| **Adjustment** | **April 3, 2014, Testimony of Jackie Davis** | **July 18, 2014, Testimony of Melissa Cheesman** | **August 20, 2014, Rebuttal Testimony of Jackie Davis** | **New Data Provided by the Company** | | | | | | | | | **September 9, 2014, Settlement** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **August 20, 2014** | | **August 21, 2014** | | **August 26, 2014** | | **August 27, 2014** | | **August 28, 2014** |
| Removal of the City of Kalama [[1]](#footnote-1) (RC-1, RC-1A and P-5A) | $ 145,805 (on May 23, 2014, WCI modified its position to $160,257) | $ 278,929 | $ 0  (No Separation of non-regulated and regulated operations) | Jackie Davis’ rebuttal testimony states that in 2009, prior UTC Staff advised Company to not separate non-regulated operations. | WCI provides a new August 2014 Route Study. | | n/a | | n/a | | n/a | | $ 0  (No Separation of non-regulated and regulated operations) |
| Average Net Investment (R-10) | $1,565,896 | $1,417,479 | $1,550,313 | Jackie Davis’ rebuttal testimony states that in 2009, prior UTC Staff advised Company to not separate non-regulated operations. | WCI provides a new August 2014 Route Study. | | n/a | | n/a | | n/a | | $1,548,613 |
| Depreciation Expense  (R-1A) | $ 175,780  (on May 23, 2014, WCI modified its position to $175,587) | $ 193,472 | $ 209,766 | n/a | n/a | | n/a | | n/a | | n/a | | $ 209,766 |
| Property Tax Expense  (R-6G) | $ 8,500  (on May 23, 2014, WCI modified its position to $8,497) | $ 6,162 | $ 9,007 | Exhibit JD-49, tab “WP-15 p1 2012 Property Taxes” and tab “WP-15 p22013 Property Taxes” includes a newly-placed-into-service truck shop facility and WCI’s Rebuttal Testimony of Jackie Davis proposing the removal of WCPF from Staff’s three-factor allocation method. | WCI provided its adjusted three-factor allocation calculation. | | n/a | | WCI provides explanation of its hardcodes and WCE disposal pass-through. | | n/a | | $ 9,007 |
| Spare Truck Rents Expense  (R-6H) | $ 34,852  (on May 23, 2014, WCI modified its position to $34,843) | $ 8,404 | $ 40,013 | Exhibit JD-49, tab “WP-19 Truck Rent” includes test year spare truck usage data based on landfill disposal tickets. | n/a | | n/a | | n/a | | n/a | | $ 36,000 |
| Capital Structure in Lurito-Gallagher (R-8) | 40 percent debt/ 60 percent equity | 42.75 percent debt/ 57.25 percent equity | 40 percent debt/ 60 percent equity | n/a | n/a | | n/a | | WCI provides its Balance Sheet as of June 30, 2014. | | WCI provides explanation of changes in equity account Additional Paid-in Capital. | | 40 percent debt/ 60 percent equity |
| Cost of Debt in Lurito-Gallagher  (R-9) | 5.25 percent | 1.93 percent | 3.66 percent | Exhibit JD-46, cost of debt calculation demonstrates Heirborne Investment, LLC’s term loan interest expense and amortized term loan fee expense for a period ending June 30, 2014 | n/a | | WCI provides support for the interest expense, interest rates, and debt balances used in JD-46, cost of debt calculation. | | WCI provides support for the term loan amortized loan fee balances as of June 30, 2014. | | WCI provides Heirborne Investment, LLC’s term loan fee general ledger account detail and support for December 2011 loan fee costs. | | 3.66  percent |
| Labor Expense  (P-1) | $ 828,016  (on May 23, 2014, WCI modified its position to $827,782) | $ 788,374 | $ 860,325 | Exhibit JD-49, tab “WP-3, pg 2 – Labor Increase” includes a COLA increase of 2.67 percent effective on July 1, 2014. | n/a | | n/a | | n/a | | n/a | | $ 860,325 |
| Fringe Benefit Expense  (P-1A) | $ 288,915  (on May 23, 2014, WCI modified its position to $288,834) | $ 243,499 | $ 277,528 | Jackie Davis’ rebuttal testimony provides clarification on employer contributions to Health Savings Accounts (HSA). | n/a | | n/a | | WCI provides support for costs related to employer contributions to Health Savings Accounts (HSA). | | n/a | | $ 277,528 |
| Fuel Expense  (P-4) | $ 303,576  (on May 23, 2014, WCI modified its position to $287,954) | $ 264,212 | $ 291,472 | Exhibit JD-49, tab “WP-9 – Fuel” updates fuel expense to reflect costs incurred by July 31, 2014. | n/a | | n/a | | n/a | | n/a | | $ 291,472 |

1. Separation of Kalama, Adjustments RC-1, RC-1A, R-10 and P-5A – On April 3, 2014 and May 23, 2014, WCI proposed to allocate (separate) a portion of operational expenses to its non-regulated operations. On July 18, 2014, Staff proposed to increase an allocated portion of operational expenses to WCI’s non-regulated operations because the Company’s proposed route study was unclear, incomplete and did not reconcile to the Company’s customer counts and services levels provided to Kalama or the City of Kalama provided customer counts. On August 20, 2014, WCI proposes to not disaggregate (i.e. separate) non-regulated and regulated operation and provides a new route study that does not reconcile or include a customer count. [↑](#footnote-ref-1)