

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Columbia MHC East LLC d/b/a Columbia
Park Water and Sewer System, for an)
increase in Rates and Charges)

Case No. _____

Date: _____

Company Name: Columbia MHC East LLC d/b/a Columbia Park Water and Sewer System

Mailing Address: 1080 Pittsford-Victor Road #202, Pittsford, NY 14534

Company Contact Person: Kenneth C. Burnham

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E-Mail: Kburnham1452@Yahoo.com

Attorney and attorneys address: Jeff DeVoesick Jeff@Morgdevo.com (Licensed Ohio) Reg. #70327
Morgenstern and DeVoesick (willing to
1080 Pittsford Victor Rd Suite 200, Pittsford, NY 14534 accept
585-672-5500 service by
585-672-5599 (fax)(willing to accept service by fax) email)

Test Year: Proforma test period of twelve months ending 12/1/2019

Date Certain: Date certain of 12/1/2018

WAIVER REQUEST:

In accordance with Chapter III, (A) (4) of Appendix A the Company is requesting a waiver of certain of the filing requirements as outlined in Chapter III.

The reason for this request is made under (A)(4)(d)(i)(ii) and (iii):

- (i) The request for the rate adjustment is made solely on the following:
 - a.) of the cost of financing a replacement waste water treatment plant (WWTP). The cost of the WWTP has been developed by means a thorough study by a licensed professional engineer, as supplemented with an actual bid from a reputable contractor.

- b.) The addition of Columbia Park as a Customer in a new Class of Service.
Columbia Park is the largest consumer of water in the service area, and has never been billed for service in the past. It is only fair in the rate determination process to have Columbia pay their fair share so the smaller customers get the benefit of such payment.
- (ii) The projected cost of such replacement WWTP is not information which is normally maintained by the utility, or reasonably available to it from the information it maintains.
- (iii) Expense to the utility in providing expert testimony or audited statements with respect to the request would be unduly burdensome and would not reasonably be expected to provide any better information which has been provided by the licensed professional engineer or contractor.

The waivers from the Standard filing Requirements requested are as follows:

Rate Base – Section B: That the analysis regarding the Plant in service (B-2), depreciation accrual rates and jurisdictional reserve balances (B-3) be waived, as the rate case is based only on the incremental cost of constructing a replacement WWTP and servicing the debt which is anticipated to be incurred in constructing and installing the same.

Fully Allocated Cost of Service Study under Section 3.2(A)(5) in accordance with the American Waterworks Institute :

The only rate change proposed for this Application is that associated with the cost of financing a replacement WWTP; and the addition of a Customer Class which would be additive to current rates.

The request for the rate adjustment is made solely on the basis of the cost of financing a replacement waste water treatment plant (WWTP). The cost of the WWTP has been developed by means a thorough study by a licensed professional engineer, and supplemented with an actual bid from a reputable contractor.

Accordingly the Cost of Service Study would fall under (A)(4)(d)(iii).

Supporting Data-Work Papers

Supporting Data Provided in the separate WORK PAPER FILING:

Classification

C	EXHIBIT 1: Construction Budget -----	WP-C-1-1
C	EXHIBIT 2: Contractors Bid -----	WP-C-1-2

C	EXHIBIT 3: Bank Loan Amortization schedule -----	WP-C-1-3
C	EXHIBIT 4: Annual water usage -----	WP-C-1-4
C	EXHIBIT 4.1 Volume of Water Billed-----	WP-C-1-4.1
C	EXHIBIT 4.2 Difference in Volume Billed and usage -----	WP-C-1-4.2
C	EXHIBIT 4.3 Projected Billing to Customer C-1 -----	WP-C-1-4.3
C	EXHIBIT 5: Rate adjustment calculation -----	WP-C-1-5
C	EXHIBIT 6: Current rate sheet from Tariff -----	WP-C-1-6
C	EXHIBIT 7: Proposed rate sheet from Tariff -----	WP-C-1-7
C	EXHIBIT 8: Proposed notification Letter to customers-----	WP-C-1-8
I	EXHIBIT 9 Existing Balance Sheet CPWSS-----	WP-D-1-1
I	EXHIBIT 10 Changes to Existing Regulation (Section 6 (C) (1.)	
	Miscellaneous Provisions Governing Service): -----	WP-E-3-1

SECTION A
Revenue Requirements

No schedules are required.

SECTION B

Rate Base

B-1 Jurisdictional Rate base Summary, as of November 30, 2018:

Each and every customer, or potential customer serviced by the Company would be included in the rate adjustment:

1,110 customers receiving water/sewer service.

The adjustment is only requested for sewer from the current (7/6/2018) charge of \$36.14 per MCF (based on water consumption) to the requested rate of \$89.20 per MCF (based on water consumption) as of 12/01/2018

The addition of a new class of customer for water/sewer service:

Columbia Park uses water/sewer provided through Columbia Park Water and Sewer System ("CPWSS") for use in the office, the maintenance area the truck shed, the social and gathering hall, other common areas, maintenance at the property, power washing, hydrant flushing, truck washing, and lawn watering.

Columbia Park originally installed the water service lines prior to 2004, when the operation of CPWSS commenced. At which time they were assumed by CPWSS under an agreement that water loss through this system would continue to be the responsibility of Columbia Park, as they had installed the original lines.

Under the new Class of Service – Columbia Park would added as a new class of customer in and be designated as Class of service = Commercial 1.

Billing would be made to the Commercial 1 customer quarterly based on the difference between the water billed to the existing customer base, and the water which enters from the City of Cleveland through the two Master Meters. This would account for the water/sewer used by or the responsibility of Columbia Park.

It is projected that the quarterly billing would be \$65,589.90 per quarter for the test year.

Those City of Cleveland Meters are located at:

7100 Columbia Road — Meter #K-14756417

6801 Fitch Road —----- Meter # B-12800580

It is only fair that the existing customer base is not indirectly paying for the water/sewer service and use by Columbia Park.

Witness responsible: Kenneth Burnham; Company President

B-2 Plant in Service analysis

Waiver Requested

B-3 Depreciation accrual rates and jurisdictional reserve balances by account.:

Waiver requested

SECTION C

Operating Income

Company: Columbia MHC East LLC d/b/a Columbia Park Water and Sewer System

Case No: _____

Test Year: : Proforma test period of twelve months ending 11/30/2019

Date Certain: Date certain of 12/1/2018

Section C-1: Jurisdictional pro forma income statement:

Assumptions: Water Rate remains the same \$52.07/mcf
Customer charge remains the same - \$2.51
Sewer rate increases to \$89.20/mcf, from current rate of \$36.14
and is based on water consumption.
Customer Count is 950 out of a possible 1,110.
Total Cost of Construction WP-C-1-1 is \$3,500,000
Contractors Bid is \$2,739,279 WP-C-1-2
Proposed Bank Loan for replacement WWTP :
\$3,500,000 @ 5.5% interest amortized over 300 months
WP-C-1-3
Annual Water usage is 4,979.50 mcf WP-C-1-4
Rate adjustment to pay Bank Loan is \$89.20 WP-C-1-5
Commercial Customer C-1 is added to quarterly income in
the amount of \$65,589.90,175.47 per quarter.

Supporting Data Provided in the separate WORK PAPER FILING:

Classification

C	EXHIBIT 1: Construction Budget -----	WP-C-1-1
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C	EXHIBIT 3: Bank Loan Amortization schedule -----	WP-C-1-3
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C	EXHIBIT 8: Proposed notification Letter to customers-----	WP-C-1-8
I	EXHIBIT 9 Existing Balance Sheet CPWSS-----	WP-D-1-1
I	EXHIBIT 10 Changes to Existing Regulation (Section 6 (C) (1.) Miscellaneous Provisions Governing Service): -----	WP-E-3-1

SCHEDULE C-1

Pro Forma Income Statement

JURISDICTIONAL PRO FORMA INCOME STATEMENT SCHEDULE C-1

Property: Columbia Park Water & Sewer System TEST YEAR

	DEC 18	JAN 19	FEB 19	MAR 19	APR 19	MAY 19	JUN 19	JUL 19	AUG 19	SEPT 19	OCT 19	NOV 19	TOTAL
4001 Customer Charge	0.00	0.00	2,384.50	0.00	0.00	2,384.50	0.00	0.00	2,384.50	0.00	0.00	2,384.50	9,538.00
4003 Water Income	16,930.78	16,930.78	16,930.78	16,930.78	16,930.78	16,930.78	16,930.78	16,930.78	16,930.78	16,930.78	16,930.78	16,930.78	203,169.33
40031 Commercial 1			65,589.90			65,589.90			65,589.90			65,589.90	262,359.58
4004 Sewer Income	29,003.75	29,003.75	29,003.75	29,003.75	29,003.75	29,003.75	29,003.75	29,003.75	29,003.75	29,003.75	29,003.75	29,003.75	348,045.02
4008 Late Fee Inc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.26	189.93	45.83	36.70	292.72
4099 Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	3.59	28.59
INCOME	45,934.53	45,934.53	113,908.92	45,934.53	45,934.53	113,908.92	45,934.53	45,934.53	113,929.18	46,124.46	46,005.36	113,949.21	823,433.24
5000 Advertising	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00	0.00	0.00	40.00
5001 Admin. Exp													
50011 Bank Charges	346.87	34.04	25.11	253.19	51.43	23.40	261.29	46.04	23.93	92.08	103.30	405.64	1,666.32
50012 Data Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	195.00	0.00	195.00	195.00	585.00
50015 Management Fees	2,296.73	2,296.73	5,695.45	2,296.73	2,296.73	5,695.45	2,296.73	2,296.73	5,696.46	2,306.22	2,300.27	5,697.46	41,171.66
50016 Office Exp.	0.00	0.00	0.00	0.00	0.00	-22.87	0.00	613.51	0.00	0.00	0.00	171.34	761.98
50017 Permits/Fees	0.00	0.00	0.00	200.00	0.00	2,184.96	1,050.00	0.00	0.00	0.00	0.00	0.00	3,434.96
50018 Postage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53.18	74.69	0.00	127.87
50019 Reading/Billing	0.00	0.00	4,275.00	0.00	0.00	4,275.00	0.00	0.00	4,275.00	53.18	74.69	4,275.00	17,227.87
50024 Truck Expenses	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	600.00	7,200.00
5003 Repairs & Maint													
50031 Contract Services	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	38,400.00
50032 Electrical	0.00	0.00	0.00	0.00	0.00	773.00	0.00	0.00	0.00	393.50	0.00	0.00	1,166.50
50033 Lawn & Landscape	0.00	0.00	384.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	384.30
50035 Plumbing & Septic	720.00	0.00	0.00	580.00	840.00	0.00	0.00	1,050.00	440.00	714.81	0.00	0.00	4,344.81
50036 Rubbish Removal	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
50039 Water Testing	1,665.12	1,665.12	1,665.12	1,665.12	1,665.12	1,665.12	1,713.45	1,713.45	1,713.45	1,713.45	1,713.45	1,763.45	20,321.42
50038 Supplies	524.59	145.56	1,310.47	521.35	203.59	1,176.39	916.93	0.00	969.59	1,562.06	0.00	848.19	8,178.72
5005 Insurance													
50051 Liability Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,500.00	0.00	0.00	3,500.00
50053 Worker's Comp	0.00	0.00	0.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00	4,500.00
50061 Legal Expenses	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00
50062 Accounting Exp	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00	0.00	1,000.00
50063 Professional Serv	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	2,500.00

5010 Taxes													
50104 Corporate Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00
5011 Utilities													
50111 Electric	4,288.24	4,436.84	1,965.75	6,728.24	4,770.52	2,975.52	6,150.08	4,713.42	2,310.70	7,028.66	3,218.44	3,500.00	52,086.41
50112 Water	17,824.01	17,824.01	17,824.01	17,824.01	17,824.01	17,824.01	17,824.01	17,824.01	17,824.01	17,824.01	17,824.01	17,824.01	213,888.06
50114 Telephone	40.86	40.86	40.86	41.01	41.01	41.01	41.07	41.04	0.00	177.41	0.00	0.00	505.13
50118 Sewage Remove	0.00	0.00	0.00	0.00	0.00	0.00	1,575.00	0.00	0.00	0.00	0.00	0.00	1,575.00
5013 Payroll Costs													
50131 Salaries & Wages	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	48,000.00
50132 Payroll Taxes	720.00	720.00	720.00	720.00	720.00	720.00	720.00	720.00	720.00	720.00	720.00	720.00	8,640.00
EXPENSE	36,426.41	35,163.15	44,406.06	38,829.64	36,412.40	49,830.98	43,048.55	37,018.19	43,168.13	44,178.56	34,523.84	43,400.09	486,406.01
GROSS PROFIT	9508.12	10771.38	69,502.86	7,104.89	9,522.13	64,077.94	2,885.98	8,916.34	70,761.05	1,945.90	11,481.52	70,549.13	337,027.23
DEBT SERVICE													
RETURN ON PLANT	21,493.06	21,493.06	21,493.06	21,493.06	21,493.06	21,493.06	21,493.06	21,493.06	21,493.06	21,493.06	21,493.06	21,493.06	257,916.72
IN SERVICE													
\$2,635,392.64													
@ 3.00% Return	6,588.48	6,588.48	6,588.48	6,588.48	6,588.48	6,588.48	6,588.48	6,588.48	6,588.48	6,588.48	6,588.48	6,588.48	79,961.78

NET PROFIT

48.73

SCHEDULE C-2

Income Statement at current rate - trailing 12

Profit & Loss 12 Month Recap

Property: Columbia Park Water & Sewer System

Monthly recap 07/01/17 - 06/30/18 (cash basis)

	JUL 17	AUG 17	SEP 17	OCT 17	NOV 17	DEC 17	JAN 18	FEB 18	MAR 18	APR 18	MAY 18	JUN 18	TOTAL
INCOME													
4001 Rental Income	0.00	6,194.00	-96.95	-496.20	-61.70	1,040.10	-461.40	18,449.96	-4,223.67	-11,512.14	-853.55	868.45	8,846.90
4003 Water & Sewer Incom	3,611.25	1,854.76	72,997.24	3,001.34	1,286.02	57,946.59	5,044.37	1,993.30	8,017.04	53,487.33	30,526.64	26,287.79	266,053.67
4008 Late Fee Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.26	188.44	41.80	31.04	281.54
4031 Management Fee Inc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4099 Other Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	3.59	28.59
TOTAL INCOME	3,611.25	8,048.76	72,900.29	2,505.14	1,224.32	58,986.69	4,582.97	20,443.26	3,813.63	42,163.63	29,739.89	27,190.87	275,210.70
COST OF GOODS SOLD													
4500 Cost of Goods Sold									-163868.75				
4525 COGS Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	610.17	0.00	0.00	610.17
4500 Total Cost of Good	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	610.17	0.00	0.00	610.17
TOTAL COST OF GOODS SO	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	610.17	0.00	0.00	610.17
EXPENSE													
5000 Advertising	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00	0.00	0.00	40.00
50011 Bank Charges	346.87	34.04	25.11	253.19	51.43	23.40	261.29	46.04	23.93	92.08	103.30	405.64	1,666.32
50012 Data Processing I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	195.00	0.00	195.00	195.00	585.00
50015 Management Fee	1,214.32	72.23	0.00	1,497.04	0.00	-1,208.77	0.00	0.00	-7,290.54	0.00	0.00	0.00	-5,715.72
50016 Office Expense	0.00	0.00	0.00	0.00	0.00	-22.87	0.00	613.51	0.00	0.00	0.00	171.34	761.98
50017 Permits & Fees	0.00	0.00	0.00	200.00	0.00	2,184.96	1,050.00	0.00	13,500.00	0.00	0.00	0.00	16,934.96
50018 Postage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53.18	74.69	0.00	127.87
500121 Guaranteed Pay	91.72	36.11	0.00	2,317.79	207.97	496.05	1,687.10	252.22	59.80	0.00	0.00	0.00	5,148.76
50024 Truck Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	191.49	1,840.95	2,032.44
50031 Contract Services	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	5,968.26	9,902.38	3,200.00	3,200.00	3,426.81	727.75	6,400.00	48,825.20
50032 Electrical	0.00	0.00	0.00	0.00	0.00	773.00	0.00	0.00	0.00	393.50	0.00	0.00	1,166.50
50033 Lawn & Landscap	0.00	0.00	384.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	384.30
50035 Plumbing & Septi	720.00	0.00	0.00	580.00	840.00	0.00	0.00	1,050.00	440.00	714.81	0.00	0.00	4,344.81
50036 Rubbish Removal	910.66	1,294.01	1,032.17	1,334.30	1,003.19	507.54	0.00	0.00	0.00	0.00	0.00	0.00	6,081.87
50039 Water Testing	1,665.12	1,665.12	1,665.12	1,665.12	1,665.12	1,665.12	1,713.45	1,713.45	0.00	4,299.90	1,713.45	1,763.45	21,194.42
50038 Supplies	524.59	145.56	1,310.47	521.35	203.59	1,176.39	916.93	0.00	969.59	1,562.06	0.00	848.19	8,178.72
50051 Liability Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00	1,000.00
50053 Worker's Comp	0.00	-408.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-408.32
50061 Legal Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,250.00	10,800.00	22,114.50	9,875.00	44,039.50
50062 Accounting Exper	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.00	0.00	0.00	0.00	75.00
50063 Professional Serv	0.00	3,782.35	0.00	573.21	1,678.10	0.00	3,509.70	4,062.50	8,187.50	34,974.19	0.00	1,467.50	58,235.05
50104 Corporate Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	0.00	300.00
50111 Electric	4,288.24	4,436.84	1,965.75	6,728.24	4,770.52	2,975.52	6,150.08	4,713.42	2,310.70	7,028.66	3,218.44	66.54	48,652.95
50112 Water & Sewer	0.00	36,588.59	0.00	17,183.48	17,034.52	17,558.01	35,665.04	0.00	0.00	16,413.14	18,196.41	16,698.29	175,337.48
50114 Telephone	40.86	40.86	40.86	41.01	41.01	41.01	41.07	41.04	0.00	177.41	0.00	0.00	505.13
50118 Sewage Removal	0.00	0.00	0.00	0.00	0.00	0.00	1,575.00	0.00	0.00	0.00	0.00	0.00	1,575.00
50120 Rubbish Commis	203.56	0.00	257.37	385.24	1,118.50	259.91	0.00	-590.78	0.00	0.00	0.00	0.00	1,633.80
50131 Salaries & Wages	5,156.60	7,964.30	3,745.18	2,540.25	3,615.40	5,697.80	5,423.10	3,615.40	1,807.70	0.00	0.00	0.00	39,565.73
5100 Rental Expense	0.00	0.00	0.00	0.00	1,306.80	0.00	233.11	3,820.70	4,397.10	3,090.92	0.00	0.00	12,848.63
51011 Travel-Do Not Us	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	651.82	0.00	1,027.47	0.00	1,679.29

[illegible]

SCHEDULE C-3

Summary of jurisdictional adjustments to operating income

INCOME: Based on historical use of 4,967.0 mcf. Sewer rate increases to \$89.20/mcf, from current rate of \$36.14 and is based on water consumption. Water rate and base charge do not change. Commercial Customer C-1 is added to quarterly income in the amount of \$65,589.90,175.47 per quarter

EXPENSE: As the water and sewer system is now at arms length from Columbia Park, certain expense items have changed: from the historical trailing 12 ending June 30, 2018, and are used in the pro Forma test year. If these expenses have changed in the Pro Forma, they are indicated below:

Trailing 12 – Current

Pro Forma 12/1 18 to 11/30/19

Cost of Goods Sold #4500	Eliminated
Management Fee	5% of collected income.
Permits and Fees #50017	Reduced for \$13,500 WWTP Capital Item
Reading Billing #50019	\$4.50 per customer X 950 customers quarterly
Guaranteed Payments #500121	Eliminated
Contact service for WWTP operator #50031	Adjusted to \$3,200 per month
Rubbish Removal #50036	Adjusted to \$200 per month
Liability Insurance #50051	Adjusted to \$3,500 per year
Workers comp #50053	Adjusted to \$4,500 per year
Legal Expense #50061	Adjusted to \$2,500 per year
Accounting Exp #50062	Adjusted to \$1,000 per year
Professional Services #50063	Adjusted to \$2,500 per year
Water Expense #50112	Based on City Rate of \$45.45/mcf = \$213,888.06/Yr
Rubbish Commission #50120	Eliminated
Salaries and Wages #50131	Adjusted to \$3,800/Mo.
Payroll taxes and fees #50132	18% of estimated \$4,000/Mo payroll
Travel and Enter. #5101	Eliminated

Debt Service – **PER WP-C-1-3 Monthly payment on Bank Loan -\$21,493.06**

Return on Assets in

Service: PER WP-D-1-1 \$2,635,392.64 * 3.00% return = \$79,061.78

SECTION D

Rate of Return Summary

Company: Columbia MHC East LLC d/b/a Columbia Park Water and Sewer System

Case No: _____

Test Year: : Proforma test period of twelve months ending 11/30/2019

Date Certain: Date certain of 12/1/2018

D-1 Rate of Return Summary: See Balance Sheet attached **WP-D-1-1**

Rate of Return is projected to be 3.00% per year on \$2,635,392.64 in assets
Or \$6,588.49 per month.

D-1-1 See Balance Sheet **WP-D-1-1** No Common Equity exists at this time.

D-2 Embedded Cost of Short Term Debt --- N/A

D-3 Embedded Cost of Long Term Debt ---- See **WP-C-1-3** and **C-1** pro forma as to
Bank Loan

D-4 Embedded Cost of Preferred Stock --- N/A

SECTION E

Rates and Tariffs

Company: Columbia MHC East LLC d/b/a Columbia Park Water and Sewer System

Case No: _____

Test Year: : Proforma test period of twelve months ending 12/1/2019

Date Certain: Date certain of 12/1/2018

Section E-1 Clean Copy of proposed tariff Schedules:

See- WP-C-1-7 Proposed Rate Schedule for Tariff (single page)

Section E-2 Clean Copy of current tariff Schedules

See WP-C-1-6 Current Rate Schedule from Tariff (single page)

Section E-2.1 Scored and Redlined copy of current tariff Schedule showing all proposed changes.

See WP-E-2.1-1 Changes to current Tariff (designated (I) and (C))

Section E-3 Narrative rational for Tariff Changes:

(I) A replacement waste water treatment plant is needed at Columbia Park, the construction cost is shown at WP C-1-1 is \$3,500,000. The cost would have to be financed by a Bank Loan of similar amount. It is estimated that this loan will carry an interest rate of 5.5% and be amortized over 25 years , resulting in a monthly payment of \$21,493.06 (WP C-1-3). The current plant is in violation of Ohio EPA limits as to its effluent and must be replaced.

An engineer was engaged and has submitted a plan to the OEPA for the replacement. Once the OEPA issues a Permit to Install it is estimated that the work will take 5 months, and the plant will be in service by 12/1 18.

A pro forma is attached as Section C-1 which shows the normalized operation of the Company including the cost of the loan payment. The changes have been explained in detail per WP-C-3. Most of the adjustments forecast a decrease in costs associated with a normalized operation. The operation is shown at break even including the loan payment. (I)

(I) Under the new Class of Service – Columbia Park would, in addition to its normal water and sewer use, be designated as CUSTOMER CLASS Commercial 1.

Billing would be made to the Commercial 1 customer quarterly based on the difference between the water billed to the existing customer base, and the water which entered from the City of Cleveland through the two Master Meters. This would account for the water/sewer used

by or the responsibility of Columbia Park. (I)

(C)

Additionally, as the Company is no longer associated with its main customer base through the operation of Columbia Park, the Company needs to take applications and review the credit and criminal background of its potential customers, before approving them for connection to the water and waste water treatment system.. See Exhibit WP-E-3-1 (C)

Section E-3.1 Customer Charge/minimum bill – no change from existing tariff.

Section E-3.2 The Company has requested a waiver from the cost of service study.

Section E-4 Class and schedule revenue summary – There is only one class of service which is subject to the filed Rates and Fees as amended for the costs of financing a replacement waste water treatment plant. This will result in the only change applied for: an increase in sewer rate from \$36.14 per MCF to \$89.20 per MCF.

Existing annual revenue from Section C-2 – \$275,210.70

Proposed annual revenue = \$823,433.24 from Section C-1

Section E-5 Typical Bill comparison (quarterly).

There is only one class of Customer, other than one Large commercial customer designate Commercial 1, which is the mobile home park in the service area.:

Existing average water use per quarter per customer. (From WP-C-1-4)

Annual = 3,109.85 MCF /950 existing customers = 3.2735 MCF per annum

Quarterly = 3.2735MCF/4 = 0.8184 MCF per Quarter.

Current typical bill: \$2.51 --- Customer Charge

\$72.19 --- Use (\$88.21/MCF x 0.8184 MCF)

\$74.70 Quarterly Charge

Proposed Typical Bill:

: \$2.51 --- Customer Charge

\$115.62 --- Use (\$141.27/MCF x 0.8184 MCF)

\$118.13 Quarterly Charge

Average Dollar increase per Quarter
Water/Sewer = \$43.43

Percentage Increase:
Only Rate Increase is Sewer = $89.2/36.14 = 249\%$

COMMERCIAL 1 Customer – Rate increase = \$65,589.90,175.47 per quarter

SCHEDULE E: Section 2.1-1 Changes to current Tariff in Yellow Highlight

(c)

7. The Company shall allow a customer up to the same period of time for which the customer was previously undercharged to pay any additional charges found proper due to inaccurate meters or incorrect bill calculation, unless the inaccuracy is caused by the customer.

8. When the customer desires water service to be disconnected temporarily, he shall so notify the Company. The meter shall then be read and the bill computed to that date. Such bill and all other charges against the customer's account must be paid in full to the office of the Company before service shall be reconnected in accordance with such request.

9. Bills rendered upon termination of tenancy must be paid within twenty days from the date rendered. When not so paid, all bills shall be increased by the late charge.

10. When a payment has been received as payment for water and service services and is returned by the financial institution unpaid, a charge pursuant to Section III of this tariff will be assessed to cover the cost of processing this transaction, providing a customer's payment is properly processed by the Company. The customer will be assessed one dishonored payment charge for each returned payment.

C. MISCELLANEOUS PROVISIONS GOVERNING SERVICE

1. **Customer Application.** The Company takes oral applications. A person desiring service would call the Ohio office and verbally request service and give information as to when they were approved for residency in the service area, and when they want service initiated. Similarly, a request can be made in writing with the required information as stated above. The Company does not require deposits.

Replacement
follows
WP-3-1 (c)

2. **Temporary Interruption of Service.** The Company will make every effort to avoid interruptions of service. The Company will give at least three days' notice to all affected customers in advance of service interruptions of over one hour duration which may occur as a result of planned outages or planned main flushings. The notice shall state the date and estimated duration of the outage or flushing for affected area, and have a local or toll-free number that customers may call with questions.

The Company undertakes to use reasonable care and diligence to provide constant service but reserves the right after due notice, to shut the mains or service lines for the purpose of making repairs or extensions, or for any other purpose. However, in an emergency situation where notice is impracticable, the Company may proceed without notice.

The Company shall not be liable for a deficiency or failure regardless of cause in the service or for any damage caused thereby or by the bursting or breaking of any main

Issued on: December 26, 2012

Effective on: January 3, 2013

Issued by
Columbia Park Water & Sewer System

In Accordance with the Public Utilities Commission of Ohio
Order Dated October 3, 2012
In Case No. 11-5500-WS-AIR

III. RATE SCHEDULE

The quantity of water passing through and recorded by the customer's water meter shall be the basis for computing the quarterly charges for the sewer service.

A. QUARTERLY RATES

Customer Charge		\$2.51	
Water	\$43.03 purchase water \$9.04 base rate \$52.07/mcf'	Sewer	\$89.20/mcf' (based on water consumption)

*Thousand Cubic Feet

A1. QUARTERLY BILLING PROJECTION WATER/SEWER CLASS C-1

BILLING TO CLASS C-1 COLUMBIA PARK	1,857.15 MCF ESTIMATED
@ \$ 141.27/mcf	65,589.96 Quarterly

B. RECONNECTION CHARGE

A reconnection charge of \$20.00 will be made on the customer's first billing cycle following the reconnection date.

C. LATE PAYMENT CHARGE

Each bill which is not paid within twenty days of the date shown on the bill will be assessed a late payment service charge of 5% on the unpaid balance. Such late payment charge will not be compounded on future delinquencies and will be assessed to current charges only.

D. DISHONORED PAYMENT CHARGE

When payment is received as payment for water and/or sewer services and is returned by a financial institution as unpaid, the customer will be assessed a \$25.00 charge (per returned payment).

E. FREEZE PLATES


Should it be necessary to replace the freeze plate on any meter due to freezing caused by customer negligence, a charge of \$13.00 will be made on the customer's first billing cycle following replacement date.

Issued on: _____ Effective on: _____

Issued by
Columbia Park Water & Sewer System

In Accordance with the Public Utilities Commission of Ohio
Order Dated _____
In Case No. _____

1. Specify the form of notice which should be employed by applicant to inform the public of the substance and prayer of this application. SEE EXHIBIT 8 WORK PAPERS: **WP-C-1-8**

Respectfully Submitted:  Kenneth Burnham: President

1080 Pittsford-Victor Road. Suite #202
Pittsford, NY 14534

Kburnham@rochester.rr.com
585-303-5131

Abbreviated Application
Page 3 of 3

STATE OF OHIO)
) SS
COUNTY OF)

I, Kenneth C. Bondeson, President/Vice President and
I, James A. Martin, Secretary/Treasurer of Columbia MHC East, LLC
(Name of Company)
DBA Columbia Park Water & Sewer S.
hereby affirm that the information contained in this application is true and correct to the best of our
knowledge.

Kenneth C. Bondeson
President/Vice President

James A. Martin
Secretary/Treasurer

Sworn and subscribed before me this 2nd day of July, 19 2018.

Diane Volkmar
Notary Public

My term expires: 9-8-2020

(SEAL)

DIANE VOLKMAR
Notary Public State of New York
Lic. #01VO6193134
Comm. Exp. _____
Commission in Monroe County