  
22 In 2001, I joined the staff of the Kansas Corporation Commission (Staff). I am a

1 Certified Public Accountant and a member of the American Institute of Certified  
2 Public Accountants.

3

4 **Q. Have you testified previously before this Commission?**

5 A. Yes, I have testified in several dockets before the Commission.

6

7 **EXECUTIVE SUMMARY**

8 **Q. Can you provide the Commission with an overview of your testimony?**

9 A. Of course. On December 21, 2010, Suburban Water Company (Applicant) filed  
10 an abbreviated rate case with the Commission seeking approval of an increase in  
11 its water rates. In its Application, Suburban requested additional revenues of  
12 \$44,913 or a 4.6% increase based upon sales for the twelve months ended  
13 December 31, 2009. Staff made five adjustments to the Company's income  
14 statement that resulted in a revenue requirement of \$106,137 in additional revenue  
15 as shown on the Revenue Requirement schedule of Staff's Schedules, which are  
16 attached hereto as Attachment 1. Since Suburban's request for additional revenue  
17 is lower than Staff's revenue requirement, Staff is recommending that Suburban's  
18 request be granted.

19

20 **Q. Could you also provide the Commission with some background information**  
21 **on Suburban?**

22 A. The Applicant is a corporation duly organized under the laws of the State of  
23 Kansas with its principal office located in Basehor, Kansas. The Company began

1 serving its customers in 1986, and currently provides water service to  
2 approximately 1,500 residential and small commercial customers in an area  
3 located in Leavenworth County, Kansas, north of the Kansas Turnpike (I-70). The  
4 company's territory is approximately 25 square miles with its boundaries  
5 stretching up to 10 miles north-south by 10 miles east-west.

6  
7 Over the last several years, Suburban Water has experienced slow growth  
8 compared to years prior to the recession. With the end of the recession and  
9 Suburban Water's service area in close proximity to a recently built major  
10 development area, Suburban Water is poised to begin growing again over the next  
11 five to ten years.

12  
13 Currently, the Company has the Moran Well Field as its source of ground water.  
14 Previously, Suburban Water had a second well field, the Harper Well Field, but  
15 the wells went dry and the company gave up its water rights to the field in  
16 September, 2009. The Moran Well Field is producing water, but production  
17 continues to decline. Since production in its own water wells is declining,  
18 Suburban is purchasing more water under a long-term contract from the Kansas  
19 City, Kansas Board of Public Utilities (BPU). The contract with BPU is a 20-year  
20 contract, which became effective in April of 2000, and is automatically renewable  
21 annually thereafter. Suburban must purchase a minimum of 50 gallons per minute  
22 (26.3 million gallons per year), and may purchase up to 1,500 gallons per minute  
23 from BPU (788.4 million gallons per year).

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To maximize the utilization of its water wells, Suburban Water placed a 1.5 million gallon water storage tank in service in March, 2007. Kramer Engineering recommended the tank in its 1999 engineering report.<sup>1</sup> Suburban can fill the water tank at night using its own wells, and provide water from the tank to its customers during the day when usage is highest. The tank increases water pressure for the system, and it increases Suburban's fire fighting capability.

In the 07-SUBW-1352-RTS (1352 Docket) rate case, Suburban requested, and the Commission approved, the use of the operating margin approach to set rates. Staff used the same operating margin approach to calculate the revenue requirement for Suburban Water in this rate case.

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<sup>1</sup> Exhibit MB – 1, Section VI ,(D), page VI – 3 of the Application

1           The following table lists Staff's adjusting entries and a brief explanation of each  
2           adjustment:

3

Income Statement Adjustment Number	Adjustment Amount	Description of Adjustment
1	\$248,801	Adjust Retail Water Sales to 2010 Sales Volume
2	\$106,038	Adjust Wholesale Sales to 2010 Sales Volume
3	\$85,206	Adjust Water Purchases to 2010 Purchase Volume
4	\$10,443	Adjust Rate Case Expense
5	\$14,357	Adjust Income Taxes

4

5

6   **Q.    What is the purpose of your testimony in this proceeding?**

7    A.    The purpose of my testimony is to sponsor and support Staff's Schedules and the  
8           adjustments contained in them.

9

10   **Q.    Is Staff's revenue requirement based upon traditional rate base approach?**

11   A.    No it is not. Staff's revenue recommendation in this case is based upon an  
12           operating margin approach. This approach was used and approved by the  
13           Commission in the 1352 Docket.

14

1 **Q. Why did Suburban file this abbreviated rate case?**

2 A. In its Order from Docket No. 10-SUBW-602-TAR, the Commission directed Staff  
3 to work with Suburban Water to develop an appropriate abbreviated rate case  
4 process that would provide the Commission with the necessary information it  
5 needs to set just and reasonable rates in this rate case. The Commission wanted a  
6 shorter process to keep rate case expenses lower compared to a full rate case. In  
7 this abbreviated rate case, Suburban Water and Staff agreed to use revenues and  
8 expenses from the 07-SUBW-1352-RTS rate case and adjust only water sales,  
9 water purchases from BPU, and rate case expense.

10

11 **Q. Please describe more fully Staff's adjustments to the 07-SUBW-1352-RTS**  
12 **docket.**

13 A. Staff adjusted retail sales of water to reflect the volume of water sold in 2010  
14 using the current tariff rate established in Docket No. 07-SUBW-1352-RTS. Staff  
15 also updated wholesale sales to reflect 2010 full year wholesale revenues. Staff  
16 increased purchased water volumes to reflect the amount of water Suburban  
17 purchased from BPU in calendar year 2010, and used BPU's price and PILOT<sup>2</sup>  
18 percentage for 2011 to calculate the adjusted purchased water cost. Staff also  
19 increased rate case expense for the Company's, Staff's, and CURB's expenses  
20 incurred during this rate case. Income tax expense was adjusted to reflect the  
21 change in the revenue requirement due to Staff's adjustments in this rate case.

22

23 **Q. Why did Staff use a 6% margin rate to calculate the revenue requirement?**

---

<sup>2</sup> See Staff Witness Sonya Cushinberry's Direct Testimony for a discussion of the PILOT fee.

1 A. Staff used the margin rate approved in the 07-SUBW-1352-RTS rate case.

2

3 **Q. Did Staff account for income taxes?**

4 A. Yes. Staff used the income tax rates that are in effect in 2011 to calculate the  
5 revenue requirement. Staff's income tax calculation ensures that Suburban  
6 receives sufficient revenues to cover the income taxes associated with the pre-tax  
7 revenues required to support its operations.

8

9 **Q. Please explain how Suburban Water calculated its request for additional**  
10 **revenue.**

11 A. Suburban adjusted retail revenues through the calendar year end 2009. The  
12 Company also increased purchased water volumes to equal the amount of water  
13 Suburban purchased from BPU for the twelve months ending October 31, 2010.  
14 Suburban then multiplied the adjusted water volumes by BPU's price and PILOT  
15 percentage for 2011 to determine the adjusted cost of purchased water. Suburban  
16 increased rate case expense for the estimated cost of this rate case amortized over  
17 three years. Suburban then calculated the revenue requirement by taking the  
18 difference between the revenue deficiency for 2009 and its adjusted 2007 revenue  
19 deficiency.

20

21 **Q. How did Suburban Water account for income taxes in determining the**  
22 **revenue requirement?**



1 A. Suburban used the same dollar amount of income tax that was used in the 07-  
2 SUBW-1352-RTS rate case.

3

4 **Q. Did Staff use the same method as Suburban Water to determine the revenue**  
5 **requirement?**

6 A. No, Staff used the operating margin method to calculate the revenue requirement.  
7 This method takes 6% of Suburban's adjusted operating expenses and adds the  
8 adjusted test year operating loss to arrive at the revenue requirement before  
9 income taxes. The revenue requirement was then adjusted for income tax  
10 expense.<sup>3</sup>

11

12 Instead of using the operating margin method to calculate the revenue  
13 requirement, Suburban took the difference between the revenue deficiency for  
14 2009 and the adjusted 2007 revenue deficiency.<sup>4</sup>

15

16 Staff calculated revenues using calendar year 2010 water volumes rather than the  
17 2009 water volumes that Suburban used. Staff used the calendar year 2010  
18 volume of water purchased from BPU rather than water purchased for the twelve  
19 months ending October 31, 2010 to determine purchased water cost. Staff also  
20 used actual rate case expense that Suburban, Staff, and CURB incurred through  
21 February 28, 2011 rather than estimated costs.

22

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<sup>3</sup> Staff Schedules (Attachment 1), Revenue Requirement Schedule

<sup>4</sup> First page of Exhibit B, columns G and F, line 33 of the Application

1 **Q. Does Column G of the first page of Exhibit B of the Application reflect all of**  
2 **Suburban Water's 2009 expenses?**

3 A. No, the Company adjusted the purchased water cost in Column G to reflect the  
4 volume of water purchased for the twelve months ending October 31, 2010 based  
5 on the rate BPU charges Suburban for water purchased in 2011. Rate case  
6 expense was increased for the expected cost incurred for filing this rate case.  
7 Depreciation expense in Column G of Exhibit B was not increased to equal 2009  
8 depreciation expense.<sup>5</sup> Instead, Column G reflects adjusted depreciation expense  
9 for 2007 as shown in the 07-SUBW-1352-RTS rate case.

10

11 **Q. What is the impact of not reporting 2009 water purchases, rate case and**  
12 **depreciation expense?**

13 A. Purchased water in Column G of Exhibit is overstated by approximately \$43,000,  
14 rate case expense is overstated by \$7,500, and depreciation expense is understated  
15 by \$271,000. Compared to Suburban's income statement on page 3 of the audited  
16 financials for 2009 shown in Exhibit C of the Application, Suburban understated  
17 its 2009 operating expenses in its Application by approximately \$220,500.

18

19

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23

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<sup>5</sup> Exhibit C, page 3 of the audited financials in the Application shows 2009 depreciation expense.

1 **Q. Please explain Staff's adjustments.**

2 A. Column A of Schedule B-1 of Staff's Schedules reflects the adjusted revenues and  
3 expenses from the 2007 rate case. Staff adjustments in Column B of Schedule B-1  
4 reflect only the adjustments Staff made in this rate case.

5  
6 **Q. Please explain Staff Adjustment IS-1**

7 A. Staff Adjustment IS-1 increased the Sale of Water by \$248,801.<sup>6</sup> This adjustment  
8 reflects the increase in water sales volume to residential customers using calendar  
9 year 2010 based on the fully phased-in tariff rate approved in the 07-SUBW-  
10 1352-RTS docket.

11  
12 **Q. Why is it important to update the water sales volume?**

13 A. In this abbreviated rate case, Suburban Water, Staff and CURB agreed to adjust  
14 purchased water costs to reflect the wholesale rate BPU began charging Suburban  
15 Water on January 1, 2011. The Parties also agreed to use the most recent sales  
16 volumes recorded by Suburban. This adjustment is needed to provide proper  
17 matching of recent Suburban water sales with the higher cost of water purchased  
18 from BPU during the same time period.

19

20

21

22

23

---

<sup>6</sup> Exhibit No. WEB - 1

1 **Q. Would you please explain Staff Adjustment IS-2?**

2 A. Staff Adjustment IS-2 increases wholesale water sales by \$106,038.<sup>7</sup> This  
3 adjustment reflects the price Suburban Water will charge its wholesale customers  
4 in 2011 in conjunction with higher wholesale water volumes sold in calendar year  
5 2010 compared to 2007 wholesale revenues.

6  
7 **Q. Why is it important to update Wholesale Water Sales?**

8 A. In this abbreviated rate case, Suburban Water, Staff and CURB agreed to adjust  
9 purchased water costs to reflect the rate BPU began charging its wholesale  
10 customers on January 1, 2011. This adjustment is needed to provide proper  
11 matching of recent Suburban wholesale water sales with the higher cost of water  
12 purchased from BPU during the same time period.

13  
14 **Q. Please explain Staff Adjustment IS-3.**

15 A. Staff Adjustment IS-3 increases purchased water cost by \$85,206.<sup>8</sup> The  
16 adjustment increases the cost of water purchased from BPU to reflect the volume  
17 of water purchased during the calendar year 2010 as well as the current price BPU  
18 is charging Suburban Water during 2011.

19

20

21

22

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<sup>7</sup> Exhibit No. WEB - 5

<sup>8</sup> Exhibit No. WEB - 7

1 **Q. Please explain Staff Adjustment IS-4.**

2 A. Staff Adjustment IS-4 increases rate case expense by \$10,443.<sup>9</sup> This adjustment  
3 was made to reflect actual rate case expense (amortized over three years) for  
4 Suburban Water, Commission Staff, and CURB. Since this docket is an  
5 abbreviated rate case, the costs of this rate case are in addition to rate case  
6 expense from the previous rate case (07-SUBW-1352-RTS).

7  
8 **Q. Would you please explain Staff Adjustment IS-5?**

9 A. Staff Adjustment IS-5 increases income taxes by \$14,357.<sup>10</sup> The adjustment is  
10 composed of an increase in federal income tax of \$11,117 and state income tax of  
11 \$3,240. This adjustment reflects the increase in federal and state income taxes  
12 related to Staff's calculation of Suburban's profit margin using the operating  
13 margin approach.<sup>11</sup>

14

15 **Q. Suburban Water purchases wholesale water from BPU under a long-term**  
16 **contract. Does the price of BPU water allow Suburban Water to provide**  
17 **water at a price comparable to water companies surrounding Suburban**  
18 **Water?**

19 A. The following is a discussion of the water companies surrounding Suburban  
20 Water and their sources and costs of water.

21

22

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<sup>9</sup> Exhibit No. WEB - 12

<sup>10</sup> Attachment No. 1 (Staff's Schedules), Schedule B-4, Column C, line 27

<sup>11</sup> Exhibit No. WEB - 14

1 **Q. What is the rate per 1,000 gallons BPU is charging Suburban in 2011?**

2 A. BPU wholesale rate \$2.05

3 Add: PILOT fee (wholesale rate multiplied by 11.9%) .24

4 -----

5 Total BPU Wholesale Rate \$2.29

6

7 **Q. Does BPU charge all of its wholesale customers the same rate it charges**  
8 **Suburban Water?**

9 A. Yes.

10

11 **Q. Who are the other wholesale customers of BPU?**

12 A. Consolidated Rural Water District #1, Lan Del Water District, and the City of  
13 Bonner Springs.<sup>12</sup>

14

15 **Q. What is the volume of water the four wholesale customers purchased from**  
16 **BPU?**

17 A. Staff does not have current purchases available, but BPU estimates in 2013 that its  
18 wholesale customers will purchase 433,000 hundred cubic feet of water<sup>13</sup> or  
19 323,884,000 gallons of water.

20

21 **Q. What percentage of BPU's total wholesale sales relate to Suburban Water?**

---

<sup>12</sup> Exhibit MB – 8 of the Application, page 35

<sup>13</sup> Exhibit MB – 8 of the Application, page 36, column 1, line 19

1 A. Suburban purchased 86,268,000 gallons of water from BPU in 2010<sup>14</sup> or  
2 approximately 27% of BPU's estimate of water sold to its wholesale customers in  
3 2013.

4

5 **Q. What is the volume of water the other three wholesale water companies**  
6 **would purchase from BPU in 2013?**

7 A. Staff does not know the volume of water each wholesale company would  
8 purchase in 2013, but their total purchases are approximately 73% of the  
9 wholesale water sold by BPU. Since Suburban Water's purchases are a small part  
10 of total wholesale water sold by BPU, Staff assumes that other wholesale water  
11 companies believe purchasing water from BPU makes economic sense.

12

13 **Q. What water companies in Leavenworth County are adjacent to Suburban**  
14 **Water?**

15 A. Leavenworth County Consolidated Rural Water District No. 1, Rural Water  
16 District Nos. 6, 7, 8, 9, and 10, Public Wholesale Water Supply District 6, and the  
17 Cities of Bonner Springs and Tonganoxie.<sup>15</sup>

18

19 **Q. Where do these water companies get their water?**

20 A. Leavenworth County Rural Water District No. 8 gets its water from Leavenworth  
21 Water Department, and Leavenworth No. 7 has its own water supply as its service

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<sup>14</sup> Exhibit No. WEB – 8, column (d), line 13

<sup>15</sup> Exhibit No. WEB - 15 (Map of Northeast Kansas)

1 territory lies adjacent to the Kansas River. The remaining rural water districts<sup>16</sup>  
2 and the cities of Bonner Springs<sup>17</sup> and Tonganoxie<sup>18</sup> get all or a portion of their  
3 water from the Kansas City, Kansas Board of Public Utilities.  
4

5 **Q. What rates do the surrounding water companies charge their retail**  
6 **customers?**

7 A. The following amounts are based on a purchase of 5,000 gallons of water:<sup>19</sup>

8	Consolidated Rural Water District No. 1	\$40.92
9	Rural Water District No. 6	\$36.00
10	Rural Water District No. 7	\$49.50
11	Rural Water District No. 8	\$36.45
12	Rural Water District No. 9	\$41.85
13	Rural Water District No. 10	\$53.67
14	City of Tonganoxie	\$34.88
15	Suburban Water	\$49.32

16  
17  
18  
19

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<sup>16</sup> Exhibit MB – 6 of the Application

<sup>17</sup> Exhibit MB – 8, page 35 of the Application

<sup>18</sup> Exhibit No. WEB - 16 (The Kansas Lifeline). This exhibit contains only one page of the article. The complete article is available from Staff upon request.

<sup>19</sup> Exhibit No. WEB - 17



1 **Q. Have any water companies in Leavenworth County pooled their resources to**  
2 **produce or buy water on a larger scale to make their water purchases more**  
3 **economical?**

4 A. Yes, Leavenworth County Rural Water District Nos. 6 and 9 and the City of  
5 Tonganoxie have formed Public Wholesale Water Supply District No. 6  
6 (PWWSO No. 6).

7  
8 **Q. What is Public Wholesale Water Supply District No. 6's source of water?**

9 A. PWWSO No. 6 gets its water from the City of Bonner Springs<sup>20</sup>, which gets some  
10 of its water from BPU. In a conversation with Suburban's consultant, Greg  
11 Wilson, Staff learned that Bonner Springs pumps its own water, but Staff does not  
12 know the volume of water the city pumps from its own water supply or the  
13 amount it purchases from BPU.

14

15 **Q. Why does RWD #7 not purchase water from BPU?**

16 A. RWD #7 has its own water supply.<sup>21</sup>

17

18 **Q. The City of Tonganoxie is several miles away from the western edge of BPU's**  
19 **territory. Did BPU have a pipeline nearby that Tonganoxie could connect to?**

20 A. No, Tonganoxie installed a nine mile pipeline that cost approximately \$2 million  
21 to gain access to BPU water.<sup>22</sup>

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<sup>20</sup> Exhibit No. WEB – 16 (The Kansas Lifeline). This exhibit contains only one page of the article. The complete article is available from Staff upon request.

<sup>21</sup> Exhibit MB – 6 of the Application

<sup>22</sup> Exhibit No. WEB - 18

1

2 **Q. Was Tonganoxie able to get a lower wholesale rate with BPU after installing**  
3 **its new pipeline?**

4 A. No, the City of Tonganoxie pays the same wholesale rate and the same PILOT fee  
5 percentage to BPU as Suburban and all of the other wholesale customers pay.

6

7 **Q. What other companies or cities are Staff aware of that could provide**  
8 **Suburban water other than BPU?**

9 A. Water One of Johnson County and the City of Leavenworth.

10

11 **Q. What is the wholesale water rate for Water One?**

12 A. \$2.80 per thousand gallons.<sup>23</sup>

13

14 **Q. Would Suburban Water have to install a pipeline to reach Water One?**

15 A. Yes, Suburban Water would have to install fifteen miles of pipeline including  
16 boring under the Kansas River to connect to Water One's distribution system.<sup>24</sup>

17

18 **Q. What would it cost to install fifteen miles of pipeline?**

19 A. Suburban estimates this cost at \$5.9 million.<sup>25</sup>

20

21

---

<sup>23</sup> Mike Breuer's Testimony, page 6, line 11

<sup>24</sup> Exhibit No. WEB - 19 ( Staff DR No. 24)

<sup>25</sup> Exhibit No. WEB - 19 (Staff DR No. 24)

1 **Q. Is the cost to install the pipeline in addition to Water One's wholesale rate of**  
2 **\$2.80 per thousand gallons?**

3 A. Yes, by incorporating the cost of installing the pipeline into Suburban Water's  
4 depreciation expense, the cost of buying water from Water One would be greater  
5 than \$2.80 per thousand gallons.

6

7 **Q. What is the wholesale water rate for the City of Leavenworth?**

8 A. \$2.42 per thousand gallons.<sup>26</sup>

9

10 **Q. Would Suburban Water have to install a pipeline to reach the City of**  
11 **Leavenworth?**

12 A. Yes, Suburban estimates the cost to be approximately \$491,000 to install two  
13 miles of pipeline to connect with the City of Leavenworth.<sup>27</sup>

14

15 **Q. Is the cost to install the pipeline in addition to Leavenworth's wholesale rate**  
16 **of \$2.42 per thousand gallons?**

17 A. Yes, if the cost of installing the pipeline was added to the Leavenworth wholesale  
18 rate, the cost of buying water from Leavenworth would be \$3.19 per thousand  
19 gallons.<sup>28</sup> In calculating the cost per thousand gallons, Staff used the volume of  
20 water purchased from BPU in 2010 less the minimum volume of water the  
21 company is required to purchase from BPU. Staff amortized the \$491,000 cost of

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<sup>26</sup> Exhibit No. WEB - 20 (Staff DR No. 37) This exhibit contains only two pages of the response to DR 37. The complete response is available from Staff upon request.

<sup>27</sup> Exhibit No. WEB - 20 (Staff DR No. 37)

<sup>28</sup> Exhibit No. WEB - 21

1 installing the pipeline over 20 years because 20 years is the primary period stated  
2 in Suburban's current contract with BPU.

3

4 **Q. When will Suburban's contract with BPU expire?**

5 A. The primary term of the contract will expire in 2020. The contract will  
6 automatically renew for additional one year periods unless notice to terminate is  
7 provided by either party at least six months in advance.<sup>29</sup>

8

9 **Q. Does the contract with BPU have any conditions?**

10 A. Yes, BPU supplies Suburban Water with water as long as it has excess capacity.<sup>30</sup>  
11 The contract requires Suburban to purchase a minimum of 26,280,000 gallons up  
12 to a maximum of 788,400,000 gallons of water per year.<sup>31</sup>

13

14 **Q. Does BPU expect to still have excess capacity when the contract expires?**

15 A. Yes.<sup>32</sup>

16

17 **Q. Given the information available to Staff, does the contract with BPU make  
18 economical sense?**

19 A. Yes. When the contract with BPU is compared to the other sources of potential  
20 wholesale water supply that are available to Suburban Water, the contract makes  
21 economic sense. Almost all water companies surrounding Suburban Water

---

<sup>29</sup> Exhibit MB - 16 of the Application, Article XIII, page 7

<sup>30</sup> Exhibit MB - 16 of the Application, Article I, page 1

<sup>31</sup> Exhibit No. WEB - 23

<sup>32</sup> Exhibit No. WEB - 24 (Staff DR No. 22)

1 purchase water from BPU. The City of Tonganoxie must believe that BPU's  
2 wholesale water rate is economical to be willing to spend almost \$2 million to lay  
3 nine miles of pipeline to gain access to BPU's water system.

4

5 **Q. Would purchasing water from the City of Leavenworth make economical**  
6 **sense sometime in the future?**

7 A. No. BPU's rate would have to increase \$0.90<sup>33</sup> per thousand gallons (assuming  
8 Leavenworth's wholesale price and the cost of installing the pipeline remain  
9 constant) before the cost of buying water from the City of Leavenworth would  
10 equal the cost of water from BPU.

11

12 **Q. Does this conclude your direct testimony?**

13 A. Yes.

14

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<sup>33</sup> Exhibit No. WEB - 25

# Attachment 1

In the Matter of the Application of )  
Suburban Water, Inc., d/b/a Suburban ) DOCKET NO. 11-SUBW-448-RTS  
Water Company, for an Order Increasing )  
its Rates in Leavenworth County, Kansas )

SCHEDULES

PREPARED BY

STAFF

UTILITIES DIVISION

KANSAS CORPORATION COMMISSION

INDEX

SCHEDULE  
NUMBER  
\*\*\*\*\*

REV REQ

STAFF ADJUSTED REVENUE REQUIREMENT

- B-1 STAFF ADJUSTED AND PRO FORMA OPERATING INCOME STATEMENT
- B-2 STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT
- B-3 EXPLANATION OF STAFF ADJUSTMENTS TO INCOME STATEMENT
- B-4 STAFF ADJUSTED AND PRO FORMA CALCULATION OF TAXABLE INCOME

KCC/EXCEL/12-22-10  
 BB/SUBW/KS  
 REV REQ  
 8:28 AM  
 3/16/2011

DOCKET NO. 11-SUBW-448-RTS  
 SCHEDULE REV REQ

SUBURBAN WATER COMPANY  
 STAFF REVENUE REQUIREMENT  
 FOR THE TEST YEAR ENDED MARCH 31, 2007  
 INCLUDING ADJUSTMENTS FROM THE 448 DOCKET

LINE NO.	DESCRIPTION	STAFF ADJUSTED
1	STAFF ADJUSTED TEST YEAR NET OPERATING EXPENSE	\$1,128,508
2	OPERATING MARGIN REQUIREMENT	<u>6.0%</u>
3	OPERATING MARGIN REQUIRED	67,710
4	STAFF ADJUSTED TEST YEAR OPERATING MARGINS	<u>(16,580)</u>
5	REVENUE INCREASE/(DECREASE) REQUIREMENT	84,290
6	GROSS UP FOR TAX EXPENSE	<u>21,847</u>
7	PROFORMA REVENUE REQUIREMENT INCREASE/(DECREASE)	<u><u>\$106,137</u></u>



SUBURBAN WATER COMPANY  
 STAFF ADJUSTED AND PRO FORMA OPERATING INCOME STATEMENT  
 FOR THE TEST YEAR ENDED MARCH 31, 2007  
 INCLUDING ADJUSTMENTS FROM THE 448 DOCKET

LINE NO.	DESCRIPTION	A STAFF ADJUSTED TEST YEAR (1352 Docket)	B STAFF ADJUSTMENTS (448 Docket)	C STAFF ADJUSTED TEST YEAR (448 Docket)	D STAFF PRO FORMA ADJUSTMENTS (448 Docket)	E STAFF PRO FORMA (448 Docket)
<u>OPERATING REVENUES:</u>						
1	SALE OF WATER	\$744,901	\$248,801	\$993,702	\$84,290	\$1,077,992
2	FIRE HYDRANTS SETTING FEES	3,409	0	3,409		3,409
3	WHOLESALE WATER SALES	8,779	106,038	114,817		114,817
4	TOTAL REVENUES	<u>\$757,089</u>	<u>\$354,839</u>	<u>\$1,111,928</u>	<u>\$84,290</u>	<u>\$1,196,218</u>
<u>OPERATING EXPENSES:</u>						
5	REPAIR AND MAINTENANCE	\$74,786	\$0	\$74,786		\$74,786
6	PURCHASED WATER COST	114,397	85,206	199,603		199,603
7	OUTSIDE SERVICES	70,603	0	70,603		70,603
8	SALARIES & WAGES	235,610	0	235,610		235,610
9	METER READING EXPENSE	3,877	0	3,877		3,877
10	FIRE HYDRANT SETTING COST	3,409	0	3,409		3,409
11	OFFICE LEASE	36,000	0	36,000		36,000
12	ADMINISTRATIVE AND GENERAL	45,431	0	45,431		45,431
13	PRODUCTION ELECTRIC COST	17,131	0	17,131		17,131
14	MATERIALS & SUPPLIES	44,015	0	44,015		44,015
15	TRANSPORTATION EXPENSES	28,369	0	28,369		28,369
16	INSURANCE EXPENSE	20,249	0	20,249		20,249
17	REGULATORY COSTS	883	0	883		883
18	RATE CASE EXPENSE	9,201	10,443	19,644		19,644
19	UTILITY PROPERTY TAXES	63,465	0	63,465		63,465
20	MISCELLANEOUS CORPORATE FEES	3,598	0	3,598		3,598
21	CLEAN DRINKING WATER FEE	3,415	0	3,415		3,415
22	INTEREST EXPENSE	109,995	0	109,995		109,995
23	PAYROLL TAX EXPENSE	31,206	0	31,206		31,206
24	DEPRECIATION EXPENSE	123,042	0	123,042		123,042
25	TOTAL OPERATING EXPENSES	<u>\$1,038,682</u>	<u>\$95,649</u>	<u>\$1,134,331</u>		<u>\$1,134,331</u>
26	BELOW THE LINE CORPORATE EXPENSES	<u>(5,823)</u>	<u>0</u>	<u>(5,823)</u>		<u>(5,823)</u>
27	NET OPERATING EXPENSES	<u>\$1,032,859</u>	<u>\$95,649</u>	<u>\$1,128,508</u>		<u>\$1,128,508</u>
28	ADDITIONAL REVENUE FOR TAXES				\$21,847	21,847
29	LESS: TAX EXPENSE					(14,357)
29	LESS: TAX EXPENSE GROSS UP					(7,490)
30	NET OPERATING INCOME	<u>(\$275,770)</u>	<u>\$259,190</u>	<u>(\$16,580)</u>	<u>\$106,137</u>	<u>\$67,710</u>

SUBURBAN WATER COMPANY  
 STAFF ADJUSTMENTS TO APPLICANT ADJUSTED INCOME STATEMENT  
 FOR THE TEST YEAR ENDED MARCH 31, 2007  
 INCLUDING ADJUSTMENTS FROM THE 448 DOCKET

LINE NO.	DESCRIPTION	A STAFF ADJUSTED TEST YEAR (1352 Docket)	B STAFF ADJUSTMENT NO. 1	C STAFF ADJUSTMENT NO. 2	D STAFF ADJUSTMENT NO. 3	E STAFF ADJUSTMENT NO. 4	F STAFF ADJUSTMENT NO. 5	G TOTAL ADJUSTMENTS (448 Docket)	H STAFF ADJUSTED (448 Docket)
<b>***** OPERATING REVENUES:</b>									
1	SALE OF WATER	\$744,901	\$248,801					\$248,801	\$993,702
2	FIRE HYDRANTS SETTING FEES	3,409						0	3,409
3	WHOLESALE WATER SALES	8,779		106,038				106,038	114,817
4	<b>TOTAL REVENUES</b>	<b>\$757,089</b>	<b>\$248,801</b>	<b>\$106,038</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$354,839</b>	<b>\$1,111,928</b>
<b>***** OPERATING EXPENSES:</b>									
5	REPAIR AND MAINTENANCE	\$74,786						\$0	\$74,786
6	PURCHASED WATER COST	114,397			85,206			85,206	199,603
7	OUTSIDE SERVICES	70,603						0	70,603
8	SALARIES & WAGES	235,610						0	235,610
9	METER READING EXPENSE	3,877						0	3,877
10	FIRE HYDRANT SETTING COST	3,409						0	3,409
11	OFFICE LEASE	36,000						0	36,000
12	ADMINISTRATIVE AND GENERAL	45,431						0	45,431
13	PRODUCTION ELECTRIC COST	17,131						0	17,131
14	MATERIALS & SUPPLIES	44,015						0	44,015
15	TRANSPORTATION EXPENSES	28,369						0	28,369
16	INSURANCE EXPENSE	20,249						0	20,249
17	REGULATORY COSTS	883						0	883
18	RATE CASE EXPENSE	9,201				10,443		10,443	19,644
19	UTILITY PROPERTY TAXES	63,465						0	63,465
20	MISCELLANEOUS CORPORATE FEES	3,598						0	3,598
21	CLEAN DRINKING WATER FEE	3,415						0	3,415
22	INTEREST EXPENSE	109,995						0	109,995
23	PAYROLL TAX EXPENSE	31,206						0	31,206
24	DEPRECIATION EXPENSE	123,042						0	123,042
25	<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,038,682</b>	<b>\$0</b>	<b>\$0</b>	<b>\$85,206</b>	<b>\$10,443</b>	<b>\$0</b>	<b>\$95,649</b>	<b>\$1,134,331</b>
26	BELOW THE LINE CORPORATE EXPENSES	(\$5,823)						\$0	(\$5,823)
27	TAXES OTHER THAN INCOME TAXES	0						0	0
28	INCOME TAXES - CURRENT & DEFERRED	0					14,357	14,357	14,357
29	<b>NET OPERATING EXPENSES</b>	<b>\$1,032,859</b>	<b>\$0</b>	<b>\$0</b>	<b>\$85,206</b>	<b>\$10,443</b>	<b>\$14,357</b>	<b>\$110,006</b>	<b>\$1,142,865</b>
30	<b>NET OPERATING INCOME</b>	<b>(\$275,770)</b>	<b>\$248,801</b>	<b>\$106,038</b>	<b>(\$85,206)</b>	<b>(\$10,443)</b>	<b>(\$14,357)</b>	<b>\$244,833</b>	<b>(\$30,937)</b>

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SUBURBAN WATER COMPANY  
EXPLANATION OF STAFF ADJUSTMENTS TO INCOME STATEMENT  
FOR THE TEST YEAR ENDED MARCH 31, 2007  
INCLUDING ADJUSTMENTS FROM THE 448 DOCKET

DOCKET NO. 11-SUBW-448-RTS  
SCHEDULE B-3

LINE NO. *****		INCREASE / (DECREASE) TO OPERATIONS *****
	<u>STAFF ADJUSTMENT NO. 1</u>	
1	SALE OF WATER	\$248,801
2	To reflect the increase in water sales due to higher volumes during 2010 at the	
3	fully implemented water rate approved in the 07-SUBW-1352-RTS docket.	
	<u>STAFF ADJUSTMENT NO. 2</u>	
4	WHOLESALE WATER SALES	106,038
5	To reflect higher volumes of water sold to RWD Nos. 6 and 10 during 2010,	
6	based on wholesale prices effective 01/01/2011.	
	<u>STAFF ADJUSTMENT NO. 3</u>	
7	PURCHASED WATER COST	85,206
8	To reflect higher volumes of water Suburban purchased from BPU during 2010,	
9	and to reflect the higher price of water BPU charges Suburban effective 01/01/2011.	
	<u>STAFF ADJUSTMENT NO. 4</u>	
10	RATE CASE EXPENSE	10,443
11	To record the actual rate case expense in the 11-SUBW-448-RTS docket.	
	<u>STAFF ADJUSTMENT NO. 5</u>	
12	INCOME TAXES - CURRENT & DEFERRED	14,357
13	To calculate current income taxes based upon Staff's adjustments	

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 BB/SUBW/KS  
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SUBURBAN WATER COMPANY  
 DOCKET NO. 11-SUBW-448-RTS  
 STAFF ADJUSTED AND PRO FORMA CALCULATION OF TAXABLE INCOME  
 FOR THE TEST YEAR ENDED MARCH 31, 2007  
 INCLUDING ADJUSTMENTS FROM THE 448 DOCKET

DOCKET NO. 11-SUBW-448-RTS  
 SCHEDULE B-4

LINE NO.	DESCRIPTION	A STAFF ADJUSTED TEST YEAR (1352 Docket)	B STAFF ADJUSTMENTS (448 Docket)	C STAFF ADJUSTED TEST YEAR (448 Docket)	D STAFF PRO FORMA ADJUSTMENTS (448 Docket)	E STAFF PRO FORMA (448 Docket)
1	NET OPERATING AND MAINTENANCE EXPENSES	\$1,032,859	\$95,649	\$1,128,508		\$1,128,508
2	ADD: INTEREST EXPENSE	0	0	0		0
3	MARGIN REQUIRED	\$1,032,859	\$95,649	\$1,128,508		\$1,128,508
4	O & M MARGIN PERCENTAGE	6%	6%	6%		
5	MARGIN REQUIRED	61,972	5,739	67,710	21,847	89,558
<u>STATE TAXABLE INCOME</u>						
	FROM TO TAX RATE AMOUNT OVER					
6	0 50,000 0 4.00% 0			2,000		2,000
7	50,000 999,999,999 2,000 7.00% 50,000			1,240		2,769
8	KANSAS INCOME TAX - CURRENT	\$0	\$0	\$3,240		\$4,769
9	TAXABLE FEDERAL INCOME	\$61,972	\$5,739	\$64,471		\$84,789
<u>FEDERAL TAXABLE INCOME</u>						
	FROM TO TAX RATE AMOUNT OVER					
10	0 50,000 0 15.00% 0			7,500		7,500
11	50,000 75,000 7,500 25.00% 50,000			3,618		6,250
12	75,000 100,000 13,750 34.00% 75,000			0		3,328
13	100,000 335,000 22,250 39.00% 100,000			0		0
14	335,000 10,000,000 113,900 34.00% 335,000			0		0
15	10,000,000 15,000,000 3,400,000 35.00% 10,000,000			0		0
16	15,000,000 18,333,333 5,150,000 38.00% 15,000,000			0		0
17	18,333,333 999,999,999 35.00%			0		0
18	FEDERAL INCOME TAX - CURRENT	\$0	\$0	\$11,118		\$17,078
19	STATE EFFECTIVE TAX RATE			7.00%		
20	FEDERAL EFFECTIVE INCOME TAX RATE			27.28300%		
21	TOTAL MARGINAL TAX RATE	0.395500	0.395500	0.342830		
22	1 - TOTAL MARGINAL TAX RATE	0.604500	0.604500	0.657170		
23	NET TO GROSS MULTIPLIER			1.521676		
<u>SUMMARY OF INCOME TAXES - CURRENT AND DEFERRED</u>						
24	DEFERRED INCOME TAX	\$0	\$0	\$0		\$0
25	KS INCOME TAX - CURRENT	0	3,240	3,240		4,769
26	FED INCOME TAX - CURRENT	0	11,118	11,118		17,078
27	TOTAL INCOME TAXES - CURRENT AND DEFERRED	\$0	\$14,357	\$14,357		\$21,847

Suburban Water Company  
Staff Adjustment No. 1  
Sale of Water to Retail Customers  
Twelve Months Ending December 31, 2010

<u>Line No.</u>			
1	Total Retail Sale of Water	\$993,702	(1)
2	Less: Sale of Water from the 07-SUBW-1352-RTS Docket	(744,901)	(2)
3	Adjustment to Sale of Water	<u>\$248,801</u>	

(1) Source: Exhibit No. WEB - 2, Page 1, Column (d), line 13

(2) Source: Attachment 1 (Staff's Schedules), Schedule B-1, Column A, line 1

Suburban Water Company  
 Staff Adjustment No. 1  
 Projected Total Sales in Dollars  
 Twelve Months Ending December 31, 2010

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line No.	Month	Customer Charge Revenue (1)	Retail Water Revenue (2)	Total Retail Water Revenue (b) + (c)	Fire Hydrant Setting Fees (3)	Wholesale Water Sales (4)	Total Revenue (d) + (e) + (f)
1	Jan 2010	\$30,840	\$46,815	\$77,655	\$3,409	\$8,112	\$89,176
2	Feb	30,840	40,134	70,974		7,875	\$78,849
3	March	30,840	38,736	69,576		8,228	\$77,804
4	April	30,840	45,644	76,484		9,550	\$86,034
5	May	30,840	50,346	81,186		9,951	\$91,137
6	June	30,840	64,370	95,210		10,670	\$105,880
7	July	30,840	64,717	95,557		13,352	\$108,909
8	Aug	30,840	79,837	110,677		11,670	\$122,347
9	Sept	30,840	45,837	76,677		11,334	\$88,011
10	Oct	30,840	58,755	89,595		8,666	\$98,261
11	Nov	30,840	43,693	74,533		7,947	\$82,480
12	Dec	30,840	44,738	75,578		7,463	\$83,041
13	Total	\$370,080	\$623,622	\$993,702	\$3,409	\$114,817	\$1,111,928

- (1) Source: Exhibit No. WEB - 2, page 2, Column (d)
- (2) Source: Exhibit No. WEB - 2, page 3, Column (d)
- (3) Source: Attachment No. 1 (Staff Schedules), Schedule B - 1, Column A, line 2
- (4) Source: Exhibit No. WEB - 6, Column (i)

Suburban Water Company  
 Staff Adjustment No. 1  
 Projected Customer Charge Revenue in Dollars  
 Twelve Months Ending December 31, 2010

	(a)	(b)	c	(d)
Line No.	Month	Number of Customers (1)	Customer Charge Rate (in dollars) (2)	Customer Charge Revenue (in dollars) (b) X c
1	Jan 2010	1,542	\$20.00	\$30,840
2	Feb	1,542	\$20.00	\$30,840
3	March	1,542	\$20.00	\$30,840
4	April	1,542	\$20.00	\$30,840
5	May	1,542	\$20.00	\$30,840
6	June	1,542	\$20.00	\$30,840
7	July	1,542	\$20.00	\$30,840
8	Aug	1,542	\$20.00	\$30,840
9	Sept	1,542	\$20.00	\$30,840
10	Oct	1,542	\$20.00	\$30,840
11	Nov	1,542	\$20.00	\$30,840
12	Dec	1,542	\$20.00	\$30,840
13	Total	18,504		\$370,080

(1) Source: Page 2 of Exhibit B in the Application

(2) Source: Exhibit E, Suburban Water's tariff in the Application

Suburban Water Company  
 Staff Adjustment No. 1  
 Projected Retail Water Sales Revenue in Dollars  
 Twelve Months Ending December 31, 2010

Line No.	(a) Month	(b) Retail Water Sales (in gallons) (1)	c Current Retail Rate (in dollars) (per thousand gallons) (2)	(d) Retail Water Revenue (in dollars) (b) X c
1	Jan 2010	6,386,822	\$7.33	\$46,815
2	Feb	5,475,309	\$7.33	\$40,134
3	March	5,284,545	\$7.33	\$38,736
4	April	6,227,056	\$7.33	\$45,644
5	May	6,868,547	\$7.33	\$50,346
6	June	8,781,702	\$7.33	\$64,370
7	July	8,829,066	\$7.33	\$64,717
8	Aug	10,891,869	\$7.33	\$79,837
9	Sept	6,253,338	\$7.33	\$45,837
10	Oct	8,015,756	\$7.33	\$58,755
11	Nov	5,960,823	\$7.33	\$43,693
12	Dec	6,103,353	\$7.33	\$44,738
13	Total	85,078,186		\$623,622

(1) Source: Exhibit No. WEB - 2, Page 4, Column (f), line 13

(2) Source: Exhibit E, Suburban Water's tariff in the Application



Suburban Water Company  
 Staff Adjustment No. 1  
 Projected Sales in Gallons of Water Sold  
 Twelve Months Ending December 31, 2010

	(a)	(b)	c	(d)	(e)	(f)	(g)
Line No.	Month	District 10 Wholesale Water Sales (in gallons) (1)	District 6 Wholesale Water Sales (in gallons) (1)	Total Wholesale Water Sales (in gallons) (b) + c	Customer Charge (in gallons) (2)	Retail Water Sales (in gallons) (g) - (d) - (e)	Water Sales (in gallons) (1)
1	Jan 2010	1,748,700	788,650	2,537,350	1,542,000	6,386,822	10,466,172
2	Feb	1,384,650	1,095,600	2,480,250	1,542,000	5,475,309	9,497,559
3	March	1,472,250	1,117,950	2,590,200	1,542,000	5,284,545	9,416,745
4	April	1,908,500	1,086,650	2,995,150	1,542,000	6,227,056	10,764,206
5	May	1,949,700	1,173,450	3,123,150	1,542,000	6,868,547	11,533,697
6	June	2,184,900	1,158,850	3,343,750	1,542,000	8,781,702	13,667,452
7	July	3,008,850	1,160,000	4,168,850	1,542,000	8,829,066	14,539,916
8	Aug	2,201,602	1,465,950	3,667,552	1,542,000	10,891,869	16,101,421
9	Sept	2,424,250	1,121,800	3,546,050	1,542,000	6,253,338	11,341,388
10	Oct	1,643,200	1,079,750	2,722,950	1,542,000	8,015,756	12,280,706
11	Nov	1,497,450 (3)	1,000,000 (3)	2,497,450	1,542,000	5,960,823	10,000,273 (4)
12	Dec	1,191,800 (3)	1,165,400 (3)	2,357,200	1,542,000	6,103,353	10,002,553 (4)
13	Total	22,615,852	13,414,050	36,029,902	18,504,000	85,078,186	139,612,088

(1) Source: Exhibit B, page 8 of the Application

(2) Source: Exhibit B, page 2 of the Application

1,542 customers X 1,000 gallons = 1,542,000 gallons

(3) Source: Exhibit No. WEB - 3 (Staff DR 8)

(4) Source: Exhibit No. WEB - 4 (Staff DR 7)





Suburban Water Company  
Staff Adjustment No. 2  
Sale of Water to Wholesale Customers  
Twelve Months Ending December 31, 2010

<u>Line No.</u>			
1	Total Wholesale Water Sales	\$114,817	(1)
2	Less: Wholesale Water Sales from the 07-SUBW-1352-RTS Docket	(8,779)	(2)
3	Adjustment to Wholesale Water Sales	<u>\$106,038</u>	

(1) Source: Exhibit No. WEB - 6, Column (i), line 13

(2) Source: Attachment 1 (Staff's Schedules), Schedule B-1, Column A, line 3

Suburban Water Company  
Staff Adjustment No. 2  
Projected Wholesale Sales in Dollars  
Twelve Months Ending December 31, 2010

Line No.	Month	(a)	(b)	c	(d)	(e)	(f)	(g)	(h)	(i)	
		District 10 Wholesale Water Sales (in gallons) (1)	District 10 Wholesale Water Sales (in gallons) (1)	District 10 Wholesale Water 2011 Rate per thousand gallons (in dollars) (2)	District 10 Wholesale Water Sales (in dollars) (b) X c	District 6 Wholesale Water Sales (in gallons) (1)	District 6 Wholesale Water 2011 Rate per thousand gallons (in dollars) (2)	District 6 Wholesale Water Sales (in dollars) (e) X (f)	Total Wholesale Water Sales (in gallons) (b) + (e)	Total Wholesale Water Sales (in dollars) (d) + (g)	
1	Jan 2010	1,748,700		\$3.25	\$5,683.28	788,650	\$3.08	\$2,429.04	2,537,350	\$8,112.32	
2	Feb	1,384,650		\$3.25	\$4,500.11	1,095,600	\$3.08	\$3,374.45	2,480,250	\$7,874.56	
3	March	1,472,250		\$3.25	\$4,784.81	1,117,950	\$3.08	\$3,443.29	2,590,200	\$8,228.10	
4	April	1,908,500		\$3.25	\$6,202.63	1,086,650	\$3.08	\$3,346.88	2,995,150	\$9,549.51	
5	May	1,949,700		\$3.25	\$6,336.53	1,173,450	\$3.08	\$3,614.23	3,123,150	\$9,950.76	
6	June	2,184,900		\$3.25	\$7,100.93	1,158,850	\$3.08	\$3,569.26	3,343,750	\$10,670.19	
7	July	3,008,850		\$3.25	\$9,778.76	1,160,000	\$3.08	\$3,572.80	4,168,850	\$13,351.56	
8	Aug	2,201,602		\$3.25	\$7,155.21	1,465,950	\$3.08	\$4,515.13	3,667,552	\$11,670.34	
9	Sept	2,424,250		\$3.25	\$7,878.81	1,121,800	\$3.08	\$3,455.14	3,546,050	\$11,333.95	
10	Oct	1,643,200		\$3.25	\$5,340.40	1,079,750	\$3.08	\$3,325.63	2,722,950	\$8,666.03	
11	Nov	1,497,450	(3)	\$3.25	\$4,866.71	1,000,000	(3)	\$3.08	\$3,080.00	2,497,450	\$7,946.71
12	Dec	1,191,800	(3)	\$3.25	\$3,873.35	1,165,400	(3)	\$3.08	\$3,589.43	2,357,200	\$7,462.78
13	Total	22,615,852			\$73,501.53	13,414,050		\$41,315.28	36,029,902	\$114,816.81	

(1) Source: Exhibit B, page 8 of the Application  
(2) Source: Exhibit B, page 5 of the Application  
(3) Source: Exhibit No. WEB - 3 (Staff DR No. 8)

Suburban Water Company  
Staff Adjustment No. 3  
Purchases of Water From Kansas City Board of Public Utilities  
Twelve Months Ending December 31, 2010

<u>Line No.</u>			
1	Total Purchased Water Cost	\$199,603	(1)
2	Less: Purchased Water Cost from the 07-SUBW-1352-RTS Docket	(114,397)	(2)
3	Adjustment to Purchased Water Cost	<u>\$85,206</u>	

(1) Source: Exhibit No. WEB - 8, Column (k), line 13

(2) Source: Attachment 1 (Staff's Schedules), Schedule B-1, Column A, line 6

Suburban Water Company  
 Staff Adjustment No. 3  
 Water Purchased From BPU in Volumes and Dollar Amounts  
 Twelve Months Ending December 31, 2010

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)		
Line No.	Month	BPU Water Purchases (in CCF)	Factor to Convert CCF to Thousand Gallons	Water Purchased From BPU per 1,000 Gallons (b) X c	Monthly Customer Charge Paid to BPU (1)	Estimated Cost of Water Purchased From BPU in 2011 per 1,000 Gallons (2)	Estimated Cost of Purchased Water (d) X (f)	Cost of Water Subtotal (e) + (g)	PILOT Adder Percentage 11.9% (3)	PILOT Fee (h) X (i)	Total Estimated Cost of Purchased Water (h) + (j)	
1	Jan	2,487	(1)	0.748	1,860.276	\$160.00	\$2.04545455	\$3,805.11	\$3,965.11	11.90%	\$471.85	\$4,436.96
2	Feb	5,167	(1)	0.748	3,864.916	\$160.00	\$2.04545455	\$7,905.51	\$8,065.51	11.90%	\$959.80	\$9,025.31
3	March	7,468	(1)	0.748	5,586.064	\$160.00	\$2.04545455	\$11,426.04	\$11,586.04	11.90%	\$1,378.74	\$12,964.78
4	April	7,270	(1)	0.748	5,437.960	\$160.00	\$2.04545455	\$11,123.10	\$11,283.10	11.90%	\$1,342.69	\$12,625.79
5	May	10,287	(1)	0.748	7,694.676	\$160.00	\$2.04545455	\$15,739.11	\$15,899.11	11.90%	\$1,891.99	\$17,791.10
6	June	11,412	(1)	0.748	8,536.176	\$160.00	\$2.04545455	\$17,460.36	\$17,620.36	11.90%	\$2,096.82	\$19,717.18
7	July	15,095	(1)	0.748	11,291.060	\$160.00	\$2.04545455	\$23,095.35	\$23,255.35	11.90%	\$2,767.39	\$26,022.74
8	Aug	17,616	(1)	0.748	13,176.768	\$160.00	\$2.04545455	\$26,952.48	\$27,112.48	11.90%	\$3,226.39	\$30,338.87
9	Sept	9,339	(1)	0.748	6,985.572	\$160.00	\$2.04545455	\$14,288.67	\$14,448.67	11.90%	\$1,719.39	\$16,168.06
10	Oct	10,103	(1)	0.748	7,557.044	\$160.00	\$2.04545455	\$15,457.59	\$15,617.59	11.90%	\$1,858.49	\$17,476.08
11	Nov	9,071	(1)	0.748	6,785.108	\$160.00	\$2.04545455	\$13,878.63	\$14,038.63	11.90%	\$1,670.60	\$15,709.23
12	Dec	10,016	(2)	0.748	7,491.968	\$160.00	\$2.04545455	\$15,324.48	\$15,484.48	11.90%	\$1,842.65	\$17,327.13
13	Total	115,331			86,267.588	\$1,920.00		\$176,456.43	\$178,376.43		\$21,226.80	\$199,603.23

(1) Source: Exhibit No. WEB - 9 (Staff DR No. 44)  
 (2) Source: Exhibit No. WEB - 10 (Staff DR No. 12)  
 (3) Source: Exhibit No. WEB - 11 (Staff DR No. 4)

This exhibit contains three pages out of a total of seven pages.  
 The complete article is available from Staff upon request.





Suburban Water Co.  
Docket No. 11-SUBW-448-RTS  
KCC Information Request Answers

Request No. 44  
RE: Data Request # 12

1. See attached PDF file.



011210 183001 11

FOR BILLING INQUIRIES CALL: (913) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 12/07/09  
 BILLING DATE: 01/12/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 01/12/10

Date	BPU Charges	Amount	BILL SUMMARY	
01/07/10	Water Charges	\$8,766.92	BPU Charges	\$8,766.92
	Total	\$8,766.92	City Charges	\$1,122.17
			Taxes	\$0.00
Date	UG Charges	Amount		
01/07/10	PILOT	\$1,122.17	Total Current Bill	\$9,889.09
	Total	\$1,122.17	Previous Balance	\$10,212.36
			Regular Utility Payment - THANK YOU	(\$10,212.36)
			Ending Account Balance	\$9,889.09

DETAIL METER AND/OR SERVICE INFORMATION											
SERV. RATE	METER NUMBER OR	SERVICE	PREVIOUS	PRESENT	READ METER	CURRENT	USAGE	CURRENT	AMOUNT		
TYPE CODE	SERVICE DESCRIPTION	FROM	TO	READ	READ	TYPE	CONST	DAYS	USAGE	TYPE	
WATR 033	KT11750058	12/07	01/07	491675	498181			31	6456	CCF	8,608.92
WATR 033	Water Customer Charge										160.00

**IMPORTANT MESSAGES**

Save time, save money .... Make life easier. Sign up for the Automatic Bank Draft Payment Plan. Call 573-9095 for information.  
 For questions pertaining to your Sewer, Trash and/or Storm Water, please call City Hall at 573-5400.  
 We appreciate the way you consistently pay your account.  
 Please make contributions to the Utility Assistance Program by mailing a separate check to Utility Asst. Program, P.O. Box 17-1042, Kansas City, KS 66117 FOR DIRECT PAYMENT CALL 1-888-299-3321 OR VISIT BPU.COM TO ENROLL ON AUTOMATIC BANK DRAFT CALL 913 573-9190

Make checks payable to Kansas City Board of Public Utilities.  
 DETACH AND RETURN BOTTOM PORTION OF THIS BILL WITH YOUR PAYMENT. PLEASE DO NOT MAIL CASH

Kansas City Board of Public Utilities • 540 Minnesota Avenue • Kansas City, Kansas 66101-2930

ACCOUNT NUMBER: 000002012388 1 DUE DATE: February 08, 2010  
 SERVICE LOCATION: 14240 STATE AVE AMOUNT DUE NOW: **\$9,889.09**  
 BILLING DATE: January 12, 2010 AFTER DUE DATE: \$9,889.09

CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS

WRITE TOTAL AMOUNT PAID \$ **9,889.09**

SUBURBAN WATER INC  
 P.O. Box No.: 147  
 BASEHOR KS 66007-0147

Be sure address displays in return window  
 Kansas City Board of Public Utilities  
 P.O. Box 219661  
 Kansas City, MO 64121-9661



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ENTERED

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FOR BILLING INQUIRIES CALL: (913) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 01/07/10  
 BILLING DATE: 02/10/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 02/10/10

Date	BPU Charges	Amount	BILL SUMMARY	
02/04/10	Water Charges	\$3,460.25	BPU Charges	\$3,460.25
	Total	\$3,460.25	City Charges	\$442.91
			Taxes	\$0.00
Date	UG Charges	Amount		
02/04/10	PILOT	\$442.91	Total Current Bill	\$3,903.16
	Total	\$442.91	Previous Balance	\$9,809.09
			Regular Utility Payment - THANK YOU	(\$9,889.09)
			Ending Account Balance	\$3,903.16

DETAIL METER AND/OR SERVICE INFORMATION											
SERV. RATE	METER NUMBER OR	SERVICE		PREVIOUS	PRESENT	READ METER	CURRENT	USAGE	CURRENT		
TYPE CODE	SERVICE DESCRIPTION	FROM	TO	READ	READ	TYPE	CONST	DAYS	USAGE	TYPE	AMOUNT
WATR 033	KT11760058	01/07	02/04	498161	500648		1	28	2487	CCF	3,300.25
WATR 033	Water Customer Charge										160.00

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ACCOUNT NUMBER: 000002012388 1 DUE DATE: March 08, 2010  
 SERVICE LOCATION: 14240 STATE AVE AMOUNT DUE NOW: \$3,903.16  
 BILLING DATE: February 10, 2010 AFTER DUE DATE: \$3,903.16

CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS  
 WRITE TOTAL AMOUNT PAID \$

SUBURBAN WATER INC  
 P.O. Box No.: 147  
 BASE HOR KS 66007-0147  
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 Kansas City Board of Public Utilities  
 P.O. Box 219661  
 Kansas City, MO 64121-9661

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FOR BILLING INQUIRIES CALL: (913) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 02/04/10  
 BILLING DATE: 03/10/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 03/10/10

Date	BPU Charges	Amount	BILL SUMMARY	
03/05/10	Water Charges	\$7,016.61	BPU Charges	\$7,016.61
	Total	\$7,016.61	City Charges	\$898.13
			Taxes	\$0.00
Date	UG Charges	Amount		
03/05/10	PILOT	\$898.13		
	Total	\$898.13		
			Total Current Bill	\$7,914.74
			Previous Balance	\$3,903.16
			Regular Utility Payment - THANK YOU	(\$3,903.16)
			Ending Account Balance	\$7,914.74

DETAIL METER AND/OR SERVICE INFORMATION											
SERV	RATE	METER NUMBER OR	SERVICE	PREVIOUS	PRESENT	READ	METER	CURRENT	USAGE	CURRENT	
TYPE	CODE	SERVICE DESCRIPTION	FROM	TO	READ	READ	TYPE	CONST	DAYS	USAGE	TYPE
WATR	033	KT11750058	02/04	03/05	500648	505815			29	5167	CCF
WATR	033	Water Customer Charge									160.00

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 Kansas City Board of Public Utilities • 540 Minnesota Avenue • Kansas City, Kansas 66101-2930

ACCOUNT NUMBER: 000002012388 1  
 SERVICE LOCATION: 14240 STATE AVE  
 BILLING DATE: March 10, 2010

DUE DATE: April 05, 2010

AMOUNT DUE NOW: \$7,914.74

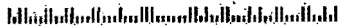
AFTER DUE DATE: \$7,914.74

CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS

WRITE TOTAL AMOUNT PAID \$

SUBURBAN WATER INC  
 P.O. Box No. 147  
 BASEHOR KS 66007-0147

Be sure address displays in return window  
 Kansas City Board of Public Utilities  
 P.O. Box 219661  
 Kansas City, MO 64121-9661



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FOR BILLING INQUIRIES CALL: (913) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 03/05/10  
 BILLING DATE: 04/12/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 04/12/10

Date	BPU Charges	Amount	BILL SUMMARY	
04/07/10	Water Charges	\$10,070.04	BPU Charges	\$10,070.04
	Total	\$10,070.04	City Charges	\$1,288.97
Date	UG Charges	Amount	Taxes	
04/07/10	PILOT	\$1,288.97		\$0.00
	Total	\$1,288.97		
			Total Current Bill	\$11,359.01
			Previous Balance	\$7,914.74
			Regular Utility Payment - THANK YOU	(\$7,914.74)
			Ending Account Balance	\$11,359.01

DETAIL METER AND/OR SERVICE INFORMATION												
SERV. RATE	METER NUMBER OR	SERVICE	PREVIOUS	PRESENT	READ METER	CURRENT	USAGE	CURRENT				
TYPE CODE	SERVICE DESCRIPTION	FROM	TO	READ	READ	TYPE	CONSTR	DAYS	USAGE	TYPE	AMOUNT	
WATR 033	KT11750058	03/05	04/07	505815	513283			1	33	7468	CCF	9,910.04
WATR 033	Water Customer Charge											160.00

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ACCOUNT NUMBER: 0800002012388 1 DUE DATE: May 07, 2010  
 SERVICE LOCATION: 14240 STATE AVE AMOUNT DUE NOW: \$11,359.01  
 BILLING DATE: April 12, 2010 AFTER DUE DATE: \$11,359.01  
 CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS WRITE TOTAL AMOUNT PAID \$  
 SUBURBAN WATER INC Be sure address displays in return window  
 P.O. Box No.: 147 Kansas City Board of Public Utilities  
 BASEHOR KS 66007-0147 P.O. Box 219661  
 Kansas City, MO 64121-9661



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FOR BILLING INQUIRIES CALL: (913) 573-9180

ACCOUNT NUMBER: 2012388    CUSTOMER NAME: SUBURBAN WATER INC    PREVIOUS BILL: 04/07/10  
 BILLING DATE: 05/12/10    SERVICE LOCATION: 14240 STATE AVE    CURRENT BILL: 05/12/10

Date	BPU Charges	Amount	BILL SUMMARY	
05/06/10	Water Charges	\$9,807.29	BPU Charges	\$9,807.29
	Total	\$9,807.29	City Charges	\$1,255.33
Date	UG Charges	Amount	Taxes	\$0.00
05/06/10	PILOT	\$1,255.33	Total Current Bill	\$11,062.62
	Total	\$1,255.33	Previous Balance	\$11,359.01
			Regular Utility Payment - THANK YOU	(\$11,359.01)
			Ending Account Balance	\$11,062.62

DETAIL METER AND/OR SERVICE INFORMATION									
SERV. RATE	METER NUMBER OR	SERVICE	PREVIOUS	PRESENT	READ METER	CURRENT	USAGE	CURRENT	
TYPE CODE	SERVICE DESCRIPTION	FROM TO	HEAD	HEAD	TYPE CONST	DAYS	USAGE	TYRE	AMOUNT
WATR 033	KT11750058	04/07 05/06	513283	520563		1 29	7270	CCF	9,647.29
WATR 033	Water Customer Charge								160.00

**IMPORTANT MESSAGES**

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For questions pertaining to your Sewer, Trash and/or Storm Water, please call City Hall at 573-5400.

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ACCOUNT NUMBER: 0000002012388 1  
 SERVICE LOCATION: 14240 STATE AVE  
 BILLING DATE: May 12, 2010

DUE DATE: June 07, 2010

AMOUNT DUE NOW: \$11,062.62

AFTER DUE DATE: \$11,062.62

CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS

WRITE TOTAL AMOUNT PAID \$

SUBURBAN WATER INC  
 P.O. Box No.: 147  
 BASEHOR KS 66007-0147

Be sure address displays in return window  
 Kansas City Board of Public Utilities  
 P.O. Box 219661  
 Kansas City, MO 64121-9661



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ENTERED

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FOR BILLING INQUIRIES CALL: (913) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 05/06/10  
BILLING DATE: 06/11/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 06/11/10

Date	BPU Charges	Amount	BILL SUMMARY	
06/07/10	Water Charges	\$13,810.85	BPU Charges	\$13,810.85
	<b>Total</b>	<b>\$13,810.85</b>	City Charges	\$1,767.79
Date	UG Charges	Amount	Taxes	
06/07/10	PJLGT	\$1,767.79		\$0.00
	<b>Total</b>	<b>\$1,767.79</b>		
			Total Current Bill	\$15,578.64
			Previous Balance	\$11,062.62
			Regular Utility Payment - THANK YOU	(\$11,062.62)
			<b>Ending Account Balance</b>	<b>\$15,578.64</b>

DETAIL METER AND/OR SERVICE INFORMATION											
SERV RATE	METER NUMBER OR	SERVICE	PREVIOUS	PRESENT	READ METER	CURRENT	USAGE	CURRENT			
TYPE CODE	SERVICE DESCRIPTION	FROM	TO	READ	READ	TYPE	CONST	DAYS	USAGE	TYPE	AMOUNT
WATR 033	KT11750058	05/06	05/07	520553	530840		1	32	10297	CCF	13,850.85
WATR 033	Water Customer Charge										160.00

**IMPORTANT MESSAGES**

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We appreciate the way you consistently pay your account.

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ACCOUNT NUMBER: 000002012388 1  
SERVICE LOCATION: 14240 STATE AVE  
BILLING DATE: June 11, 2010

DUE DATE: July 06, 2010

AMOUNT DUE NOW: **\$15,578.64**

AFTER DUE DATE: **\$15,578.64**

CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS

WRITE TOTAL AMOUNT PAID \$

SUBURBAN WATER INC  
P.O. Box No. 147  
BASEHOR KS 66007-0147

Be sure address displays in return window  
Kansas City Board of Public Utilities  
P.O. Box 218661  
Kansas City, MO 64121-9661

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**Kansas City Board of Public Utilities**  
 540 MINNESOTA AVENUE • KANSAS CITY, KANSAS 66101-2930

ENTERED

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FOR BILLING INQUIRIES CALL: (913) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 06/07/10  
 BILLING DATE: 07/13/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 07/13/10

Date	BPU Charges	Amount	BILL SUMMARY	
07/07/10	Water Charges	\$15,303.72	BPU Charges	\$15,303.72
	Total	\$15,303.72	City Charges	\$1,959.88
			Taxes	\$0.00
Date	UG Charges	Amount		
07/07/10	PILOT	\$1,959.88	Total Current Bill	\$17,262.60
	Total	\$1,959.88	Previous Balance	\$15,578.64
			Regular Utility Payment - THANK YOU	(\$15,578.64)
			Ending Account Balance	\$17,262.60

DETAIL METER AND/OR SERVICE INFORMATION													
SERV RATE	METER NUMBER OR	SERVICE	PREVIOUS	PRESENT	READ METER	CURRENT	USAGE	CURRENT					
TYPE	CODE	SERVICE DESCRIPTION	FROM	TO	READ	READ	TYPE	CONST	DAYS	USAGE	TYPE	AMOUNT	
WATR	033	KT11750058	06/07	07/07	530840	542252			1	30	11412	COF	15,143.72
WATR	033	Water Customer Charge											160.00

**IMPORTANT MESSAGES:**  
 Save time, save money .... Make life easier. Sign up for the Automatic Bank Draft Payment Plan. Call 573-9095 for information.  
 For questions pertaining to UG charges, please call the United Government's 311 Call Center at 3-1-1 or 913-573-5311.  
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 Please make contributions to the Utility Assistance Program by mailing a separate check to Utility Asst. Program, P.O. Box 17-1042, Kansas City, KS 66117. FOR DIRECT PAYMENT CALL 1-888-293-3321 OR VISIT BPU.COM TO ENROLL ON AUTOMATIC BANK DRAFT CALL 913-573-9190

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ACCOUNT NUMBER: 000002012388 1 DUE DATE: August 09, 2010  
 SERVICE LOCATION: 14240 STATE AVE AMOUNT DUE NOW: \$17,262.60  
 BILLING DATE: July 13, 2010 AFTER DUE DATE: \$17,262.60  
 CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS WRITE TOTAL AMOUNT PAID \$

SUBURBAN WATER INC  
 P.O. Box No.: 147  
 BASEHOR KS 66007-0147  
 Be sure address displays in return window  
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 P.O. Box 219661  
 Kansas City, MO 64121-9661



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**Kansas City Board of Public Utilities**  
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ENTERED

081210 183001 2

FOR BILLING INQUIRIES CALL: (913) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 07/07/10  
 BILLING DATE: 08/12/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 08/12/10

Date	BPU Charges	Amount	BILL SUMMARY	
08/06/10	Water Charges	\$20,191.07	BPU Charges	\$20,191.07
	Total	\$20,191.07	City Charges	\$2,584.46
Date	UG Charges	Amount	Taxes	\$0.00
08/06/10	PILOT	\$2,584.46	Total Current Bill	\$22,775.53
	Total	\$2,584.46	Previous Balance	\$17,262.60
			Regular Utility Payment - THANK YOU	(\$17,262.60)
			Ending Account Balance	\$22,775.53

DETAIL METER AND/OR SERVICE INFORMATION									
SERV TYPE	RATE	METER NUMBER OR SERVICE DESCRIPTION	FROM	TO	PREVIOUS READ	PRESENT READ	READ METER TYPE	CURRENT USAGE	CURRENT AMOUNT
WATR	033	KT11750055	07/07	08/06	642252	657947		15095 GCF	20,031.07
WATR	033	Water Customer Charge							180.00

**IMPORTANT MESSAGES**

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 Kansas City Board of Public Utilities • 540 Minnesota Avenue • Kansas City, Kansas 66101-2930

ACCOUNT NUMBER: 0000002012388 1 DUE DATE: September 07, 2010  
 SERVICE LOCATION: 14240 STATE AVE AMOUNT DUE NOW: \$22,775.53  
 BILLING DATE: August 12, 2010 AFTER DUE DATE: \$22,775.53  
 CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS WRITE TOTAL AMOUNT PAID \$

SUBURBAN WATER INC  
 P.O. Box No.: 147  
 BASEHOR KS 66007-0147

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 P.O. Box 219661  
 Kansas City, MO 64121-9661



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**Kansas City Board of Public Utilities**  
 540 MINNESOTA AVENUE • KANSAS CITY, KANSAS 66101-2930

ENTERED

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FOR BILLING INQUIRIES CALL: (813) 573-9180

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 08/06/10  
 BILLING DATE: 09/13/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 09/13/10

Date	BPU Charges	Amount	BILL SUMMARY	
09/07/10	Water Charges	\$25,174.72	BPU Charges	\$25,174.72
	Total	\$25,174.72	City Charges	\$3,222.36
			Taxes	\$0.00
Date	UG Charges	Amount		
09/07/10	PILDT	\$3,222.36	Total Current Bill	\$28,397.08
	Total	\$3,222.36	Previous Balance	\$22,775.53
			Regular Utility Payment - THANK YOU	(\$22,775.53)
			Ending Account Balance	\$28,397.08

DETAIL METER AND/OR SERVICE INFORMATION												
SERV	RATE	METER NUMBER OR	SERVICE	PREVIOUS	PRESENT	READ METER	CURRENT	USAGE	CURRENT			
TYPE	CODE	SERVICE DESCRIPTION	FROM	TO	READ	READ	TYPE	CONST	DAYS	USAGE	AMOUNT	
WATR	R33	KT11750088	08/08	09/07	657347	674863		1	32	17616	CCP	25,014.72
WATR	R33	Water Customer Charge										160.00

**IMPORTANT MESSAGES**

Save time, save money .... Make life easier. Sign up for the Automatic Bank Draft Payment Plan. Call 573-3095 for information.  
 For questions pertaining to UG charges, please call the Unified Government's 311 Call-Center at 3-1-1 or 813-573-5311.

We appreciate the way you consistently pay your account.  
 Please make contributions to the Utility Assistance Program by mailing a separate check to Utility Assst. Program, P.O. Box 17-1052, Kansas City, KS 66117 FOR DIRECT PAYMENT CALL 1-888-299-3321 OR VISIT BRU.COM TO ENROLL ON AUTOMATIC BANK DRAFT CALL 913-573-9199

Make checks payable to Kansas City Board of Public Utilities  
 DETACH AND RETURN BOTTOM PORTION OF THIS BILL WITH YOUR PAYMENT. PLEASE DO NOT MAIL CASH

Kansas City Board of Public Utilities • 540 Minnesota Avenue • Kansas City, Kansas 66101-2930

ACCOUNT NUMBER: 000002012388 1  
 SERVICE LOCATION: 14240 STATE AVE  
 BILLING DATE: September 13, 2010

DUE DATE: October 08, 2010

AMOUNT DUE NOW: **\$28,397.08**

AFTER DUE DATE: **\$28,397.08**

CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS

WRITE TOTAL AMOUNT PAID \$ **0.00**

SUBURBAN WATER INC  
 P.O. Box No.: 147  
 BASEHOR KS 66007-0147

Be sure address displays in return window  
 Kansas City Board of Public Utilities  
 P.O. Box 219661  
 Kansas City, MO 64121-9561



000002012388 1 0002639708 0002639708 8



Kansas City Board of Public Utilities  
 540 MINNESOTA AVENUE • KANSAS CITY, KANSAS 66101-2930

ENTERED

101210 183001 1

FOR BILLING INQUIRIES CALL: (813) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 09/07/10  
 BILLING DATE: 10/12/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 10/12/10

Date	BPU Charges	Amount	BILL SUMMARY	
10/06/10	Water Charges	\$13,421.88	BPU Charges	\$13,421.88
	Total	\$13,421.88	City Charges	\$1,717.84
Date	UG Charges	Amount	Taxes	\$0.00
10/06/10	PILOT	\$1,717.84	Total Current Bill	\$15,139.32
	Total	\$1,717.84	Previous Balance	\$28,397.08
			Regular Utility Payment - THANK YOU	(\$28,397.08)
			Ending Account Balance	\$15,139.32

DETAIL METER AND/OR SERVICE INFORMATION										
SERV DATE	METER NUMBER OR	SERVICE FROM	PREVIOUS HEAD	PRESNT HEAD	READ METER	CURRENT	USAGE	CURRENT		
TYPE CODE	SERVICE DESCRIPTION	TO			TYPE	CONST	DAYS	USAGE	TYPE	AMOUNT
WATR 033	KT1170000	09/07	10/06	574963	384802		28	9389 GCF		13,281.88
WATR 033	Water Customer Charge									160.00

**IMPORTANT MESSAGES**

Save time, save money ... Make life easier. Sign up for the Automatic Bank Draft Payment Plan. Call 573-9089 for information.

For questions pertaining to UG charges, please call the United Government's 811 Call Center at 3-1-1 or 813-573-6314.

We appreciate the way you consistently pay your account.

Please make contributions to the Utility Assistance Program by mailing a separate check to Utility Assl. Program, P.O. Box 17-1042, Kansas City, KS 66117. FOR DIRECT PAYMENT CALL 1-888-298-3321 OR VISIT BPU.COM. TO ENROLL ON AUTOMAT. BANK DRAFT CALL 813-573-9190

Make checks payable to Kansas City Board of Public Utilities  
 DETACH AND RETURN BOTTOM PORTION OF THIS BILL WITH YOUR PAYMENT. PLEASE DO NOT MAIL CASH  
 Kansas City Board of Public Utilities • 540 Minnesota Avenue • Kansas City, Kansas 66101-2930

ACCOUNT NUMBER: 000002012388 1  
 SERVICE LOCATION: 14240 STATE AVE  
 BILLING DATE: October 12, 2010

DUE DATE: November 09, 2010

AMOUNT DUE NOW: \$15,139.32

AFTER DUE DATE: \$15,139.32

CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE COMMENTS

WRITE TOTAL AMOUNT PAID \$

SUBURBAN WATER INC  
 P.O. Box No.: 147  
 BASEHOR KS 66007-0147

By www.kcbpu.com please to return window  
 Kansas City Board of Public Utilities  
 P.O. Box 219661  
 Kansas City, MO 64121-9661



000002012388 1 0001513932 0001513932 8



**Kansas City Board of Public Utilities**  
 540 MINNESOTA AVENUE • KANSAS CITY, KANSAS 66101-2930

ENTERED

111010 163001 3

FOR BILLING INQUIRIES CALL: (913) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 10/06/10  
 BILLING DATE: 11/10/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 11/10/10

Date	BPU Charges	Amount	BILL SUMMARY	
11/05/10	Water Charges	\$14,506.26	BPU Charges	\$14,506.26
	Total	\$14,506.26	City Charges	\$1,856.80
			Taxes	\$0.00
Date	UG Charges	Amount		
11/05/10	PILOT	\$1,856.80	Total Current Bill	\$16,363.06
	Total	\$1,856.80	Previous Balance	\$15,139.32
			Regular Utility Payment - THANK YOU	(\$15,139.32)
			Ending Account Balance	\$16,363.06

DETAIL METER AND/OR SERVICE INFORMATION										
SERV. RATE	METER NUMBER OR	SERVICE	PREVIOUS	PRESENT	READ METER	CURRENT	USAGE	CURRENT		
TYPE CODE	SERVICE DESCRIPTION	FROM	TO	READ	READ	TYPE CONST	DAYS	USAGE	TYPE	AMOUNT
WATR 033	KT11750058	10/06	11/05	584302	594405		30	10103	CCF	14,946.26
WATR 033	Water Customer Charge									169.00

**IMPORTANT MESSAGES:**  
 Save time, save money ... Make life easier. Sign up for the Automatic Bank Draft Payment Plan. Call 573-9095 for information.  
 For questions pertaining to UG charges, please call the Unified Government's 311 Call Center at 3-1-1 or 913-573-5311.  
 We appreciate the way you consistently pay your account.  
 Please make contributions to the Utility Assistance Program by mailing a separate check to Utility Assit. Program, P.O. Box 17-1042, Kansas City, KS 66117. FOR DIRECT PAYMENT CALL 1-866-299-3321 OR VISIT BPU.COM. TO ENROLL ON AUTOMATIC BANK DRAFT CALL 913-573-9190

Make checks payable to Kansas City Board of Public Utilities  
 DETACH AND RETURN BOTTOM PORTION OF THIS BILL WITH YOUR PAYMENT. PLEASE DO NOT MAIL CASH

Kansas City Board of Public Utilities • 540 Minnesota Avenue • Kansas City, Kansas 66101-2930

ACCOUNT NUMBER: 000002012388 1 DUE DATE: December 06, 2010  
 SERVICE LOCATION: 14240 STATE AVE AMOUNT DUE NOW: \$16,363.06  
 BILLING DATE: November 10, 2010 AFTER DUE DATE: \$16,363.06

CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS

WRITE TOTAL AMOUNT PAID \$

SUBURBAN WATER INC  
 P.O. Box No.: 147  
 BASEHOR KS 66007-0147

Be sure address displays in return window  
 Kansas City Board of Public Utilities  
 P.O. Box 219661  
 Kansas City, MO 64121-9661

1110101630013

1110101630013

000002012388 1 0001636306 0001636306 2



ENTERED

121010 183001 4

FOR BILLING INQUIRIES CALL: (913) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL: 11/05/10  
 BILLING DATE: 12/10/10 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL: 12/10/10

Date	BPU Charges	Amount	BILL SUMMARY	
12/06/10	Water Charges	\$13,040.82	BPU Charges	\$13,040.82
	Total	\$13,040.82	City Charges	\$1,569.22
Date	UG Charges	Amount	Taxes	
12/06/10	PILOT	\$1,569.22	Taxes	\$0.00
	Total	\$1,569.22		
			Total Current Bill	\$14,710.04
			Previous Balance	\$16,363.06
			Regular Utility Payment - THANK YOU	(\$16,363.06)
			Ending Account Balance	\$14,710.04

DETAIL METER AND/OR SERVICE INFORMATION												
SERV. RATE	METER NUMBER OR	SERVICE	PREVIOUS	PRESENT	READ	READ	CURRENT	USAGE	CURRENT			
TYPE	CODE	SERVICE DESCRIPTION	FROM	TO	READ	TIME	CONST	DAYS	USAGE	TYPE		
WATR	D33	KT11759058	11/05	12/06	594405	603478		1	31	907	CCF	12,888.82
WATR	D33	Water Customer Charge										160.00

**IMPORTANT MESSAGES**  
 Save time, save money... Make life easier. Sign up for the Automatic Bank Draft Payment Plan. Call 573-9095 for information.  
 For questions pertaining to UG charges, please call the Unified Government's 311 Call Center at 3-1-1 or 913-573-5311.  
 We appreciate the way you consistently pay your account.  
 Please make contributions to the Utility Assistance Program by mailing a separate check to Utility Asst. Program, P.O. Box 17-1042, Kansas City, KS 66117. FOR DIRECT PAYMENT CALL 1-888-239-3321 OR VISIT BPU.COM. TO ENROLL ON AUTOMATIC BANK DRAFT CALL 913-573-9190

Make checks payable to Kansas City Board of Public Utilities  
 DETACH AND RETURN BOTTOM PORTION OF THIS BILL WITH YOUR PAYMENT. PLEASE DO NOT MAIL CASH  
 Kansas City Board of Public Utilities • 540 Minnesota Avenue • Kansas City, Kansas 66101-2930

ACCOUNT NUMBER: 000002012388 1 DUE DATE: January 04, 2011  
 SERVICE LOCATION: 14240 STATE AVE AMOUNT DUE NOW: \$14,710.04  
 BILLING DATE: December 10, 2010 AFTER DUE DATE: \$14,710.04

CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE/COMMENTS WRITE TOTAL AMOUNT PAID \$

SUBURBAN WATER INC Be sure address displays in return window  
 P.O. Box No.: 147 Kansas City Board of Public Utilities  
 BASEHOR KS 66007-0147 P.O. Box 219661  
 Kansas City, MO 64121-9661



000002012388 1 0001471004 0001471004 6

Kansas Corporation Commission  
Information Request

Request No: 12

Company Name                SUBURBAN WATER CO.                                 SUBW  
Docket Number             11-SUBW-448-RTS  
Request Date                January 24, 2011  
Date Information Needed    February 2, 2011

RE: Invoice for Water Purchase-BPU

**Please Provide the Following:**

When available, please provide a copy of the Kansas City Kansas Board of Public Utilities' invoice to Suburban Water Company for purchased water for the month of January 2011 (or the first monthly bill reflecting the new 2011 water rate).

Submitted By Justin Grady

Submitted To Mike Breuer

See attached invoice

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

**Verification of Response**

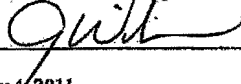
I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Gregory L. Wilson

**VERIFICATION OF RESPONSE**

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: \_\_\_\_\_

A handwritten signature in cursive script, appearing to read "Quill", is written over a horizontal line.

Date: February 4, 2011



**Kansas City Board of Public Utilities**  
 540 MINNESOTA AVENUE • KANSAS CITY, KANSAS 66101-2930

011311 183001 4

FOR BILLING INQUIRIES CALL (816) 573-9190

ACCOUNT NUMBER: 2012388 CUSTOMER NAME: SUBURBAN WATER INC PREVIOUS BILL 12/06/10  
 BILLING DATE: 01/13/11 SERVICE LOCATION: 14240 STATE AVE CURRENT BILL 01/13/11

Date	BPU Charges	Amount	BILL SUMMARY		
01/07/11	Water Charges	\$15,484.48	BPU Charges	\$15,484.48	
	Total	\$15,484.48	City Charges	\$1,842.65	11.9%
Date	UG Charges	Amount			
01/07/11	PILOT	\$1,842.65	Taxes	\$0.00	
	Total	\$1,842.65			
			Total Current Bill	\$17,327.13	
			Previous Balance	\$14,710.04	
			Regular Utility Payment - THANK YOU	(\$14,710.04)	
			Ending Account Balance	\$17,327.13	

DETAIL METER AND/OR SERVICE INFORMATION												
SERV	RATE	METER NUMBER OR	SERVICE	PREVIOUS	PRESENT	READ	METER	CURRENT	USAGE	CURRENT		
TYPE	CODE	SERVICE DESCRIPTION	FROM	TO	READ	READ	TYPE	CONST	DAYS	USAGE	TYPE	AMOUNT
WATR	033	KT11750058	12/06	01/07	603476	613492			32	10018	CCF	15,924.48
WATR	WCC	Water Customer Access Charge										160.00

**IMPORTANT MESSAGES**  
 Save time, save money .... Make life easier. Sign up for the Automatic Bank Draft Payment Plan. Call 573-9095 for information.  
 For questions pertaining to UG charges, please call the United Government's 311 Call Center at 3-1-1 or 913-573-5311.  
 We appreciate the way you consistently pay your account.  
 Please make contributions to the Utility Assistance Program by mailing a separate check to Utility Asst. Program, P.O. Box 17-1042, Kansas City, KS 66117 FOR DIRECT PAYMENT CALL 1-888-299-3321 OR VISIT BPU.COM TO ENROLL ON AUTOMATIC BANK DRAFT CALL 913 573-9190

*Handwritten calculations:*  
 15,484.48  
 2160.00  
 17,644.48  
 15,327.48  
 2,317.00 = 2.05  
 7491.968  
 20668  
 10018 x .718  
 7,191.016

Make checks payable to Kansas City Board of Public Utilities  
 DETAIL METER INFORMATION FOR PAYMENT OF THIS BILL WILL BE CONTAINED IN PAGE TWO OF THIS STATEMENT  
 Kansas City Board of Public Utilities • 540 Minnesota Avenue • Kansas City, Kansas 66101-2930

ACCOUNT NUMBER: 0000002012388 1  
 SERVICE LOCATION: 14240 STATE AVE  
 BILLING DATE: January 13, 2011

DUE DATE: February 07, 2011

AMOUNT DUE NOW: **\$17,327.13**

AFTER DUE DATE: \$17,327.13

CHECK IF REVERSE SIDE ADDRESS, PHONE CHANGE, COMMENTS

WRITE TOTAL AMOUNT PAID \$

SUBURBAN WATER INC  
 P.O. Box No.: 147  
 BASEHOR KS 66007-0147

Be sure address displays in return window  
 Kansas City Board of Public Utilities  
 P.O. Box 219661  
 Kansas City, MO 64121-9661

|||||

|||||

0000002012388 1 0001732713 0001732713 0





**VERIFICATION OF RESPONSE**

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: 

Date: February 4, 2011

Suburban Water Co.  
Docket No. 11-SUBW-448-RTS  
KCC information Request Answers

Request No. 4  
RE: PILOT

1.
  - a. The PILOT for 2012 is 9.9%. Please see the attached email from the BPU where originally the Unified Government (UG) had the PILOT decreasing 1% each year. However, when the final 2010 budget passed the PILOT in 2011 was set at 11.9% and the PILOT for 2012 was set at 9.9%. The wholesale rates will be changed to reflect the 9.9% vs. the 10.9% previously used. This will have no impact on SWC additional revenue requirement request.

Suburban Water Company  
Staff Adjustment No. 4  
Rate Case Expense  
For the Test Year Ended March 31, 2007  
Including Adjustments From the 448 Docket

<u>Line No.</u>			
1	Suburban Water Rate Case Expense Through February 2011	\$16,116.19	(1)
2	Staff Rate Case Expense as of March 2, 2011	15,212.50	(2)
3	Total Rate Case Expense	<u>31,328.69</u>	
4	Amortize Rate Case Expense Adjustment Over 3 Years	<u>/ 3 Years</u>	
5	Staff Rate Case Expense Adjustment	<u><u>\$10,443.00</u></u>	

(1) Source: Exhibit No. WEB - 13 (Staff DR No. 61)

(2) Source: Kansas Corporation Commission Fiscal Accounting

**Kansas Corporation Commission  
Information Request**

Request No: 61

Company Name                     SUBURBAN WATER CO.   SUBW  
Docket Number                   11-SUBW-448-RTS  
Request Date                    March 2, 2011  
Date Information Needed       March 10, 2011

RE: Follow Up to Data Request 54 - Rate Case Expense

**Please Provide the Following:**

1. Please provide Suburban Water's actual rate case expense through February 28, 2011.
2. Please provide a copy of the invoices supporting the actual rate case expense through February 28th.
3. Please continue to provide rate case expense and a copy of the supporting invoices the company incurs for each calendar month subsequent to February 2011 until the rate case is completed.

Submitted By   Bill Baldry

Submitted To   Mike Breuer

See attached.


If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

**Verification of Response**

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief, and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

  
3-2-11

## Twenty-First Century

*Management Consultants*

P.O. Box 532  
DeSoto, Kansas 66018  
Phone 913-856-4731 Fax 913-856-4731  
Email: [Greg12@sprynet.com](mailto:Greg12@sprynet.com)

# INVOICE

DATE: 3/1/11  
INVOICE # 01-2011

**Bill To:**  
Suburban Water Company  
Attn: Mike Breuer  
1216 N. 155th, PO Box 147  
Basehor, Kansas 66007  
913-724-1800

**For:**  
KCC Docket No. 11-SUBW-448-RTS  
For the Period 11/04/2010 through 02/24/2011

DESCRIPTION	Hours	Rate	AMOUNT
KCC Filings Data Request Answers and Meetings	30	\$150.00	\$4,500.00
<b>TOTAL</b>			<b>\$4,500.00</b>

Make all checks payable to **Twenty-First Century Management Consultants**  
Total amount is now due

**THANK YOU FOR YOUR BUSINESS!**

**Anderson & Byrd LLP**  
 216 S Hickory St, - P.O. Box 17  
 Ottawa, KS 66067  
 785 242-1234  
 Taxpayer ID 48-0548554

**PAID**

Suburban Water Company  
 1216 N. 155th Street  
 Basehor, Kansas 66007

Date  
 12/1/2010

Date	Services	Hours	Amount
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
11/4/2010	Emails to from KCC Staff and Suburban re: meeting with Staff to discuss abbreviated rate case filing.	0.33	74.25
11/5/2010	Set up meeting with KCC to discuss abbreviated rate case; emails to from Wilson re: abbreviated rate case.	0.33	74.25
11/10/2010	emails to from KCC Staff re:meeting to discuss abbreviated filing.	0.16	36.00
11/11/2010	Phone call with Greg re: meeting with KCC Staff.	0.33	74.25
11/12/2010	Prepare for meeting with KCC to discuss abbreviated case; draft notice to file abbreviated case; meeting with Travis, Mike and Greg re: abbreviated case; meeting with KCC Staff and CURB re: abbreviated case.	3.33	749.25
11/12/2010	Rate Case Letter	0.16	36.00
11/15/2010	Scan and email filed copy of rate case letter to Mike Breuer and Greg Wilson	0.08	18.00
11/16/2010	Phone call with Wilson re: rate case; review schedule prepared by Wilson re: rate case.	0.33	74.25
11/23/2010	Emails to from Mike re: timing on filing rate case.	0.16	36.00

Total

**Anderson & Byrd LLP**  
216 S Hickory St, - P.O. Box 17  
Ottawa, KS 66067  
785 242-1234  
Taxpayer ID 48-0548554

**PAID**

Suburban Water Company  
1216 N. 155th Street  
Basehor, Kansas 66007

Date  
12/1/2010

Date	Services	Hours	Amount
11/24/2010	Review letter from KCC; emails to Mike and Greg re: letter from KCC on rate case plan.	0.66	148.50
11/30/2010	Meeting with KCC attorney re: rate plan to be submitted to KCC on Friday at open meeting.	0.33	74.25
	Fees		1,768.50
	Long distance		17.69
	Postage, copies		35.37
11/12/2010	Travel to Topeka		48.00
11/29/2010	Phone		4.59
	<b>Total</b>		<b>\$1,874.15</b>



**Anderson & Byrd LLP**  
 216 S Hickory St, - P.O. Box 17  
 Ottawa, KS 66067  
 785 242-1234  
 Taxpayer ID 48-0548554

**PAID**

Suburban Water Company  
 1216 N. 155th Street  
 Basehor, Kansas 66007

Date  
 1/4/2011

Date	Services	Hours	Amount
12/7/2010	Draft letter to customers; email to company and KCC Staff re: letter to customers about rate increase; emails to from Wilson re: letter; rate case.	1.16	261.00
12/7/2010	Notice of Public Meeting, Re: Increase in Rates; email to Mike Breuer, Greg Wilson and Travis Miles for review and comment; also email to Colleen Harrell and Niki Christopher for review and comment	0.25	56.25
12/9/2010	Draft application; review schedules prepared by Wilson; emails and phone call with SWC re: schedules for application.	2.33	524.25
12/9/2010	Application, Re: Abbreviated Rate Case; scan and email to JGF for distribution	0.33	74.25
12/10/2010	Phone call with Wilson re: new schedules; phone call with Travis re: responses to questions on prudence; make changes to application; work on testimony.	1.33	299.25
12/10/2010	Changes to Application; changes to Notice (attachment to Application) per new rate design received from Greg Wilson, Re: Abbreviated Rate Case	0.08	18.00
12/14/2010	First draft of testimony of Mike Breuer, Re: Abbreviated Rate Case; email to JGF	0.16	36.00
12/15/2010	[REDACTED] prudence issue for rate filing; review emails from Travis re: information for Mike's testimony.	4.83	1,086.75
12/15/2010	Testimony of Mike Breuer; list of exhibits; email to JGF for distribution, Re: Abbreviated Rate Case	0.33	74.25

Total

**Anderson & Byrd LLP**

216 S Hickory St, - P.O. Box 17

Ottawa, KS 66067

785 242-1234

Taxpayer ID 48-0548554

**PAID**

Suburban Water Company  
1216 N. 155th Street  
Basehor, Kansas 66007

Date  
1/4/2011

Date	Services	Hours	Amount
12/16/2010	Phone call with Greg re: application; schedules; phone call with KCC Staff re: notice; phone call with Travis and Mike re: Mike's testimony; make changes to Mike's testimony; complete notice and application and gather exhibits.	2.33	524.25
12/16/2010	Verification for Mike Breuer; email same, Re: Abbreviated Rate Case	0.08	18.00
12/16/2010	Changes to Testimony of Mike Breuer; email verification to Travis Miles to obtain signature of Mr. Breuer, Re: Rate Case	0.25	56.25
12/16/2010	Changes to Application, Re: Rate Case	0.16	36.00
12/17/2010	Make additional changes to Mike's testimony; phone call with Travis re: testimony; phone call with KCC Staff re: notice.	1.33	299.25
12/20/2010	Make final changes to application and testimony; file rate case application and testimony with KCC.	1	225.00
12/20/2010	Finalize Application and Exhibits, including Testimony of Mr. Breuer (Exhibit D), Re: Rate Case; scan and email to Colleen Harrell, Niki Christopher, Bill Baldry, Justin Grady, Greg Wilson, Mike Breuer and Travis Miles; letter to KCC to file same; copy and deliver to Fedex drop off	1.33	299.25
12/22/2010	Letter to KCC re: amendment to Exhibit E to the rate case application.	0.33	74.25

Total

**Anderson & Byrd LLP**

216 S Hickory St, - P.O. Box 17

Ottawa, KS 66067

785 242-1234

Taxpayer ID 48-0548554

**PAID**

Suburban Water Company  
1216 N. 155th Street  
Basehor, Kansas 66007

Date  
1/4/2011

Date	Services	Hours	Amount
12/22/2010	Amended Exhibit E; letter to KCC to file same; scan and email to Colleen Harrell, Niki Christopher, Bill Baldry, Justin Grady, Greg Wilson, Mike Breuer and Travis Miles, Re: Docket No. 11-SUBW-448-RTS; copy and mail original	0.25	56.25
12/27/2010	Scan and email CURB's Petition to Intervene, Re: Docket No. 11-SUBW-448-RTS to Mike Breuer and Greg Wilson	0.08	18.00
12/27/2010	Scan and email filed copy of Amended Exhibit E, Re: Docket No. 11-SUBW-448-RTS, to Greg Wilson and Mike Breuer	0.08	18.00
	Fees		4,054.50
	Long distance		42.23
	Postage, copies		84.47
12/22/2010	Phone		4.55
	Copies		860.80
	Fee write down per JGF		-440.60
	<b>Total</b>		<b>\$4,605.95</b>

**Anderson & Byrd LLP**  
 216 S Hickory St, - P.O. Box 17  
 Ottawa, KS 66067  
 785 242-1234  
 Taxpayer ID 48-0548554

Date -

Suburban Water Company  
 1216 N. 155th Street  
 Basehor, Kansas 66007

2/4/2011

Date	Services	Hours	Amount
1/3/2011	Scan and email Order Assessing Costs, Re: Docket No. 11-SUBW-448-RTS, to Mike Breuer and Greg Wilson	0.08	18.80
1/4/2011	Emails to from Mike re: notice in rate case; phone call with KCC attorney re: notice.	0.33	77.55
1/4/2011	Email Notice to Mike Breuer and Travis Miles, Re: Docket No. 11-SUBW-448-TAR	0.08	18.80
1/5/2011	Phone call from Travis re: notice; data requests; review data requests issued by KCC Staff.	0.33	77.55
1/12/2011	Emails to from Suburban re: Commissioner Loyd's question; emails to from KCC Staff re: same; emails to from Suburban re: notice of meeting; draft letter to KCC re: affidavit of mailing of notice to customers.	0.75	176.25
1/12/2011	Affidavit of Mailing, Re: Docket No. 11-SUBW-448-RTS; email to Mike Breuer, Travis Miles and Greg Wilson, requesting Mr. Breuer's signature and return for filing with the KCC	0.16	37.60
1/12/2011	Receipt of signed Affidavit of Mailing from Suburban Water; letter to KCC to file same; fax file; scan and email to Colleen Harrell and Niki Christopher; mail originals to KCC	0.25	58.75
1/17/2011	Phone call with Mike re: status of case at KCC.	0.25	58.75
1/17/2011	Scan and email filed copy of Affidavit of Mailing, Re: Docket No. 11-SUBW-448-RTS, to Mike Breuer and Greg Wilson	0.08	18.80

Total

Credits

Balance Due

**Anderson & Byrd LLP**  
 216 S Hickory St, - P.O. Box 17  
 Ottawa, KS 66067  
 785 242-1234  
 Taxpayer ID 48-0548554

	Date
Suburban Water Company 1216 N. 155th Street Basehor, Kansas 66007	2/4/2011

Date	Services	Hours	Amount
1/24/2011	Phone call with Mike re: public meeting with customers.	0.16	37.60
1/24/2011	Phone call with KCC Staff attorney re: status of inquiry with Commissioner Loyd on purchasing practices testimony.	0.25	58.75
1/25/2011	Phone call from Greg Wilson re: data requests.	0.16	37.60
1/26/2011	Emails to from KCC Staff re: customer meeting; data requests; email to Mike re: questions about customer meeting.	0.25	58.75
1/26/2011	Review KCC Staff data requests; prepare for customer meeting.	1	235.00
1/26/2011	Meeting with Suburban to discuss data request responses; attend customer meeting; travel to customer meeting.	2.75	646.25
1/28/2011	Scan and email attendance list, Re: Docket No. 11-SUBW-448-RTS Public Meeting, to Colleen Harrell, Niki Christopher, Mike Breuer, Travis Miles and Greg Wilson	0.08	18.80
	<b>Fees</b>		<b>1,635.60</b>
	Long distance		16.36
	Postage, copies		32.71
1/14/2011	Fed Ex (KCC)		77.72
1/26/2011	Travel to Customer Meeting		38.00
	<b>Total</b>		<b>\$1,800.39</b>
	<b>Credits</b>		<b>\$-440.60</b>
	<b>Balance Due</b>		<b>\$1,359.79</b>

**Anderson & Byrd LLP**  
 216 S Hickory St, - P.O. Box 17  
 Ottawa, KS 66067  
 785 242-1234  
 Taxpayer ID 48-0548554

Suburban Water Company  
 1216 N. 155th Street  
 Basehor, Kansas 66007

Date  
 3/1/2011

Date	Services	Hours	Amount
2/2/2011	Review data requests from KCC Staff.	0.5	117.50
2/3/2011	Emails to from Wilson re: responses to data requests; email to KCC Staff re: data request responses.	0.66	155.10
2/4/2011	Phone call with Travis; phone call with Greg Wilson re: responses to data requests; review responses.	1.16	272.60
2/4/2011	Data request responses to Staff; Verification of responses for Greg Wilson to sign; email to Greg requesting signature, Re: Docket No. 11-SUBW-448-RTS	0.41	96.35
2/4/2011	Finalize data request responses with verifications, Re: Docket No. 11-SUBW-448-RTS; scan and email in two batches to Bill Baldry, Colleen Harrell, Justin Grady, Sonya Cushinberry, Mike Breuer, Travis Miles and Greg Wilson with note indicating responses to request nos. 5 and 6 will be email separately	0.25	58.75
2/7/2011	Data request responses to KCC.	0.25	58.75
2/7/2011	Receipt of a portion of the response to Data Request No. 5; email Travis Miles requesting part b to DR5, Re: Docket No. 11-SUBW-448-RTS	0.08	18.80
2/7/2011	Finalize response to Request No. 5; scan and email to Bill Baldry, Colleen Harrell, Justin Grady, Sonya Cushinberry, Mike Breuer, Travis Miles and Greg Wilson, Re: Docket No. 11-SUBW-448-RTS	0.16	37.60
2/8/2011	Review additional data requests from KCC Staff; respond to data requests no. 5 and no. 6.	0.5	117.50

Total

**Anderson & Byrd LLP**

216 S Hickory St, - P.O. Box 17  
 Ottawa, KS 66067  
 785 242-1234  
 Taxpayer ID 48-0548554

Suburban Water Company  
 1216 N. 155th Street  
 Basehor, Kansas 66007

Date  
 3/1/2011

Date	Services	Hours	Amount
2/9/2011	Review data requests.	0.33	77.55
2/10/2011	Review additional data requests; finish response to data request no. 6; phone call with Greg re: responses to data requests.	0.5	117.50
2/10/2011	Receipt of response to Request No. 6, Re: Docket No. 11-SUBW-448-RTS; finalize; scan and email to Bill Baldry, Colleen Harrell, Justin Grady, Sonya Cushinberry, Mike Breuer, Travis Miles and Greg Wilson	0.16	37.60
2/15/2011	Review data request responses; emails to from Greg re: responses; phone call with Greg re: responses; changes to responses.	1.16	272.60
2/15/2011	Receipt of several responses to information requests; print same; scan and email to JGF for distribution, Re: Docket No. 11-SUBW-448-RTS	0.08	18.80
2/16/2011	Review data requests and responses; phone call and emails to Greg re: responses.	0.66	155.10
2/17/2011	Final review of responses to data requests; draft letter to KCC and CURB re: responses and meeting; phone call from Wilson re: responses; review new requests.	0.83	195.05
2/17/2011	Information Request Responses 28-35, Re: Docket No. 11-SUBW-448-RTS; letter to Colleen Harrell; scan and email to Colleen Harrell, Justin Grady, Bill Baldry and Sonya Cushinberry; letter to Niki Christopher, Re: Information Request Responses 1-35; scan and email to Niki Christopher	0.25	58.75

Total

**Anderson & Byrd LLP**

216 S Hickory St, - P.O. Box 17

Ottawa, KS 66067

785 242-1234

Taxpayer ID 48-0548554

Suburban Water Company  
1216 N. 155th Street  
Basehor, Kansas 66007

Date  
3/1/2011

Date	Services	Hours	Amount
2/17/2011	Letter to Niki Christopher, Re: Responses to Information Requests 36 and 37; email to Niki Christopher; letter to Colleen Harrell, Re: same; email to Colleen Harrell, Bill Baldry, Justin Grady and Sonya Cushinberry, Re: Docket No. 11-SUBW-448-RTS	0.25	58.75
2/18/2011	Phone call and emails to from Staff and CURB attorney re: meeting with SWC to discuss data requests.	0.5	117.50
2/18/2011	Review data requests from Staff.	0.33	77.55
2/21/2011	Draft letter to KCC and CURB re: data requests 38-40; review responses; changes to responses; phone call with Travis and emails to from Wilson re: responses.	0.5	117.50
2/21/2011	Receipt of Responses to Information Requests 38-40; letter to Colleen Harrell; scan and email to Colleen Harrell, Justin Grady, Bill Baldry, Sonya Cushinberry, Mike Breuer, Travis Miles and Greg Wilson; letter to Niki Christopher; scan and email to Niki Christopher, Mike Breuer, Travis Miles and Greg Wilson, Re: Docket No. 11-SUBW-448-RTS	0.25	58.75
2/22/2011	Review data request responses to prepare for meeting with KCC Staff and CURB; Travel to Topeka for meeting with Staff; attend meeting with Staff; meeting with SWC and Wilson re; data request responses.	3	705.00
2/24/2011	Review responses to data requests 41-43. Draft letter to KCC re: responses.	0.66	155.10

Total



**Anderson & Byrd LLP**

216 S Hickory St, - P.O. Box 17  
 Ottawa, KS 66067  
 785 242-1234  
 Taxpayer ID 48-0548554

Suburban Water Company  
 1216 N. 155th Street  
 Basehor, Kansas 66007

Date  
 3/1/2011

Date	Services	Hours	Amount
2/24/2011	Receipt of Responses to Information Request Nos. 41-44; letter to Colleen Harrell; scan and email (Response to 42 separately) to Colleen Harrell, Justin Grady, Bill Baldry, Sonya Cushinberry, Mike Breuer, Travis Miles and Greg Wilson; letter to Niki Christopher; scan and email to Niki Christopher, Mike Breuer, Travis Miles and Greg Wilson, Re: Docket No. 11-SUBW-448-RTS	0.41	96.35
2/24/2011	Receipt of Amended Response to Information Request No. 14; letter to Colleen Harrell; scan and email to Colleen Harrell, Justin Grady, Bill Baldry, Sonya Cushinberry, Mike Breuer, Travis Miles and Greg Wilson; letter to Niki Christopher; scan and email to Niki Christopher, Mike Breuer, Travis Miles and Greg Wilson, Re: Docket No. 11-SUBW-448-RTS	0.25	58.75
2/25/2011	Review data request responses.	0.5	117.50
2/25/2011	Review additional responses to data requests; phone call with Travis re: responses.	0.5	117.50
2/28/2011	Emails to from Wilson and KCC Staff re: data request responses.	0.33	77.55
2/28/2011	Review revised responses and documents provided in response to drs 46 and 47.	0.33	77.55
2/28/2011	Phone call with Mike; Phone call with Greg re: data request responses 46-53.	0.33	77.55

Total

**Anderson & Byrd LLP**  
 216 S Hickory St, - P.O. Box 17  
 Ottawa, KS 66067  
 785 242-1234  
 Taxpayer ID 48-0548554

Suburban Water Company  
 1216 N. 155th Street  
 Basehor, Kansas 66007

Date  
 3/1/2011

Date	Services	Hours	Amount
2/28/2011	Review responses to data requests 46-48; changes to responses; draft cover letter to KCC and CURB re: responses.	0.5	117.50
2/28/2011	Receipt of Responses to Information Requests 46-48; revise responses; letter to Colleen Harrell, Re: Docket No. 11-SUBW-448-RTS; scan and email to Colleen Harrell, Bill Baldry, Justin Grady, Sonya Cushinberry; letter to Niki Christopher; scan and email to Niki Christopher; email all to Mike Breuer, Travis Miles and Greg Wilson	0.33	77.55
	Fees		3,973.85
	Long distance		39.74
	Postage, copies		79.48
2/22/2011	Travel to Topeka		52.00
2/23/2011	Phone		4.73
	<b>Total</b>		<b>\$4,149.80</b>

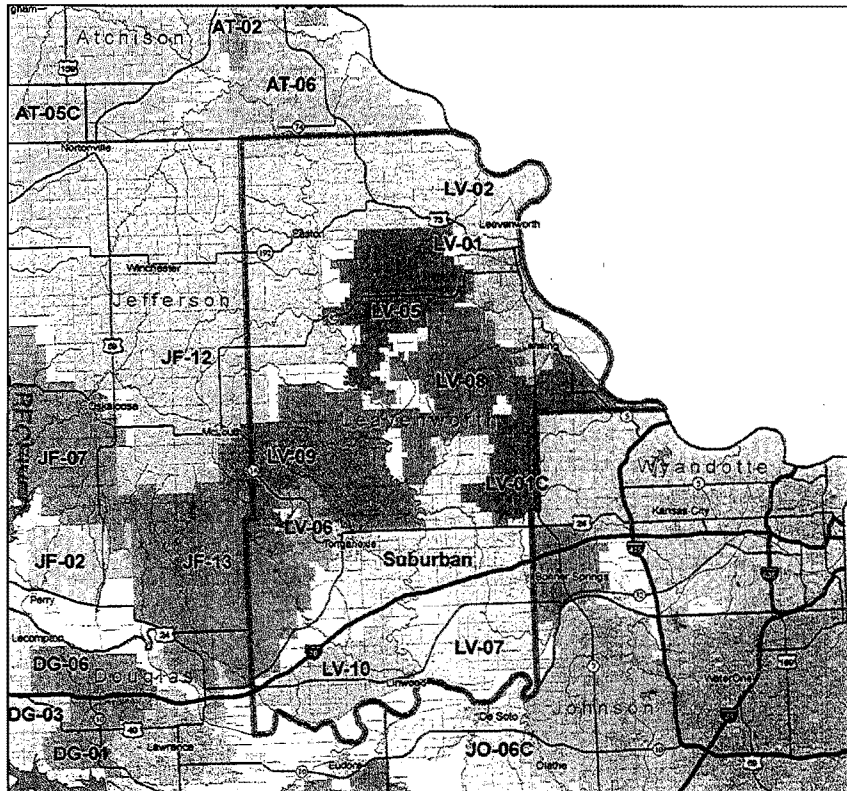
Suburban Water Company  
Staff Adjustment No. 5  
Income Taxes  
For the Test Year Ended March 31, 2007  
Including Adjustments From the 448 Docket

Support for Staff's income tax adjustment is Schedule B-4 of Staff's Schedules. Any Staff adjusting entries that are made to the income statement are automatically adjusted for income taxes in Schedule B-4.

The amount of income tax currently appearing in the Staff Schedules is subject to change, if the Commission orders a change in Staff's revenue requirement.

Column C of Schedule B-4 reflects the income tax effect to Staff's adjusting entries.

Columns D and E of Schedule B-4 reflect the income tax effect of Staff's calculation of the Revenue Requirement for Suburban Water.



**Leavenworth County**  
**Public Water Supply Systems**

- Interstate
- State Highway
- US Highway
- Road
- Stream
- Lake
- County

0 1 2 3 4 5  
 Miles

N

Map prepared by the Data Access and Support Center  
 in cooperation with the Kansas Rural Water  
 Association, the Kansas Water Office and the Kansas  
 Department of Health and Environment.

**March 2007**

Leavenworth County

WATER RESOURCES  
 RECEIVED  
 SEP 23 2009  
 KS DEPT OF AGRICULTURE

MAR 10 2010  
 STATE OF KANSAS  
 ST-AMM-170

Public wholesale water supply districts . . .

Public Wholesale Water Supply District	Date Formed	Water Source/Status
PWWSD 1: Edgerlon, Gardner, Spring Hill, Johnson Co. RWDs 1,2,3,5,6,6-A,7	08/15/77	None, dissolved in 1983
PWWSD 2: Melvern, Waverly, (AN Co. RWD 4 & OS Co. RWD 4)	05/01/78	None, dissolved in 1980s; revived as PWWSD 12
PWWSD 3: Garnett, Anderson Co. RWD's 2, 4, 6	09/01/78	Inactive
PWWSD 4: Allamorel, Barlett, Cheryvale, Edna, Mound Valley, Parsons, Labette Co. RWDs 2,3,5,7,8, Montgomery Co. RWDs 2,4,6,12, Neosho-Labelle RWD 4	09/30/80	Big Hill Lake, production since 1985
PWWSD 5: Colony, La Harpe, Moran, Walnut, Allen Co. RWDs 4,6,8,10, Anderson Co. RWD 5, Bourbon Co. RWD 2C, Neosho-Allen RWD 2	09/16/80	Neosho River; production since 1985
PWWSD 6: Tonganoxie, Leavenworth Co. RWDs 6 & 9	05/21/82	Bonner Springs
PWWSD 7: Sedgwick Co., Sedgwick Five District #1	12/22/82	Unknown
PWWSD 8: Butler Co. RWD 3, State Park at El Dorado Lake	07/26/82	City of El Dorado
PWWSD 9: Gridley, Hamilton, Virgil, Greenwood Co. RWD 3	07/01/85	Inactive
PWWSD 10: Abilene, Bel Aire, Chapman, Halstead, Heaslon, Hutchinson, Lindsborg, Wichita, McPherson, Moundridge, Newton, Park City, Salina, Sedgwick, Valley Center	10/07/88	Inactive, originally considered pipeline to Milford Lake
PWWSD 11: Arcadia, Arma, Cherokee, Chicopae, Columbus, Girard, Mulberry, Weir, West Mineral, Cherokee RWD 6 (not a voting member) Crawford Co. RWD 2 & 6	04/10/89	Bone Creek MPSSL; production since March 2000
PWWSD 12: Lebo, Lyndon, Melvern, Pomona, Quenemo, Waverly, Williamsburg, Anderson Co. RWD 4, Coffey Co. RWD 3, Osage Co. RWD 4	09/11/89	Melvorn Lake, production since 1995
PWWSD 13: Amoret, MO, Blue Mound, Fulton, Greeley, Hume, MO, Mound City, Parker, Anderson Co. RWD 1C (286), Bourbon Co. RWD 2C, Linn Co. RWD's 1,2&3	01/04/94	Critzer Dam MPSSL (Little Sugar Creek); finishing construction
PWWSD 14: Kechi, Valley Center, Butler Co. RWD 7, Sedgwick Co. RWDs 1 & 2	02/01/94	Unknown
PWWSD 15: Hays, Russell	02/22/96	Unknown; evaluating water sources
PWWSD 16: Douglas Co. RWDs 4 & 6	02/13/97	Inactive
PWWSD 17: Halstead, Newton, North Newton, Sedgwick	02/04/97	Wells; production since February 2001
PWWSD 18: Holton, Jackson RWD 3	09/15/97	Banner Creek MPSSL; producing since 2003
PWWSD 19: Baxter Springs, Columbus, Galena, Riverton (CK Co. RWD 9), Scammon, Cherokee RWDs 1,2,3,7	02/16/98	Spring River; exploring funding options
PWWSD 20: Cedar Vale, Chautauqua, Grenola, Peru, Sedan, Chautauqua Co. RWDs 1,2,3,4, Montgomery Co. RWD 6	07/24/98	Quivira Boy Scout Lake; in construction
PWWSD 21: Holton, Horton, Marysville, McLouth, Nortonville, Oskaloosa, Sabelha, Seneca, Valley Falls, Winchester, Atchison RWD 4, Jackson RWDs 1,3, Jefferson RWDs 1,3,9,12, Nemaha RWDs 3,4, Polktonia RWD 2, Shawnee Con. RWD 4	07/05/00	Unknown; northeast Kansas regional water supply study
PWWSD 22: Derby, Mulvane, Sedgwick Co. RWD 3	08/01/00	Inactive; members pursuing other options
PWWSD 23: Altoona, Buffalo, Fredonia, Neodesha, Thayer, Montgomery Co. RWDs 9,12, Neosho-Labelle Co. RWD 4, Neosho Co. RWDs 6,7,9,12, Wilson Co. RWDs 1,2,5,7,10,11,13, Woodson Co. RWD 1	10/12/00	Fall River via Fredonia Intake; water rights
PWWSD 24: Elk City, Howard, Longton, Moline, Severy, Elk RWD 2	11/10/03	Unknown; study indicated alternative to connect with PWWSD 20

Suburban Water Company  
Retail Water Rates for Water Companies in Leavenworth County  
March 7, 2011

Line No.	Description	Consolidated						City of Tonganoxie	Suburban Water
		Rural Water District No. 1	Rural Water District No. 6	Rural Water District No. 7	Rural Water District No. 8	Rural Water District No. 9	Rural Water District No. 10		
1	Customer Charge					\$20.20			\$20.00
2	First 499 Gallons						\$16.50		
3	500 - 1,499 Gallons						11.37		
4	1,500 - 2,000 Gallons						6.45		
5	First 1,000 Gallons	\$20.00	\$18.00	\$21.50		\$4.33		\$16.88	
6	1,000 - 2,000 Gallons	5.23	4.50	7.00	18.87	4.33		4.50	7.33
7	2,000 - 3,000 Gallons	5.23	4.50	7.00	7.76	4.33	6.45	4.50	7.33
8	3,000 - 4,000 Gallons	5.23	4.50	7.00	4.92	4.33	6.45	4.50	7.33
9	4,000 - 5,000 Gallons	5.23	4.50	7.00	4.90	4.33	6.45	4.50	7.33
10	Total For 5,000 Gallons of Water	\$40.92	\$36.00	\$49.50	\$36.45	\$41.85	\$53.67	\$34.88	\$49.32

Note: Please See Pages 2 and 3 of Exhibit No. WEB - 17 for Water Rate Details

Suburban Water Company  
Retail Water Rates for Water Companies in Leavenworth County  
March 7, 2011

Line No.	Description		
11	Consolidated Rural Water District No. 1	(1)	
12	First 1,000 Gallons		\$20.00
13	Purchases Greater than 1,000 Gallons		\$5.23 per 1,000 gallons
14	Rural Water District No. 6	(2)	
15	First 1,000 Gallons		\$18.00
16	Purchases Greater than 1,000 Gallons		\$4.50 per 1,000 gallons
17	Rural Water District No. 7	(3)	
18	First 1,000 Gallons		\$21.50
19	Purchases Greater than 1,000 Gallons		\$7.00 per 1,000 gallons
20	Rural Water District No. 8	(4)	
21	First 2,000 Gallons		\$18.87
22	2,000 - 3,000 Gallons		\$7.76
23	3,000 - 4,000 Gallons		\$4.92
24	4,000 - 5,000 Gallons		\$4.90
25	5,000 - 6,000 Gallons		\$4.95
26	6,000 - 7,000 Gallons		\$4.92
27	7,000 - 8,000 Gallons		\$4.91
28	8,000 - 9,000 Gallons		\$4.92
29	9,000 - 10,000 Gallons		\$4.92
30	Purchases Greater than 10,000 Gallons		\$3.57 per 1,000 gallons
31	Rural Water District No. 9	(5)	
32	Customer Charge		\$20.20
33	Residential Customers		\$4.33 per 1,000 gallons

Suburban Water Company  
Retail Water Rates for Water Companies in Leavenworth County  
March 7, 2011

Line No.	Description		
34	Rural Water District No. 10	(6)	
35	First 499 Gallons		\$16.50
36	500 - 1,499 Gallons		\$11.37
37	1,500 - 2,000 Gallons		\$6.45
38	2,000 - 3,000 Gallons		\$6.45
39	3,000 - 4,000 Gallons		\$6.45
40	4,000 - 5,000 Gallons		\$6.45
41	5,000 - 6,000 Gallons		\$6.45
42	6,000 - 7,000 Gallons		\$6.45
43	7,000 - 8,000 Gallons		\$6.45
44	8,000 - 9,000 Gallons		\$6.45
45	9,000 - 10,000 Gallons		\$6.45
46	Greater Than 10,000 Gallons		\$4.50 per 1,000 gallons
47	City of Tonganoxie	(7)	
48	First 1,000 Gallons		\$16.88
49	Purchases Greater than 1,000 Gallons		\$4.50 per 1,000 gallons
50	Suburban Water	(8)	
51	Customer Charge		\$20.00
52	Purchases Greater than 1,000 Gallons		\$7.33 per 1,000 gallons

- (1) Source: employee of Consolidated Rural Water District No. 1  
(2) Source: Mike Reischman, Chairman of Rural Water District No. 6  
(3) Source: Leavenworth Rural Water District No. 7 website  
(4) Source: Becky Fousek  
(5) Source: Kathy Bowen  
(6) Source: Gary Bennett  
(7) Source: employee of the city  
(8) Source: Exhibit E of the Application



Tonganoxie-BPU Interconnect

Page 1 of 1

**Bill Baldry**

---

**From:** Charles J Billups [cjbillups@bpu.com]  
**Sent:** Tuesday, March 01, 2011 2:37 PM  
**To:** Bill Baldry  
**Cc:** Mike Yanez; Chris Stewart; Kathy Bard  
**Subject:** Tonganoxie-BPU Interconnect

Mr. Baldry,

My name is Chuck Billups. I designed and inspected the 12" water service that extends from 142nd St and State Avenue in the Wyandotte County/Board of Public Utilities service area along 24/40 Highway to Tonganoxie's water supply system/pumping station at Sandusky and Laming Road in Tonganoxie.

The total length of the 12" water service is 48,756 feet. The Tonganoxie water service ties to a BPU 16" main approximately 300 feet south of 24/40 Highway on 142nd Street. The project is 99% complete. Actual costs to build the water service have not been determined but are anticipated to be a little over \$2M.

As we have discussed, the BPU is not regulated by the KCC and I don't believe Tonganoxie is regulated by the KCC.

Please let me know if you have further questions.

Chuck Billups

Board of Public Utilities

300 N. 65th Street

Kansas City, KS 66102

913-573-9848

3/2/2011

**Kansas Corporation Commission**  
Information Request

Request No: 24

Company Name SUBURBAN WATER CO. SUBW  
Docket Number 11-SUBW-448-RTS  
Request Date January 24, 2011  
Date Information Needed February 2, 2011

RE: Cost New Water Sources in 2010

**Please Provide the Following:**

Re: Mike Breuer Testimony, page 6, lines 11 and 15  
1. Please provide documentation that supports the year 2010 cost estimates of \$5,800,000 to lay a new pipeline to Water One and to the City of Leavenworth for \$400,000.  
2. Please provide documentation that supports the year 2010 estimate of \$400,000 to find a new water field and drill one or more wells in the new field.

Submitted By Bill Baldry

Submitted To Mike Breuer

Please See attached document

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

**Verification of Response**

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Gregory L. Wilson

**VERIFICATION OF RESPONSE**

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: 

Date: February 4, 2011

**Cost Estimate to connect to WaterOne**

- o Material Cost
  - 79,200' of 12" PVC Water Main = \$ 14' per foot
    - Total Cost = \$1,108,800
  - Fittings (Hydrants, Valves, etc.)
    - Total Cost = \$792,000
- o Labor Cost
  - Cost for contractor complete installation
    - Total Cost = \$1,188,000
- o Contingency @ 20%
  - Total Cost = \$617,760
- o Annual Interest on Borrowed Money
  - Cost to finance the installation of meter distribution mains
    - Total Cost = \$14,000
    - Total Interest over 20 years @ 5% = \$2,164,237.31

**Total Cost to connect with WaterOne of Johnson County = \$5,870,797.31**

- o WaterOne of Johnson County has a wholesale rate of \$2.80 per 1000 gallons. Also, included is a monthly service charge of \$106.20

**Cost Estimate to connect to Leavenworth**

- o Material Cost
  - 11,200' of 12" PVC Water Main = \$ 14' per foot
    - Total Cost = \$156,800
  - Fittings (Hydrants, Valves, etc.)
    - Total Cost = \$22,600
- o Labor Cost
  - Cost for contractor complete installation
    - Total Cost = \$ 145,600
- o Contingency @ 20%
  - Total Cost = \$65,000
- o Annual Interest on Borrowed Money
  - Cost to finance the installation of meter distribution mains
    - Total Cost = \$10,000

**Total Cost to connect with Leavenworth = \$400,000**

Cost Estimate to construct New Well Field

- o Estimated Cost to Drill a new Water Well = \$ 50,000
- o Estimated Cost to construct new treatment plant to treat ground water = \$125,000
- o Estimated Annual Cost to operate new well field = \$50,000
- o Contingency @ 20% = \$65,000
- o Annual Interest on Borrowed Money = \$100,000

Total Cost of New Well Field \$400,000

(Drilling only one new well would still require a new treatment plant as well as the yearly operating cost)



**Suburban Water Inc.**

March 24, 2010

BBH

**Evaluation to Purchase Water from Leavenworth Water Department**

- Suburban's Demands for Water in 2009 (Based on Water Sales):  
 See: E:\WaterUsage\Average\_MaxDay\_PeakDemands by Year
 

Average Day	240 gpm
Maximum Day	360 gpm
Peak	700 gpm
  
- Improvements to Suburban's distribution system to take water at 163<sup>rd</sup> Street & Fairmount Road:
  1. 2,800 feet of 12" PVC main along 163<sup>rd</sup> Street from Fairmount to Cattlemount,
  2. 2,000 feet of 12" PVC main along Hollingsworth from 169<sup>th</sup> to 171<sup>st</sup> Streets,
  3. 6,400 feet of 16" PVC main from 171<sup>st</sup> Street/ Hollingsworth to 172<sup>nd</sup> Street /Donahoo.
  
- Preliminary Cost Estimate:  
 Material cost for 12" PVC pipe = \$12.00/LF (from Jay Cook w/ WinWater 913.829.3300)  
 Factor to include cost of labor to install pipe and appurtenances = 2.4
 

4,800 LF x \$12.00/LF x 2.4 = \$138,240 + 10% contingency = \$153,000

Material cost for 16" PVC pipe = \$20.00/LF (from Jay Cook w/ WinWater 913.829.3300)  
 Factor to include cost of labor to install pipe and appurtenances = 2.4

6,400 LF x \$20.00/LF x 2.4 = \$307,200 + 10% contingency = \$338,000  
**\$491,000**
  
- Price to Purchase Water Supply from Leavenworth Water Department:  
 Amortization to borrow \$491,000 for 10 years at 4.5% interest rate = \$5,090/month
 

Avg. purchase each month =  $\frac{240 \text{ gal}}{\text{minute}} \times \frac{43,800 \text{ minutes}}{\text{month}} = 10,512,000 \text{ gallons/month}$

Minus Take-or-Pay Minimum from BPU (2,160,000) gallons/month

Subtotal 8,352,000 gallons/month

Cost for amortization =  $\frac{\$5,090}{\text{month}} \times \frac{\text{month}}{8,352,000 \text{ gallons}} = \$0.61/1000 \text{ gallons}$

Water Rate from BPU June 1<sup>st</sup> = \$2.14/1000 gal (including PILOT)  
 Minus amortization = 0.61/1000 gal

Needed Rate from Leavenworth =  $\$1.53/1000 \text{ gal} \times \frac{748.1 \text{ gallons}}{100 \text{ cubic ft}} = \$1.14 \text{ per Ccf}$

Ccf = 100 cubic feet (7.481 gallons in one cubic foot)

Leavenworth Water Dept. (2010) wholesale rate = \$1.81/unit = \$1.81/748 gallon or  
= \$2.42/1000 gal. = **\$1.81 per Ccf**

Suburban Water Company  
 Estimated Cost to Purchase Water from Leavenworth Water Department  
 March 24, 2010

Line No.				
1	Total Gallons of Water Suburban Purchased from BPU in 2010	86,267,588	(1)	
2	Less: Minimum Number of Gallons Suburban Must Purchase from BPU	(26,280,000)	(2)	
3	Number of Gallons per Year That Could be Purchased from the Leavenworth Water Department	59,987,588		
7	Annual Cost of Improving Suburban's Distribution System to Purchase Water from the Leavenworth	\$46,328	(3)	
8			=	<u>\$0.77</u> per thousand gallons
9	Thousands of Gallons That Could be Purchased from Leavenworth per Year	59,988		
10	Cost to Purchase Water from Leavenworth Water (per thousand gallons)			\$2.42 (4)
11	Cost to Improve Distribution System to Purchase Water from Leavenworth (per thousand gallons)			<u>\$0.77</u>
12	Total Cost to Purchase Water from Leavenworth Water Department (per thousand gallons)			<u><u>\$3.19</u></u>

(1) Source: Exhibit No. WEB - 8, Column (d), line 13

(2) Source: Exhibit No. WEB - 23, line 7

(3) Source: Exhibit No. WEB - 22, line 3

(4) Source: Exhibit No. WEB - 20, page 2



Suburban Water Company  
 Estimated Annual Cost to Purchase Water from Leavenworth Water Department  
 March 24, 2010

Line  
 No. Estimated Cost per Year to Purchase Water from Leavenworth Water Department

1	Depreciation Expense	\$24,550
2	Interest Expense	21,778
3	Total Estimated Cost per Year	<u>\$46,328</u>

Depreciation Expense

4	Estimated Cost of Installing Pipeline to Connect with the Leavenworth Water Department	\$491,000 (1)
5	Divide by the Estimated Life of the Contract with Leavenworth	/ 20 Years (2)
6	Estimated Depreciation Expense per Year	<u>\$24,550</u>

Interest Expense on a \$491,000 Loan at 4.50% for 20 Years

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
7 Balance	\$ 491,000	\$ 489,734.9	\$ 488,465.1	\$ 487,190.6	\$ 485,911.2	\$ 484,627.1
8 Monthly Payment	\$ 3,106	\$ 3,106	\$ 3,106	\$ 3,106	\$ 3,106	\$ 3,106
9 Interest Expense	\$ 1,841	\$ 1,837	\$ 1,832	\$ 1,827	\$ 1,822	\$ 1,817
10 Outstanding Balance	\$ 489,735	\$ 488,465	\$ 487,191	\$ 485,911	\$ 484,627	\$ 483,338

	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
11 Balance	483,338.1	482,044.3	480,745.7	479,442.2	478,133.8	476,820.5	
12 Monthly Payment	\$ 3,106	\$ 3,106	\$ 3,106	\$ 3,106	\$ 3,106	\$ 3,106	
13 Interest Expense	\$ 1,813	\$ 1,808	\$ 1,803	\$ 1,798	\$ 1,793	\$ 1,788	\$ 21,778
14 Outstanding Balance	\$ 482,044	\$ 480,746	\$ 479,442	\$ 478,134	\$ 476,820	\$ 475,502	

Suburban Water Company  
Estimated Annual Cost to Purchase Water from Leavenworth Water Department  
March 24, 2010

Amortization Calculation for Suburban Water Company

15	Loan Amount	\$ 491,000 (1)
16	Interest Rate (Yearly)	4.50% (1)
17	Interest Rate (Monthly)	0.38%
18	Number of Periods	240 (2)
19	Annuity Multiplier	158.07
20	Monthly Payment	\$ 3,106.31

(1) Source: Exhibit No. WEB - 20 (Staff Data Request No. 37)

(DR No. 37 attached to testimony does not contain Suburban's complete response. The complete response is available upon request.)

(2) Length of primary term of Suburban's contract with BPU (Exhibit MB - 16, Article XIII, page 7 of the Application)

Suburban Water  
 11-SUBW-448-RTS  
 Contract With Kansas City, Kansas Board of Public Utilities  
 Minimum and Maximum Purchases of Water  
 April 6, 2000

Line No.	<u>Minimum Purchase of Water per Year</u>		
1	Minimum Gallons per Minute	50	(1)
2	Multiply by 60 Minutes	X 60	
3	Minimum Gallons per Hour	<u>3,000</u>	
4	Multiply by 24 Hours	X 24	
5	Minimum Gallons per Day	<u>72,000</u>	
6	Multiply by 365 Days	X 365	
7	Minimum Gallons per Year	<u>26,280,000</u>	
	<u>Maximum Purchase of Water per Year</u>		
8	Maximum Gallons per Minute	1,500	(1)
9	Multiply by 60 Minutes	X 60	
10	Maximum Gallons per Hour	<u>90,000</u>	
11	Multiply by 24 Hours	X 24	
12	Maximum Gallons per Day	<u>2,160,000</u>	
13	Multiply by 365 Days	X 365	
14	Maximum Gallons per Year	<u>788,400,000</u>	

(1) Source: Exhibit MB -16 of the Application, Article II, page 2

**Kansas Corporation Commission  
Information Request**

Request No: 22

Company Name               SUBURBAN WATER CO.   SUBW  
Docket Number             11-SUBW-448-RTS  
Request Date                January 24, 2011  
Date Information Needed    February 2, 2011

RE: BPU Contract

**Please Provide the Following:**

Article I of the contract states that all water supplied by BPU to Suburban Water shall be surplus water.  
1. Does BPU believe that it will still have surplus water when Suburban's contract expires in 2020?

Submitted By Bill Baldry

Submitted To Mike Breuer

See attached answer and email from BPU

If for some reason, the above information cannot be provided by the date requested, please provide a written explanation of those reasons.

**Verification of Response**

I have read the foregoing Information Request and answer(s) thereto and find answer(s) to be true, accurate, full and complete and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: Gregory L. Wilson

**VERIFICATION OF RESPONSE**

I have read the foregoing Information Request and answer(s) thereto and find the answer(s) to be true, accurate, full and complete, and contain no material misrepresentations or omissions to the best of my knowledge and belief; and I will disclose to the Commission Staff any matter subsequently discovered which affects the accuracy or completeness of the answer(s) to this Information Request.

Signed: 

Date: February 4, 2011

Suburban Water Co.  
Docket No. 11-SUBW-448-RTS  
KCC Information Request Answers

Request No. 22  
RE: BPU Contract

1. See attached email response from James Epp, BPU Manager Water Department

**Greg Wilson**

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**From:** James Epp <jepp@bpu.com>  
**Sent:** Thursday, January 27, 2011 8:43 AM  
**To:** Greg Wilson  
**Cc:** Chris Stewart; Durward M. Johnson; Steve Green  
**Subject:** RE: KCC Data Request

Thank you, Greg. Yes, we believe BPU will have surplus water in 2020 and BPU is including all current wholesale water customers in its future master planning process for capital improvements. Also, the Missouri River Basin still has surplus water to develop Water Rights and we anticipate this to continue beyond the 2020 time period. Development of future water rights will include BPU's wholesale water customers.

Please let me know if you have any additional questions.

Thank you, Jim

**From:** Greg Wilson [mailto:greg12@sprynet.com]  
**Sent:** Tuesday, January 25, 2011 2:16 PM  
**To:** James Epp  
**Subject:** KCC Data Request

Jim;

The KCC is asking Suburban if the BPU believes that the BPU will still have surplus water when Suburban's contract expires in 2020? Can you help me answer this request?

Thanks

*Gregory L Wilson, CPA*

Twenty-First Century  
Management Consultants  
Office: 913-856-4731  
Cell: 913-706-0794  
FAX: 913-856-4731  
Email: [greg12@sprynet.com](mailto:greg12@sprynet.com)

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Suburban Water  
 11-SUBW-448-RTS  
 Comparison of the Cost of Purchasing Water from BPU Compared to Leavenworth Water  
 March 4, 2011

Line No.	Description		
1	Leavenworth's Current Price (per thousand gallons)	\$2.42	(1)
2	Add: Estimated Cost of Installing Pipeline to Leavenworth (per thousand gallons)	0.77	(2)
3	Total Cost of Purchasing Water from Leavenworth	\$3.19	
4	Cost of BPU Water in 2011 (per thousand gallons)	\$2.05	(3)
5	Add: PILOT Fee at 11.9%	\$0.24	(4)
6	Less: Cost of BPU water (per thousand gallons)	(2.29)	
7	Excess Cost per Thousand Gallons of Purchasing Water from Leavenworth	\$0.90	

(1) Source: Exhibit No. WEB - 20 (Staff DR 37)

(2) Source: Exhibit No. WEB - 21

(3) Source: Exhibit No. WEB - 10 (Staff DR 12)

(4) Source: Exhibit No. WEB - 11 (Staff DR 4)