Exhibit ___ (DPK-5) Docket No. UW-051444 Witness: Danny P. Kermode

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

DOCKET NO. UW-051444

Complainant,

Respondent.

KAYAK ESTATES WATER, LLC.

v.

EXHIBIT TO TESTIMONY OF

Danny P. Kermode

STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

RE: KAYAK ESTATES WATER, LLC., GENERAL RATE CASE

Staff Restating Adjustments and Pro Forma Adjustment

Exhibit ___ (DPK-5) Docket No. UW-051444 Restating Adjustment #1

Line No.				
1				
2				
3				
4	Restating adj	ustment #1		
5	Depreciation I			
6	· · · · · · · · · · · · · · · · · · ·			
7		Per Staff	35,942	Schedule 3.2 Line 17
8				
9		Per Company	35,718	Exhibit (RK-4)
10				-
11		Adjustment	224	increase
12	•			•
13				
14				
15				
16				
17				
18			,	
19				
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36				

Kayak Estates Water, LLC

Docket No. UW-051444

Test Year Ended December 31, 2004

Exhibit ___ (DPK-5) Docket No. UW-051444 Restating Adjustment #2

Line No.

	•		
	Adjustment to CIAC Amortiz	ation	_
	P. C. CCE 1711 (DDK 0)	(00.000)	Source:
	Per Staff Exhibit(DPK-3)	(20,323)	Schedule 2.2 Line 26 Column (E)
	Per Company		
	rei Company		
	Increase in CIAC Amortization	(20,323)	Line 7- Line 9
		(20,523)	Zine / Zine /
	•		
			•
•			
	•		
	•		

Exhibit ___ (DPK-5)
Docket No. UW-051444
Restating Adjustments #3 and #4

<u>Line No.</u>		
1	·	
2	Restating adjustment #3	
3	Remove Consulting Fees to Owen Sawyer	
4		
5	Amount allowed for Rate Making	0
6	Company Schedule Exhibit No(RK-2)	 8,000
7	Remove consulting fees to Owen Sawyer	 (8,000)
8		
9		
10		
11		
12		
13	Restating adjustment #4	
14	Capitalize Expensed Improvements	
15		
16	Invoice 36141 Iliad, Inc.	\$ 4,322
17	Invoice 64673 Iliad Inc. Road Patch	870
18	Invoice 35017 Iliad, Inc., replacement	2,216
19		
20	Remove and Capitalize Improvements	\$ 7,409
21		
22		
23		
24	Rate Base Adjustment	
25	-	
26	Additional Plant Adjustment	\$ 7,409
27	Average	2
28	Adjustment to Plant in Service	\$ 3,704
29		
30		
31	Rate Base Adjustment	
32	•	
33	Depreciation Expense and Acc Depreciation	\$ 53
34	Average plant - mains / life in years	
35	\$3,704 / 70 years = \$53	
36		

Exhibit ___ (DPK-5)
Docket No. UW-051444
Restating Adjustments #5 and #6

Line No.	1		
1	Restating adjustment #5		
2	Transposition Error		
3			
4	Correct Transposition in Company Schedule		
5	Company Exhibit (RK-4)		3,650
6	Actual General Ledger Amount		3,560
7	Difference	\$	(90)
8		-	
9			
10	Total Adjustment to Locate Expense	\$	(90)
11	·		
12			
13			
14			
15			
16			
17			
18	·		
19	Restating adjustment #6		
20	Water System Plan Costs		
21			
22	Invoice 37362 Iliad, Inc.	\$	(2,641)
23	Defer cost of Water System Plan		
24	not yet in service		
25			
26	Remove Water System Plan Costs	\$	(2,641)
27			
28	Remove related Depreciation Expense*		(38)
29	Half-Year convention		(19)
30			
31	* 2,641 / 70 years = 38		
32			
33			
34			
35			
36			

Kayak Estates Water, LLC Docket No. UW-051444

Test Year Ended December 31, 2004

Exhibit ___ (DPK-5) Docket No. UW-051444 Restating Adjustments #7 and #8

Réstating adjustment #7 Adjustment to Accumulated Depreciation	Line No.	
Adjustment to Staff Accumulated Depreciation \$ 1,099,535 Staff Sch 3.2	1	
Adjustment to Staff Accumulated Depreciation \$ 1,099,535 Staff Sch 3.2	2	Restating adjustment #7
Adjustment to Staff Accumulated Depreciation Company filed Accumulated Depreciation Company filed Accumulated Depreciation Company filed Accumulated Depreciation Company filed Accumulated Depreciation to Staff Amount S	3	
Company filed Accumulated Depreciation	4	
Reduce Accumulated Depreciation to Staff Amount \$ (637) line 4 - line 5	5.	Adjustment to Staff Accumulated Depreciation \$ 1,099,535 Staff Sch 3.2
Reduce Accumulated Depreciation to Staff Amount \$ (637) line 4 - line 5	6	Company filed Accumulated Depreciation (1,100,172) Exhibit (RK-2) Line 32
Neter Reading Expense Section	7	
Restating adjustment #8 Meter Reading Expense	8	Reduce Accumulated Depreciation to Staff Amount \$ (637) line 4 - line 5
Restating adjustment #8 Meter Reading Expense	9	
Restating adjustment #8 Meter Reading Expense	10	
Restating adjustment #8 Meter Reading Expense	11	
Restating adjustment #8 Meter Reading Expense	12	
Meter Reading Expense Labor rate 20 (a)	13	
Labor rate 20 (a)	14	Restating adjustment #8
Labor rate 20 (a)	15	Meter Reading Expense
Taxes and overhead	16	
Meter Reader total cost \$\frac{40}{12} \$\frac{12}{12} \$\frac{12}{1	17	Labor rate 20 (a)
12 hours reading/mo. 12	18	Taxes and overhead 20
Per month charge 480 Annualized 5,760 Company filed meter reading expense 11,189 Exhibit (RK-4) Line 6 Reduction in meter reading expense (5,429) Line 22 - Line 24 Add: Well Head Meter Local well-head meter reader 240 \$60/mo. June-September Reduction in Expense (5,189) line 25 + line 28 Reduction in Expense (5,189) line 25 + line 28 (a) Source: Exhibit (DPK-6) Washington State Employment Security Office Occupational Employment and Wages Estimates for March 2005.	19	Meter Reader total cost \$ 40
Annualized 5,760 5,760 Company filed meter reading expense \$ 11,189 Exhibit (RK-4) Line 6 Reduction in meter reading expense (5,429) Line 22 - Line 24 Add: Well Head Meter Add: Well Head Meter Local well-head meter reader Reduction in Expense (5,189) line 25 + line 28 (a) Source: Exhibit (DPK-6) Washington State Employment Security Office Coccupational Employment and Wages Estimates for March 2005.	20	12 hours reading/mo. 12
Company filed meter reading expense \$ 11,189 Exhibit (RK-4) Line 6 Reduction in meter reading expense (5,429) Line 22 - Line 24 Add: Well Head Meter Local well-head meter reader	21	Per month charge 480
Company filed meter reading expense \$\frac{11,189}{CRK-4}\$ Line 6 Reduction in meter reading expense \$\frac{5,429}{CRK-4}\$ Line 22 - Line 24 Add: Well Head Meter Local well-head meter reader \$\frac{240}{60/mo}\$. June-September Reduction in Expense \$\frac{5,189}{C5,189}\$ line 25 + line 28 (a) Source: Exhibit (DPK-6) Washington State Employment Security Office Occupational Employment and Wages Estimates for March 2005.	22	Annualized 5,760 5,760
Reduction in meter reading expense (5,429) Line 22 - Line 24 Add: Well Head Meter Local well-head meter reader 240 \$60/mo. June-September Reduction in Expense (5,189) line 25 + line 28 Reduction in Expense (5,189) line 25 + line 28 (a) Source: Exhibit (DPK-6) Washington State Employment Security Office Coccupational Employment and Wages Estimates for March 2005.	23	
Reduction in meter reading expense (5,429) Line 22 - Line 24 Add: Well Head Meter Local well-head meter reader 240 \$60/mo. June-September Reduction in Expense (5,189) line 25 + line 28 Reduction in Expense (5,189) line 25 + line 28 (a) Source: Exhibit (DPK-6) Washington State Employment Security Office Coccupational Employment and Wages Estimates for March 2005.	24	Company filed meter reading expense \$ 11,189 Exhibit (RK-4) Line 6
Add: Well Head Meter Local well-head meter reader Reduction in Expense (5,189) line 25 + line 28 (a) Source: Exhibit (DPK-6) Washington State Employment Security Office Occupational Employment and Wages Estimates for March 2005.	25	
Local well-head meter reader 240 \$60/mo. June-September Reduction in Expense \$ (5,189) line 25 + line 28 (a) Source: Exhibit (DPK-6) Washington State Employment Security Office Occupational Employment and Wages Estimates for March 2005.	26	- · · · · · · · · · · · · · · · · · · ·
Reduction in Expense (5,189) line 25 + line 28 Reduction in Expense (5,189) line 25 + line 28 (a) Source: Exhibit (DPK-6) Washington State Employment Security Office Coccupational Employment and Wages Estimates for March 2005.	27	Add: Well Head Meter
Reduction in Expense (5,189) line 25 + line 28 Reduction in Expense (5,189) line 25 + line 28 (a) Source: Exhibit (DPK-6) Washington State Employment Security Office Coccupational Employment and Wages Estimates for March 2005.	28	Local well-head meter reader 240 \$60/mo. June-September
31 32 33 (a) Source: Exhibit (DPK-6) 34 Washington State Employment Security Office 35 Occupational Employment and Wages Estimates for March 2005.	29	
32 33 (a) Source: Exhibit (DPK-6) 34 Washington State Employment Security Office 35 Occupational Employment and Wages Estimates for March 2005.	30	Reduction in Expense $\$$ (5,189) line 25 + line 28
33 (a) Source: Exhibit (DPK-6) 34 Washington State Employment Security Office 35 Occupational Employment and Wages Estimates for March 2005.	31	
33 (a) Source: Exhibit (DPK-6) 34 Washington State Employment Security Office 35 Occupational Employment and Wages Estimates for March 2005.	i i	
Washington State Employment Security Office Occupational Employment and Wages Estimates for March 2005.		(a) Source: Exhibit (DPK-6)
Occupational Employment and Wages Estimates for March 2005.		
	35	
~~ I	36	

Kayak Estates Water, LLC Docket No. UW-051444

Exhibit ___ (DPK-5) Docket No. UW-051444 Restating Adjustments #9 and #10

Test Year Ended December 31, 2004

Line No.	I
1	Restating adjustment #9
2	Reclassify UTC Fees
3	
4	
5	Adjustment to DOH Fees
6	Actual Fees less UTC Fee 713 Company Records
7	Company Filed DOH Fees 835 Exhibit (RK-2)
8	·
9	Removal of UTC Fee from DOH Fees \$ (122) line 6 - line 7
10	
11	
12	Adjustment to UTC Fee
13	YYMG C
14	UTC fee per Adjustment #9 122 Line 9
15 16	Commuted LITC Foo
17	Computed UTC Fee Booked Revenue 135,217
18	less exemption (50,000)
19	assessed amount 85,217
20	Rate 0.2%
21	computed amount 170
22	add base fee50
23	UTC Fees 220
24	UTC fee per Adjustment #9 (122)
25	Increase in booked UTC 98 98
26	
27	Increase to UTC Fees 220 line 14 + line 25
28	
29	Restating adjustment #10
30 31	True-up Public Utility Tax
32	Booked Revenue \$ 135,217 Exhibit (RK-2) Line 1
33	Public Utility Tax 0.05029
34	Annual Tax 6,800
35 36	Per Company 5,858 Exhibit (RK-2) Line 11
36 37	Per Company 5,858 Exhibit (RK-2) Line 11 Increase in Public Utility Tax 942 line 34 - line 36
38	Intervalse in Lacito Control Lan 2712 into 31 into 30
39	
	ı

Kayak Estates Water, LLC

Docket No. UW-051444

Test Year Ended December 31, 2004

Exhibit ___ (DPK-5) Docket No. UW-051444 Restating Adjustment #11

Test Year End	ed December 31, 2004		Restatir
Line No.	1		
1	Restating adjustment #11		
2	Reclassify Revenue		
3			
4			
5		(a) (b)	(c)
6		Staff As Filed	<u>Adjustment</u>
7			
8	Metered Rates	126,225 135,217	(8,992
9	Ready to Serve	2,700	2,700
10	Flat Rate	1,800	1,800
11	Other Revenue	4,492	4,492
12	Total Revenue	135,217 135,217	0
13			(a) - (b)
14			
15		a) Exhibit (DPK-4)	
16	(b	o) Exhibit (RK-2)	
17			
18			
19	·		
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Exhibit ___ (DPK-5) Docket No. UW-051444 Pro Forma Adjustment #1

Line No.	.
1	Pro Forma Adjustment #1
2	Rate Case Expense
3	
4	
5	Rate Case Cost Amortization
6	
7	
8	Total Cost 3,000
9	Three years 3
10	Annual Pro Forma Expense 1,000
11	
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17	E. Company of the Com
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