

JPC Utilities LLC
Docket No. W-1263 Sub 4
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 5(b)

Line No.	Sewer Operations Item		[1]
1.	Increase / (decrease) in total revenues per Company	<u>\$133,086</u>	
2.	<u>Difference in calculation of revenue requirement based on Company amounts:</u>		
3.	Adjust capital structure to 50% debt and 50% equity	0	
4.	Adjust debt cost rate to 0.00%	0	
5.	Adjust return on equity to 23.86%	0	
6.	Adjustment to reclassify uncollectibles	0	
7.	Adjustment to plant in service	0	
8.	Adjustment to accumulated depreciation	0	
9.	Adjustment to contributions in aid of construction	0	
10.	Adjustment to accumulated amortization of CIAC	0	
11.	Adjustment to customer advances	0	
12.	Adjustment to service revenues	(578)	
13.	Adjustment to Salaries and wages	20,033	
14.	Adjustment to Administrative and office expense	(407)	
15.	Adjustment to Maintenance & repair expense	(25,469)	
16.	Adjustment to Transportation	0	
17.	Adjustment to Electric power	(2,042)	
18.	Adjustment to cash working capital	0	
19.	Adjustment to Chemicals	(164)	
20.	Adjustment to Testing	(371)	
21.	Adjustment to Other expenses - Miscellaneous expense	(1,485)	
22.	Adjustment to Permit fees	1,312	
23.	Adjustment to Unexpected/accidental spillage	0	
24.	Adjustment to Sludge removal	(1,202)	
25.	Adjustment for return	(896)	
26.	Difference of return	(625)	
27.	Adjustment to depreciation expense	(1,172)	
28.	Adjustment to Property taxes	0	
29.	Adjustment to payroll tax expense	(52)	
30.	Adjustment to Lease Expense	0	
31.	Adjustment to Rate Case Expense	1,668	
32.	Adjustment to Contractor operator - labor	(511)	
33.	Rounding difference		
34.	Revenue impact of Public Staff adjustments	<u>(11,961)</u>	
35.	Increase / (decrease) per Public Staff	<u>\$121,125</u>	

[1] Calculated by the Public Staff.

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JPC Utilities, LLC
Docket No. W-1263 Sub 4
**MARGIN ON OPERATING REVENUE DEDUCTIONS
REQUIRING A RETURN**
For the Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 1(a)

Water Operations

Line No.	<u>Item</u>	<u>Present Rates (a)</u>	<u>Company Proposed Rates (b)</u>	<u>Settlement Rates (c)</u>
1.	Net operating income for a return	(\$86,254) [1]	\$11,691 [4]	\$10,685 [6]
2.	Operating revenue deductions requiring a return	<u>152,643 [2]</u>	<u>152,643 [5]</u>	<u>152,643 [7]</u>
3.	Return	<u><u>-56.51% [3]</u></u>	<u><u>7.66% [3]</u></u>	<u><u>7.00% [8]</u></u>

[1] Joint Settlement Exhibit I, Schedule 3 (a), Line 30, Column (c).

[2] Joint Settlement Exhibit I, Schedule 3 (a), Line 20 + Line 21 + Line 22 + Line 23, Column (c).

[3] Line 1 divided by Line 2.

[4] Joint Settlement Exhibit I, Schedule 3 (a), Line 30, Column (e).

[5] Joint Settlement Exhibit I, Schedule 3 (a), Line 20 + Line 21 + Line 22 + Line 23, Column (e).

[6] Line 2 x Line 3.

[7] Joint Settlement Exhibit I, Schedule 3 (a), Line 20 + Line 21 + Line 22 + Line 23, Column (g).

[8] Provided by Public Staff witness Reger.

JPC Utilities, LLC
Docket No. W-1263 Sub 4
**MARGIN ON OPERATING REVENUE DEDUCTIONS
REQUIRING A RETURN**
For the Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 1(b)

Sewer Operations

Line No.	Item	Present Rates (a)	Company Proposed Rates (b)	Settlement Rates (c)
1.	Net operating income for a return	(\$99,987) [1]	\$20,677 [4]	\$16,144 [6]
2.	Operating revenue deductions requiring a return	230,625 [2]	230,625 [5]	230,625 [7]
3.	Return	-43.35% [3]	8.97% [3]	7.00% [8]

[1] Joint Settlement Exhibit I, Schedule 3 (b), Line 30, Column (c).

[2] Joint Settlement Exhibit I, Schedule 3 (b), Line 20 + Line 21 + Line 22 + Line 23, Column (c).

[3] Line 1 divided by Line 2.

[4] Joint Settlement Exhibit I, Schedule 3 (b), Line 30, Column (e).

[5] Joint Settlement Exhibit I, Schedule 3 (b), Line 20 + Line 21 + Line 22 + Line 23, Column (e).

[6] Line 2 x Line 3.

[7] Joint Settlement Exhibit I, Schedule 3 (b), Line 20 + Line 21 + Line 22 + Line 23, Column (g).

[8] Provided by Public Staff witness Reger.

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JPC Utilities, LLC
Docket No. W-1263 Sub 4
ORIGINAL COST RATE BASE
For the Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 2(a)

Water Operations

Line No.	Item	Per Application (a)	Settlement Adjustments [1] (b)	After Settlement Adjustments (c)
1.	Plant in service	\$88,978	(\$38,910)	\$50,068 [2]
2.	Accumulated depreciation	(57,342)	36,068	(21,274) [3]
3.	Contributions in aid of construction	0	0	0
4.	Accumulated amortization of CIAC	0	0	0
5.	Cash working capital	18,490	(424)	18,066 [4]
6.	Average tax accruals	(1,531)	6	(1,525) [5]
7.	Original cost rate base (Sum of L1 thru L6)	<u>\$48,595</u>	<u>(\$3,260)</u>	<u>\$45,335</u>

- [1] Column (c) minus Column (a).
[2] Joint Settlement Exhibit I, Schedule 2-1, Line 24, Column (a).
[3] Joint Settlement Exhibit I, Schedule 2-1, Line 24, Column (f).
[4] Joint Settlement Exhibit I, Schedule 2-2, Line 2, Column (a).
[5] Joint Settlement Exhibit I, Schedule 2-2, Line 7*(-1), Column (a).

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Jun 20 2024

JPC Utilities, LLC
Docket No. W-1263 Sub 4
ORIGINAL COST RATE BASE
For the Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 2(b)

Sewer Operations

Line No.	Item	Per Application (a)	Settlement Adjustments [1] (b)	After Settlement Adjustments (c)
1.	Plant in service	\$70,227	(\$54,037)	\$16,190 [2]
2.	Accumulated depreciation	(53,709)	43,784	(9,925) [3]
3.	Contributions in aid of construction	0	0	0
4.	Accumulated amortization of CIAC	0	0	0
5.	Cash working capital	29,352	(1,078)	28,274 [4]
6.	Average tax accruals	(1,325)	11	(1,314) [5]
7.	Original cost rate base (Sum of L1 thru L6)	<u>\$44,545</u>	<u>(\$11,321)</u>	<u>\$33,225</u>

[1] Column (c) minus Column (a).

[2] Joint Settlement Exhibit I, Schedule 2-1, Line 35, Column (a).

[3] Joint Settlement Exhibit I, Schedule 2-1, Line 35, Column (f).

[4] Joint Settlement Exhibit I, Schedule 2-2, Line 2, Column (b).

[5] Joint Settlement Exhibit I, Schedule 2-2, Line 7*(-1), Column (b).

JPC Utilities, LLC
Docket No. W-1263, Sub 4
**CALCULATION OF PLANT IN SERVICE, ACCUMULATED
DEPRECIATION, AND DEPRECIATION EXPENSE**
For The Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 2-1

Line No.	Item	2,023		Service Life In Years [1]	Years in Service [2]	JPC Utilities	JPC Utilities
		JPC Utilities Plant in Service [1]	Year Placed In Service [1]			Annual Depreciation [3]	Accumulated Depreciation [4]
		(a)	(b)	(c)	(d)	(e)	(f)
Water:							
1.	Water meters		2005		18.5	-	-
2.	Landscaping		2006		17.5	-	-
3.	Landscaping		2007		16.5	-	-
4.	Water line and meter		2007		16.5	-	-
5.	Landscaping	\$4,920	2008	20	15.5	\$246	\$3,813
6.	Trees - Spray fields	6,180	2009	20	14.5	309	4,481
7.	Water meter	1,607	2009	20	14.5	80	1,165
8.	Water meter	1,399	2009	20	14.5	70	1,014
9.	Mobile generator	2,216	2010	10	13.5	-	2,216
10.	Portable composite sampler	1,875	2014	10	9.5	188	1,781
11.	Irrigation pump	1,250	2015	7	8.5	-	1,250
12.	Turbidity meter		2015		8.5	-	-
13.	Water meter for Bojangles	639	2016	20	7.5	32	240
14.	1-2" meter, 1-1.5" meter, 3 5/8" meter	2,217	2016	20	7.5	111	831
15.	Replacement water meters		2017		6.5	-	-
16.	Magnetic flow meter	2,559	2019	10	4.5	256	1,152
17.	Ultrasonic flow meter system		2020		3.5	-	-
18.	Kubota Lawn Tractor	11,979	2023	17	1.0	705	705
19.	Security Camera at Prestige Car Wash	1,818	2023	10	1.0	182	182
20.	Water Plant per Public Staff before reclassification (Sum of Lines 1 - 19)	38,658				2,178	18,829
Reclassified from O&M to JPC Plant in Service							
21.	Pulsafeeder chemical feed pump	800	2022	7	1.5	114	171
22.	Well pump - Well #3	10,610	2022	7	1.5	1,516	2,274
23.	Total Reclassified from O&M to JPC Water Plant (Line 21 + Line 22)	11,410				1,630	2,445
24.	Total Water Plant (Line 20 + Line 23)	\$50,068				3,808	\$21,274
Sewer:							
25.	Utility Costs		2008		15.5	-	-
26.	Portable Sewer Pump		2006		17.5	-	-
27.	French drains		2008		15.5	-	-
28.	Sump pumps (2)	\$1,678	2010	7	13.5	-	\$1,678
29.	Distribution pump	7,142	2011	7	12.5	-	7,142
30.	ABS Piranha S20/2D Grinder pump		2012		11.5	-	-
31.	Pump for EQ basin		2015		8.5	-	-
32.	Sewer Plant per Public Staff before reclassification (Sum of Lines 25 - 31)	8,820				0	8,820
Reclassified from O&M to JPC Plant in Service							
33.	WWTP Permit Modifications	7,370	2022	10	1.5	737	1,106
34.	Total Reclassified from O&M to JPC Sewer Plant (Line 33)	7,370				737	1,106
35.	Total Sewer Plant (Line 32 + Line 34)	\$16,190				\$737	\$9,925
36.	Total Water and Sewer Plant (Line 24 + Line 35)	\$66,258				\$4,545	\$31,199

[1] Per Public Staff witness Darden recommendation.
[2] Calculated based on year placed in service using half year convention through 12/31/2023.
[3] Column (a) divided by Column (c), unless fully depreciated.
[4] Column (d) multiplied by Column (e), unless fully depreciated.

JPC Utilities, LLC
Docket No. W-1263, Sub 4
**CALCULATION OF CASH WORKING CAPITAL
AND AVERAGE TAX ACCRUALS**
For The Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 2-2

Line No.	<u>Item</u>	<u>Water</u> (a)	<u>Sewer</u> (b)
	<u>Cash Working Capital:</u>		
1.	Total O&M expenses	\$144,530 [1]	\$226,190 [4]
2.	Cash working capital (L1 x 1/8)	<u>\$18,066</u>	<u>\$28,274</u>
	<u>Average Tax Accruals:</u>		
3.	Property taxes	\$2,213 [2]	\$1,916 [5]
4.	Average accrual (L3 x 1/2)	<u>1,107</u>	<u>958</u>
5.	Payroll taxes	2,092 [3]	1,782 [6]
6.	Average accrual (L5 x 1/5)	<u>418</u>	<u>356</u>
7.	Average tax accruals (Line 4 + Line 6)	<u>\$1,525</u>	<u>\$1,314</u>

- [1] Joint Settlement Exhibit I, Schedule 3 (a), Line 20, Column (g).
[2] Joint Settlement Exhibit I, Schedule 3 (a), Line 22, Column (g).
[3] Joint Settlement Exhibit I, Schedule 3 (a), Line 23, Column (g).
[4] Joint Settlement Exhibit I, Schedule 3 (b), Line 20, Column (g).
[5] Joint Settlement Exhibit I, Schedule 3 (b), Line 22, Column (g).
[6] Joint Settlement Exhibit I, Schedule 3 (b), Line 23, Column (g).

JPC Utilities, LLC
Docket No. W-1263 Sub 4
NET OPERATING INCOME FOR A RETURN
For the Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 3(a)
Page 1 of 2

Water Operations

Line No.	Item	Present Rates		Company Proposed Rates		Settlement Rates		
		Amount Per Application	Public Staff Adjustments [1]	Per Public Staff [2]	Net Company Increase [12]	Operations After Rate Increase [13]	Net Public Staff Increase [16]	Operations After Rate Increase [17]
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
<u>Operating Revenues:</u>								
1.	Service revenues	\$71,826	(\$5,339)	\$66,487 [3]	\$101,582	\$168,069 [3]	\$100,274	\$166,761 [18]
2.	Miscellaneous revenues	0	0	0	0	0	0	0
3.	Uncollectible accounts	0	0	0	0	0	0	0
4.	Total operating revenues (Sum L1 thru L3)	71,826	(5,339)	66,487	101,582	168,069	100,274	166,761
<u>Operating Expenses:</u>								
5.	Contractor operator - labor	19,200	0	19,200 [3]	0	19,200	0	19,200
6.	Salaries	0	23,482	23,482 [4]	0	23,482	0	23,482
7.	Administrative and office expense	35,113	(478)	34,635 [5]	0	34,635	0	34,635
8.	Purchased power	12,041	(667)	11,374 [3]	0	11,374	0	11,374
9.	Chemicals	1,105	(125)	980 [3]	0	980	0	980
10.	Testing	80	125	205 [3]	0	205	0	205
11.	Maintenance and repair	37,319	(27,774)	9,545 [21]	0	9,545	0	9,545
12.	Permit fees	0	150	150 [3]	0	150	0	150
13.	Insurance expense	4,160	0	4,160	0	4,160	0	4,160
14.	Contract management	0	0	0	0	0	0	0
15.	Lease Expense	31,573	0	31,573	0	31,573	0	31,573
16.	Miscellaneous expense	619	(169)	450 [3]	0	450	0	450
17.	Bad debts expense	0	0	0	0	0	0	0
18.	Sludge removal	0	0	0	0	0	0	0
19.	Rate case expense	6,710	2,065	8,775 [6]	0	8,775	0	8,775
20.	Total operating expenses (Sum L5 thru L19)	147,920	(3,390)	144,530	0	144,530	0	144,530
<u>Depreciation and Taxes:</u>								
21.	Depreciation	5,769	(1,961)	3,808 [7]	0	3,808	0	3,808
22.	Property taxes	2,213	(0)	2,213	0	2,213	0	2,213
23.	Payroll taxes	2,119	(27)	2,092 [8]	0	2,092	0	2,092
24.	Regulatory fee - other taxes	106	(8)	98 [9]	150	248 [9]	148	246 [9]
25.	Gross receipts tax	0	0	0	0	0	0	0
26.	State income tax	0	0	0 [10]	379	379 [14]	347	347 [19]
27.	Federal income tax	0	0	0 [11]	3,108	3,108 [15]	2,840	2,840 [20]
28.	Total depreciation and taxes (Sum L21 thru L27)	10,207	(1,996)	8,211	3,637	11,848	3,335	11,546
29.	Total operating revenue deductions (L20 + L28)	158,127	(5,386)	152,741	3,637	156,378	3,335	156,076
30.	Net operating income for return (L4 - L29)	(\$86,301)	\$47	(\$86,254)	\$97,945	\$11,691	\$96,939	\$10,685

CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the foregoing Late-Filed Joint Settlement Exhibit I (Redacted Public Version) upon each of the parties of record in this proceeding or the attorney of record of such party, or both, in accordance with Commission Rule R1-39, by United States mail, first class or better; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 7th day of May, 2024.

Electronically submitted
/s/ James Bernier, Jr.

JPC UTILITIES, LLC Docket No. W-1263, Sub 4 FOOTNOTES TO SCHEDULE 3(a) For The Test Year Ended December 31, 2022	Joint Settlement Exhibit I Schedule 3(a) Page 2 of 2
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Water Operations

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Darden.
- [4] Confidential Joint Settlement Exhibit I, Schedule 3-1, Column (j), Line 30.
- [5] Joint Settlement Exhibit I, Schedule 3-2 (a), Line 3.
- [6] Joint Settlement Exhibit I, Schedule 3-3 , Column (d), Line 6.
- [7] Joint Settlement Exhibit I, Schedule 2-1, Column (e), Line 24.
- [8] Joint Settlement Exhibit I, Schedule 3-4 (a), Column(g), Line 3.
- [9] Line 4 multiplied by .1475%.
- [10] Joint Settlement Exhibit I, Schedule 3-5 (a) ,Column (a), Line 12.
- [11] Joint Settlement Exhibit I, Schedule 3-5 (a) ,Column (a), Line 14.
- [12] Column (e) minus Column (c), unless otherwise footnoted.
- [13] Column (c) plus Column (d), unless otherwise footnoted.
- [14] Joint Settlement Exhibit I, Schedule 3-5 (a), Column (b), Line 12.
- [15] Joint Settlement Exhibit I, Schedule 3-5 (a), Column (b), Line 14.
- [16] Column (g) minus Column (c), unless otherwise footnoted.
- [17] Column (c) plus Column (f), unless otherwise footnoted.
- [18] Revenue requirement as calculated by the Public Staff.
- [19] Joint Settlement Exhibit I, Schedule 3-5 (a),Column (c), Line 12.
- [20] Joint Settlement Exhibit I, Schedule 3-5 (a),Column (c), Line 14.
- [21] Maintenance and Repair recalculated based on JPC allocation methodology

JPC Utilities, LLC
Docket No. W-1263 Sub 4
NET OPERATING INCOME FOR A RETURN
For the Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 3(b)
Page 1 of 2

Sewer Operations

Line No.	Item	Present Rates			Company Proposed Rates			Settlement Rates		
		Amount	Public	Per	Net	Operations	Net Public	Operations		
		Per	Staff	Public	Company	After Rate	Staff	After Rate		
		Application	Adjustments [1]	Staff [2]	Increase [12]	Increase [13]	Increase [16]	Increase [17]		
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
<u>Operating Revenues:</u>										
1.	Service revenues	\$130,254	\$577	\$130,831 [3]	\$127,019	\$257,850 [3]	\$121,125	\$251,956 [18]		
2.	Miscellaneous revenues	0	0	0	0	0	0	0		
3.	Uncollectible accounts	0	0	0	0	0	0	0		
4.	Total operating revenues (Sum L1 thru L3)	130,254	577	130,831	127,019	257,850	121,125	251,956		
<u>Operating Expenses:</u>										
5.	Contractor operator	20,910	(510)	20,400 [3]	0	20,400	0	20,400		
6.	Salaries	0	20,004	20,004 [4]	0	20,004	0	20,004		
7.	Administrative and office expense	30,396	(407)	29,989 [5]	0	29,989	0	29,989		
8.	Purchase Power/Electric	11,728	(2,039)	9,689 [3]	0	9,689	0	9,689		
9.	Chemicals	5,462	(164)	5,298 [3]	0	5,298	0	5,298		
10.	Testing	2,934	(370)	2,564 [3]	0	2,564	0	2,564		
11.	Maintenance and repair	56,763	(25,431)	31,332 [21]	0	31,332	0	31,332		
12.	Permit fees	0	1,310	1,310 [3]	0	1,310	0	1,310		
13.	Insurance expense	3,602	0	3,602	0	3,602	0	3,602		
14.	Contract management	0	0	0	0	0	0	0		
15.	Lease Expense	90,419	0	90,419	0	90,419	0	90,419		
16.	Legal fees	0	0	0	0	0	0	0		
17.	Miscellaneous expense	1,866	(1,483)	383 [3]	0	383	0	383		
18.	Sludge removal	4,925	(1,200)	3,725 [3]	0	3,725	0	3,725		
19.	Rate case expense	5,809	1,666	7,475 [6]	0	7,475	0	7,475		
20.	Total operating expenses (Sum L5 thru L19)	234,814	(8,624)	226,190	0	226,190	0	226,190		
<u>Depreciation and Taxes:</u>										
21.	Depreciation	1,908	(1,171)	737 [7]	0	737	0	737		
22.	Property tax	1,916	0	1,916	0	1,916	0	1,916		
23.	Payroll tax	1,834	(52)	1,782 [8]	0	1,782	0	1,782		
24.	Regulatory fee - other taxes	192	1	193 [9]	187	380 [9]	179	372 [9]		
25.	Gross receipts tax	0	0	0	0	0	0	0		
26.	State income tax	0	0	0 [10]	671	671 [14]	524	524 [19]		
27.	Federal income tax	0	0	0 [11]	5,497	5,497 [15]	4,291	4,291 [20]		
28.	Total depreciation and taxes (Sum L21 thru L27)	5,850	(1,222)	4,628	6,355	10,983	4,994	9,622		
29.	Total operating revenue deductions (L20 + L28)	240,664	(9,846)	230,818	6,355	237,173	4,994	235,812		
30.	Net operating income for return (L4 - L29)	(\$110,410)	\$10,423	(\$99,987)	\$120,664	\$20,677	\$116,131	\$16,144		

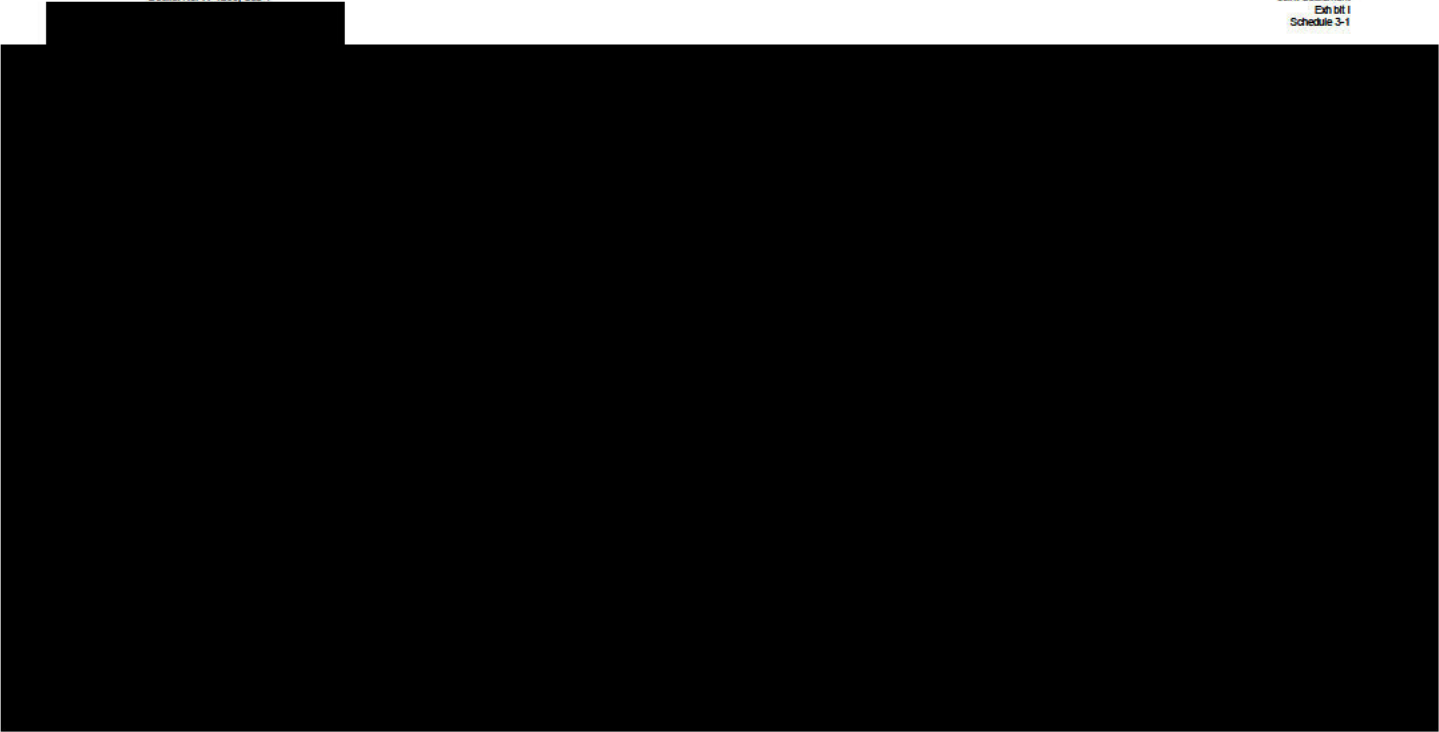
JPC UTILITIES, LLC	Joint Settlement
Docket No. W-1263, Sub 4	Exhibit I
FOOTNOTES TO SCHEDULE 3(b)	Schedule 3(b)
For The Test Year Ended December 31, 2022	Page 2 of 2

Sewer Operations

- [1] Column (c) minus Column (a), unless otherwise footnoted.
- [2] Column (a) plus Column (b), unless otherwise footnoted.
- [3] Provided by Public Staff Engineer Darden.
- [4] Confidential Joint Settlement Exhibit I, Schedule 3-1, Column (j), Line 31.
- [5] Joint Settlement Exhibit I, Schedule 3-2 (b), Line 3.
- [6] Joint Settlement Exhibit I, Schedule 3-3, Column (e), Line 6.
- [7] Joint Settlement Exhibit I, Schedule 2-1, Column (e), Line 35.
- [8] Joint Settlement Exhibit I, Schedule 3-4 (b), Column(g), Line 3.
- [9] Line 4 multiplied by .1475%.
- [10] Joint Settlement Exhibit I, Schedule 3-5 (b) ,Column (a), Line 12.
- [11] Joint Settlement Exhibit I, Schedule 3-5 (b) ,Column (a), Line 14.
- [12] Column (e) minus Column (c), unless otherwise footnoted.
- [13] Column (c) plus Column (d), unless otherwise footnoted.
- [14] Joint Settlement Exhibit I, Schedule 3-5 (b), Column (b), Line 12.
- [15] Joint Settlement Exhibit I, Schedule 3-5 (b), Column (b), Line 14.
- [16] Column (g) minus Column (c), unless otherwise footnoted.
- [17] Column (c) plus Column (f), unless otherwise footnoted.
- [18] Revenue requirement as calculated by the Public Staff.
- [19] Joint Settlement Exhibit I, Schedule 3-5 (b),Column (c), Line 12.
- [20] Joint Settlement Exhibit I, Schedule 3-5 (b),Column (c), Line 14.
- [21] Maintenance and Repair recalculated based on JPC allocation methodology

JFC Utilities, LLC
Docket No. W-1263, Sub 4

Confidential
Joint Settlement
Exhibit 1
Schedule 3-1



JPC Utilities, LLC
Docket No. W-1263, Sub 4
ADJUSTMENT TO ADMINISTRATIVE AND OFFICE EXPENSE
For The Test Year Ended December 31, 2022
Water Operations

Joint Settlement
Exhibit I
Schedule 3-2 (a)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u> [1]
1.	Administrative and Office Expense - per application	\$35,113
2.	Adjustment to reflect missing invoices variance - Account #6008 - Utility Office	(478)
3.	Administrative and Office Expense - per Public Staff (L1 + L2)	<u>\$34,635</u>

[1] Calculated by the Public Staff based on missing invoices not provided by the Company and allocated based on Public Staff Darden recommendation.

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JPC Utilities, LLC
Docket No. W-1263, Sub 4
ADJUSTMENT TO ADMINISTRATIVE AND OFFICE EXPENSE
For The Test Year Ended December 31, 2022
Sewer Operations

Joint Settlement
Exhibit I
Schedule 3-2 (b)

<u>Line No.</u>	<u>Item</u>	<u>Amount</u> [1]
1.	Administrative and Office Expense - per application	\$30,396
2.	Adjustment to reflect missing invoices variance - Account #6008 - Utility Office	(407)
3.	Administrative and Office Expense - per Public Staff (L1 + L2)	<u>\$29,989</u>

[1] Calculated by the Public Staff based on missing invoices not provided by the Company and allocated based on Public Staff Darden recommendation.

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JPC Utilities, LLC
Docket No. W-1263, Sub 4
ADJUSTMENT TO REGULATORY EXPENSE
For The Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 3-3

Line No.	Item	Actual Amounts [1] (a)	Adjustments [2] (b)	Total Amount [3] (c)	Allocated Water [5] (d)	Allocated Sewer [5] (e)
1.	Consulting fees	\$2,657	\$19,425.00	\$22,082	\$11,924	\$10,158
2.	Legal fees	2,550	40,018	42,568	22,986	19,581
3.	Miscellaneous costs (mailing customer notices, filing fee)	<u>0</u>	<u>350</u>	<u>350</u>	<u>189</u>	<u>161</u>
4.	Total Regulatory Expenses (Sum of Lines 1 -3)	5,207	59,793	65,000	35,100	29,900
5.	Amortization Period			<u>4 [4]</u>	<u>4 [4]</u>	<u>4 [4]</u>
6.	Regulatory Expense per Public Staff (Line 4 / Line 5)			16,250	8,775	7,475
7.	Regulatory Expense per Company			12,519	6,710	5,809
8.	Adjustment to Regulatory Expense (Line 6 - Line 7)			<u>\$3,731</u>	<u>\$2,065</u>	<u>\$1,666</u>

[1] Per Company 2022 General Ledger Accounts 6281 and 6282.

[2] DR 4, Item 19 response.

[3] Column (a) + Column (b), unless otherwise noted.

[4] Public Staff recommended amortization period per Settlement Agreement

[5] Allocated between water and sewer operations based on customer counts recommended by Public Staff witness Darden..

JPC Utilities, LLC
Docket No. W-1263, Sub 4

Confidential
Joint Settlement
Exhibit 1
Schedule 3-4 (a)



JPC Utilities, LLC
Docket No. W-1263, Sub 4

Confidential
Joint Settlement
Exhibit 1
Schedule 3-4 (b)



JPC Utilities, LLC
Docket No. W-1263 Sub 4
CALCULATION OF INCOME TAXES
For the Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 3-5 (a)

Line No.	Water Operations Item	Present Rates	[1]	Company Proposed Rates	[2]	Settlement Rates	[3]
		(a)		(b)		(c)	
1.	Operating revenue	\$66,487		\$168,069		\$166,761	
2.	Operating revenue deductions:						
3.	Operating expenses	144,530		144,530		144,530	
4.	Depreciation expense	3,808		3,808		3,808	
5.	Property taxes	2,213		2,213		2,213	
6.	Other taxes	2,092		2,092		2,092	
7.	Regulatory fee	98		248		246	
8.	Gross receipts tax	0		0		0	
9.	Interest expense	0		0		0	
10.	Total deductions (Sum of L3 thru L9)	152,741		152,891		152,889	
11.	State taxable income (L1 - L10)	(86,254)		15,178		13,872	
12.	State income tax (L11 x 2.5%)	0		379		347	
13.	Federal taxable income (L11 - L12)	(86,254)		14,799		13,525	
14.	Federal income tax (L13 x 21%)	0		3,108		2,840	
15.	Net amount (L13 - L14)	(86,254)		11,691		10,685	
16.	Add: Interest expense (L9)	0		0		0	
17.	Net income for return (L15 + L16)	(\$86,254)		\$11,691		\$10,685	

[1] Joint Settlement Exhibit I, Schedule 3 (a), Column (c), unless footnoted otherwise..

[2] Joint Settlement Exhibit I, Schedule 3 (a), Column (e), unless footnoted otherwise..

[3] Joint Settlement Exhibit I, Schedule 3 (a), Column (g), unless footnoted otherwise..

JPC Utilities, LLC
Docket No. W-1263 Sub 4
CALCULATION OF INCOME TAXES
For the Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 3-5(b)

Line No.	Sewer Operations <u>Item</u>	Present	Company	Settlement
		Rates [1] (a)	Proposed Rates [2] (b)	Rates [3] (c)
1.	Operating revenue	\$130,831	\$257,850	\$251,956
2.	Operating revenue deductions:			
3.	Operating expenses	226,190	226,190	226,190
4.	Depreciation expense	737	737	737
5.	Property taxes	1,916	1,916	1,916
6.	Other taxes	1,782	1,782	1,782
7.	Regulatory fee	193	380	372
8.	Gross receipts tax	0	0	0
9.	Interest expense	0	0	0
10.	Total deductions (Sum of L3 thru L9)	230,818	231,005	230,997
11.	State taxable income (L1 - L10)	(99,987)	26,845	20,959
12.	State income tax (L11 x 2.5%)	0	671	524
13.	Federal taxable income (L11 - L12)	(99,987)	26,174	20,435
14.	Federal income tax (L13 x 21%)	0	5,497	4,291
15.	Net amount (L13 - L14)	(99,987)	20,677	16,144
16.	Add: Interest expense (L9)	0	0	0
17.	Net income for return (L15 + L16)	(\$99,987)	\$20,677	\$16,144

[1] Joint Settlement Exhibit I, Schedule 3 (b), Column (c), unless footnoted otherwise.

[2] Joint Settlement Exhibit I, Schedule 3 (b), Column (e), unless footnoted otherwise.

[3] Joint Settlement Exhibit I, Schedule 3 (b), Column (g), unless footnoted otherwise.

JPC Utilities, LLC

Docket No. W-1263 Sub 4

CALCULATION OF REVENUE REQUIREMENT

For the Test Year Ended December 31, 2022

Water Operations

Line No.	Item	Rate Base Method (a)	Retention Factor (b)	Revenue Requirement [1] (c)	Operating Ratio Method (d)	Retention Factor (e)	Revenue Requirement [1] (f)	
1.	<u>Operating revenue deductions:</u>							
2.	General expenses	\$144,530			\$144,530			
3.	Depreciation expense	3,808			3,808			
4.	Property tax	2,213			2,213			
5.	Other tax	2,092			2,092			
6.	Total	152,643	0.9985250	\$152,868	152,643	0.9985250	\$152,868	
7.	Adjustment for regulatory fee							
	<u>Net operating income for return:</u>							
8.	Debt service return	952	0.9985250	953				
9.	Equity return:							
10.	REG @ .1475%, SIT @ 2.5%, FIT @ 21%	2,221	0.7691139	2,887	10,685	0.7691139	13,893	
11.								
12.								
13.								
14.								\$10,685
15.	Revenue requirement - both methods			<u>\$156,708</u>			<u>\$166,761</u>	\$10,685
16.	Revenue requirement recommended by Public Staff						<u>\$166,761</u>	\$10,685

JPC Utilities, LLC

Docket No. W-1263 Sub 4

CALCULATION OF REVENUE REQUIREMENT

For the Test Year Ended December 31, 2022

Sewer Operations

Line No.	Item	Rate Base Method (a)	Retention Factor (b)	Revenue Requirement [1] (c)	Operating Ratio Method (d)	Retention Factor (e)	Revenue Requirement [1] (f)	
1.	<u>Operating revenue deductions:</u>							
2.	Maintenance expenses	\$226,190			\$226,190			
3.	Depreciation expense	737			737			
4.	Property tax	1,916			1,916			
5.	Other tax	1,782			1,782			
6.	Total	230,625	0.9985250	\$230,966	230,625	0.9985250	\$230,966	
7.	Adjustment for regulatory fee							
	<u>Net operating income for return:</u>							
8.	Debt service return	698	0.9985250	699				
9.	Equity return:							
10.	REG @ .1475%, SIT @ 2.5%, FIT @ 21%	1,628	0.7691139	2,117	16,144	0.7691139	20,990	
11.		0	0.7264269	0	0	0.7264269	0	
12.		0	0.6392557	0	0	0.6392557	0	
13.		0	0.5908272	0	0	0.5908272	0	
14.		0	0.6392557	0	0	0.6392557	0	\$16,144
15.	Revenue requirement - both methods			<u>\$233,782</u>			<u>\$251,956</u>	\$16,144
16.	Revenue requirement recommended by Public Staff			<u><u> </u></u>			<u><u>\$251,956</u></u>	

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JPC Utilities LLC
Docket No. W-1263 Sub 4
CALCULATION OF GROSS REVENUE
IMPACT OF PUBLIC STAFF ADJUSTMENTS
For The Test Year Ended December 31, 2022

Joint Settlement
Exhibit I
Schedule 5(a)

Line No.	Water Operations Item	
1.	Increase / (decrease) in total revenues per Company	<u>\$101,222</u> [1]
2.	<u>Difference in calculation of revenue requirement based on Company amounts:</u>	
3.	Adjust capital structure to 50% debt and 50% equity	0
4.	Adjust debt cost rate to 0.00%	0
5.	Adjust return on equity to 23.86%	0
6.	Adjustment to reclassify uncollectibles	0
7.	Adjustment to plant in service	0
8.	Adjustment to accumulated depreciation	0
9.	Adjustment to contributions in aid of construction	0
10.	Adjustment to accumulated amortization of CIAC	0
11.	Adjustment to customer advances	0
12.	Adjustment to service revenues	5,339
13.	Adjustment to Salaries and wages	23,517
14.	Adjustment to Administrative and office expense	(478)
15.	Adjustment to Maintenance & repair expense	(27,815)
16.	Adjustment to Transportation	0
17.	Adjustment to Electric power	(668)
18.	Adjustment to cash working capital	0
19.	Adjustment to Chemicals	(125)
20.	Adjustment to Testing	125
21.	Adjustment to Permit fees	150
22.	Adjustment to Unexpected/accidental spillage	0
23.	Adjustment to Sludge removal	0
24.	Adjustment for return	(489)
25.	Difference of return	(411)
26.	Miscellaneous expense	(169)
27.	Adjustment to Depreciation expense	(1,964)
28.	Adjustment to Property taxes	0
29.	Adjustment to payroll tax expense	(27)
30.	Adjustment to Lease Expense	0
31.	Adjustment to Rate Case Expense	2,068
32.	Rounding difference	
33.	Revenue impact of Public Staff adjustments	<u>(947)</u>
34.	Increase / (decrease) per Public Staff	<u>\$100,275</u>
[1]	Calculated by the Public Staff.	