

FILE

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of)
Aqua Ohio, Inc.)
for Authority to Assess a)
System Improvement Charge in)
The Lake Erie Division)

Case No. 08-1239-WW-SIC

**APPLICATION FOR AUTHORITY TO COLLECT A SYSTEM IMPROVEMENT
CHARGE IN AQUA OHIO'S LAKE ERIE DIVISION**

To the honorable Public Utilities Commission of Ohio:

Applicant, Aqua Ohio, Inc. (hereinafter referred to as "Aqua Ohio"), respectfully

represents:

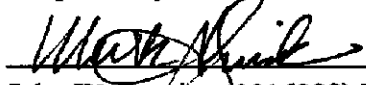
- 1) Aqua Ohio is a corporation duly organized and existing under the laws of the State of Ohio and is authorized to engage in the business of providing water service to customers in the service territory of its Lake Erie Division as set forth in Certificate of Public Convenience No. 30 and Aqua Ohio, Inc. Lake Erie Division, P.U.C.O. Tariff No. 1.
- 2) Aqua Ohio is a public utility and a water-works company as those terms are defined in the Ohio Revised Code Sections 4905.02 and 4905.03(A)(8) and is regulated by and under the jurisdiction of this Commission.
- 3) Aqua Ohio is making this application to for authority to collect a System Improvement Charge pursuant to R.C. §4909.172 and the Commission's guidelines adopted in Commission Case No. 03-2266-WW-SIC. The service area for the Lake Erie Division of Aqua Ohio is set forth in Aqua Ohio, Inc., Lake Erie Division P.U.C.O. Tariff No. 1, section 5-1 through 5-5, original sheet no.1.
- 4) That it has been at least twelve months since Aqua Ohio has filed its last System Improvement Charge for the Lake Erie Division.
- 5) The proposed System Improvement Charge for the Lake Erie Division has been determined in accordance with R.C. §4909.172 and the Commission's guidelines adopted in 03-2266-WW-SIC.
- 6) Filed herewith and incorporated herein by reference are those exhibits, schedules and documents required by R.C. §4909.172 and Commission's guidelines adopted in Commission Case No. 03-2266-WW-SIC; including

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- Exhibit A. Proposed Newspaper Notice in the service territory of the filing of the SIC Application
- Exhibit B. Testimony in support of the Application.
- Exhibit C. The following schedules:
1. Revenue Requirement
 2. Plant Additions
 3. Original Cost Retired
 4. Provision for Depreciation
 5. Annualized Depreciation Associated with Additions
 6. Annualized Reduction in Depreciation for Retirements
 7. Rate of Return
 8. Net Operating Income Return on Rate Base
 9. Current Tariff Sheets with Proposed SIC Charge Language in Bold
 10. Revenue Distribution
 11. Proposed Legal Notice that will be published in a newspaper of general circulation in the service area affected by the application or a proposed notice that will be provided to each customer that the SIC charge has been approved and the amount of the SIC Charge.

WHEREFORE, Aqua Ohio prays that the Commission finds: 1) that the System Improvement Charge to be collected by Aqua Ohio in its Lake Erie Division is just and reasonable; 2) approve the filing of the proposed Tariff sheets filed herewith and made a part hereof, modified to reflect such revisions thereof as may become effective, pursuant to the orders of this Commission; and 3) grant such other and further relief as the Lake Erie Division of Aqua Ohio is reasonably entitled to in the premises.

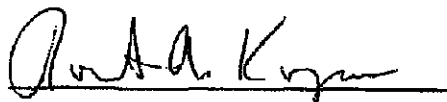
Respectfully submitted,


John W. Bertine (0016388) Trial Attorney
Mark S. Yurisk (0039176)
CHESTER, WILLCOX & SAXBE, LLP
65 East State Street, Suite 1000
Columbus, Ohio 43215
(614) 221-4000
Attorneys for Aqua Ohio, Inc.

VERIFICATION PAGE

STATE OF OHIO)
MAHONING COUNTY) SS:

Robert A. Kopas, being first duly sworn, Vice President of Finance of Aqua Ohio, Inc., and that the facts and statements in this Application to Increase Rates and Charges for the Lake Erie Division of Aqua Ohio, Inc. is true and accurate to the best of his knowledge.



Robert A. Kopas
Vice President - Finance

Sworn to before me and subscribed in my presence by Robert A. Kopas this 21st day of November, 2008

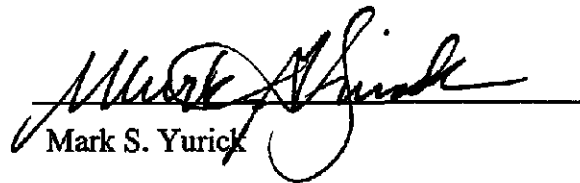


Notary Public

THEODORE C. RUSSELL II, Notary Public
State of Ohio
My Commission Expires July 6, 2013

CERTIFICATE OF SERVICE

Aqua Ohio, Inc., certifies that a copy of Applicant's foregoing Application to Assess a System Improvement Charge in its Lake Erie Division has been served via U.S. Regular Mail, this 21st day of November, 2008 upon the addresses set forth below for the Chief Executive of each Municipal Corporation, Township, and County within the Lake Erie Division to be affected by the Application as required by the guidelines promulgated in Commission Case No. 03-2266-WW-SIC



Mark S. Yurick

CITY OF MENTOR

John W. Konrad
City Manager
City of Mentor
8500 Civic Center Blvd.
Mentor, Ohio 44060

Elizabeth Limestahl
Clerk of Council
City of Mentor
8500 Civic Center Blvd.
Mentor, Ohio 44060

Robert M. Shiner
Mayor/President of Council
City of Mentor
8500 Civic Center Blvd.
Mentor, Ohio 44060

CITY OF MENTOR-ON-THE-LAKE

John M. Rogers
Mayor
City of Mentor-on-the-Lake
5860 Andrews Road
Mentor-on-the-Lake, Ohio
44060

Jacqueline Crocker
Clerk of Council
City of Mentor-on-the-Lake
5860 Andrews Road
Mentor-on-the-Lake, Ohio
44060

Dale Langbehn
Council President
City of Mentor-on-the-Lake
5860 Andrews Road
Mentor-on-the-Lake, Ohio
44060

CITY OF KIRTLAND

Mark A. Tyler
Mayor
City of Kirtland
9301 Chillicothe Road
Kirtland, Ohio 44094

Denise Roelle
Clerk of Council
City of Kirtland
9301 Chillicothe Road
Kirtland, Ohio 44094

R. Robert Umholtz
Council President
City of Kirtland
9301 Chillicothe Road
Kirtland, Ohio 44094

VILLAGE OF WAITE HILL

Arthur D. Baldwin II, Mayor
Village Hall
7215 Eagle Road
Waite Hill, Ohio 44094

Janet M. Mulh, Clerk-Treasurer
Village Hall
7215 Eagle Road
Waite Hill, Ohio 44094

KIRTLAND HILLS VILLAGE

John F. Turben, Mayor
Village Hall
8026 Chillicothe Road
Kirtland Hills, Ohio 44060

Paul C. Gum, Council President
Village Hall
8026 Chillicothe Road
Kirtland Hills, Ohio 44060

CONCORD TOWNSHIP

Paul R. Malchesky, Trustee Chairman
Concord Town Hall
7229 Ravenna Road
Concord, Ohio 44077

Peggy A. Cusick, Fiscal Clerk
Concord Town Hall
7229 Ravenna Road
Concord, Ohio 44077

PAINESVILLE TOWNSHIP

James S. Falvey, Chairman
Painesville Township Trustees
55 Nye Road
Painesville, Ohio 44077

Michael A. Patriarca, Fiscal Officer
Painesville Township Office
55 Nye Road
Painesville, Ohio 44077

LAKE COUNTY COMMISSIONERS

Robert E. Aufuldish, President
105 Main Street
P.O. Box 490
Painesville, Ohio 44077

Amy Elszasz, Clerk
105 Main Street
P.O. Box 490
Painesville, Ohio 44077

SAGAMORE HILLS TOWNSHIP

Scott Gale, Fiscal Officer
11551 Valley View Road
Sagamore Hills, Ohio 44067

NORTHFIELD CENTER TOWNSHIP

Monica James, Fiscal Officer
9546 Brandywine Road
Northfield Center, Ohio 44067

VILLAGE OF JEFFERSON

Judy Maloney, Mayor
27 E. Jefferson Street
Jefferson, Ohio 444047

Patricia Fisher, Clerk -Treasurer
27 E. Jefferson street
Jefferson, Ohio 44047

NORLICK

Brian A. Davis, President
Williams County
Commissioners
One Courthouse Square
Bryan, Ohio 43506

Anne Retcher, Clerk
Williams County
Commissioners
One Courthouse Square
Bryan, Ohio 43506

James Davis
Center Township Fiscal
Officer
12457 County Road C
Bryan, Ohio 43506-9733

SENECA

Steven Hays
Bridgewater Township
Trustee
7731 County Road P-50
Montpelier, Ohio 43543

Dee Lantz
Fiscal Officer
Bridgewater Township
16685 St. 576 #G
Montpelier, Ohio 43543

ROAMING SHORES VILLAGE

Carl Biats, Jr.
P. O. Box 237
Roaming Shores, Ohio, 44084

Leann Moses, Clerk-Treasurer
P. O. Box 237
Roaming Shores, Ohio, 44084

EXHIBIT A

Newspaper Notice

LEGAL NOTICE

Lake Erie Division

AQUA OHIO, INC., NOTICE OF APPLICATION TO ASSESS A SYSTEM IMPROVEMENT CHARGE BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

Public notice is hereby given that on November 21, 2008 Aqua Ohio, Inc. filed with the Public Utilities Commission of Ohio an application entitled In the Matter of the Application of Aqua Ohio, Inc., For Authority to Assess a System Improvement Charge in the Lake Erie Division . The case number of the proceeding before the Public Utilities Commission of Ohio is 08-1239-WW-SIC.

A copy of the application is available for inspection at the Lake Erie Division, located at 8644 Station Street, Mentor, Ohio 44060-4316 (440-255-3421). Additionally, a copy of said application is available for inspection at the offices of the Public Utilities Commission of Ohio located at 180 East Broad Street, Columbus, Ohio 43266-0573. The filing may also be viewed on line at the Commission's docketing department website www.ohio.gov/puco/docketing/index.cfm.

In its application, the Company seeks to avail itself of the authority set forth in Ohio Revised Code section 4909.172 to assess a monthly system improvement charge on all metered and fire service customers. The purpose of the surcharge is to recover costs incurred related to replacement of certain qualifying infrastructure improvements, totaling over \$3.5 million, to its water distribution system since the last rate increase or system improvement charge approved by the Public Utilities Commission of Ohio. The application, if granted in full, will result in an additional 84 cents per month for an average residential customer using 5,000 gallons of water per month. The proposed surcharge would equal three percent of the total water service bill of each customer and customers can contact the applicant toll-free at 877-987-2782 with any questions concerning the application.

Any person, firm, corporation or association may file comments regarding the proposed application with the Public Utilities Commission of Ohio. Any comments must be filed with the Public Utilities Commission of Ohio by _____, 2008.

LEGAL NOTICE

Former Lake Erie East Division

AQUA OHIO, INC., NOTICE OF APPLICATION TO ASSESS A SYSTEM IMPROVEMENT CHARGE BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In its application, the Company seeks to avail itself of the authority set forth in Ohio Revised Code section 4909.172 to assess a monthly system improvement charge on all metered and fire service customers. The purpose of the surcharge is to recover costs incurred related to replacement of certain qualifying infrastructure improvements, totaling over \$3.5 million, to its water distribution system since the last rate increase or system improvement charge approved by the Public Utilities Commission of Ohio. The application, if granted in full, will result in an additional 89 cents per month for an average residential customer using 3,740 gallons of water per month. The proposed surcharge would equal three percent of the total water service bill of each customer and customers can contact the applicant toll-free at 877-987-2782 with any questions concerning the application.

Any person, firm, corporation or association may file comments regarding the proposed application with the Public Utilities Commission of Ohio. Any comments must be filed with the Public Utilities Commission of Ohio by _____, 2008.

LEGAL NOTICE

Former Norlick and Seneca Utilities Territory

AQUA OHIO, INC., NOTICE OF APPLICATION TO ASSESS A SYSTEM IMPROVEMENT CHARGE BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

Public notice is hereby given that on November 21, 2008 Aqua Ohio, Inc. filed with the Public Utilities Commission of Ohio an application entitled In the Matter of the Application of Aqua Ohio, Inc., For Authority to Assess a System Improvement Charge in the Lake Erie Division . The case number of the proceeding before the Public Utilities Commission of Ohio is 08-1239-WW-SIC.

A copy of the application is available for inspection at the Lake Erie Division, located at 8644 Station Street, Mentor, Ohio 44060-4316 (440-255-3421). Additionally, a copy of said application is available for inspection at the offices of the Public Utilities Commission of Ohio located at 180 East Broad Street, Columbus, Ohio 43266-0573. The filing may also be viewed on line at the Commission's docketing department website www.ohio.gov/puco/docketing/index.cfm.

In its application, the Company seeks to avail itself of the authority set forth in Ohio Revised Code section 4909.172 to assess a monthly system improvement charge on all flat rate customers. The purpose of the surcharge is to recover costs incurred related to replacement of certain qualifying infrastructure improvements, totaling over \$3.5 million, to its water distribution system since the last rate increase or system improvement charge approved by the Public Utilities Commission of Ohio. The application, if granted in full, will result in an additional 90 cents per month. The proposed surcharge would equal three percent of the total water service bill of each customer and customers can contact the applicant toll-free at 877-987-2782 with any questions concerning the application.

Any person, firm, corporation or association may file comments regarding the proposed application with the Public Utilities Commission of Ohio. Any comments must be filed with the Public Utilities Commission of Ohio by _____, 2008.

EXHIBIT B

Robert Kopas Testimony

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)	
Aqua Ohio, Inc.)	Case No. 08-1239-WW-SIC
)	
for Authority to Collect a)	
System Improvement Charge in)	
The Lake Erie Division)	

TESTIMONY OF

ROBERT A. KOPAS

ON BEHALF OF
AQUA OHIO, INC.
LAKE ERIE DIVISION

1 **Q. Please state your name and business address.**

2 A. My name is Robert A. Kopas. My business address is 6650 South Avenue,
3 Boardman, Ohio 44512.

4 **Q. By who are you employed and in what capacity?**

5 A. I am employed by Aqua Ohio, Inc. as its Vice President of
6 Finance.

7 **Q. How long have you been associated with Aqua Ohio, Inc.?**

8 A. I have been associated with Aqua Ohio, Inc. since September 1998, before which
9 I was employed by Consumers Pennsylvania Water Company- Shenango Valley
10 Division.

11 **Q. On whose behalf are you offering testimony in this proceeding?**

1 A. I have been authorized to appear and testify on behalf of Aqua Ohio, Inc. Lake
2 Erie Division, the Applicant in this case. As Vice President of Finance for the
3 company I have overall responsibility for the accounting records of the company
4 and the Lake Erie Division and have overseen preparation of all sections of this
5 application.

6 **Q. Please outline your educational background and business experience.**

7 A. I am a 1976 graduate of Pennsylvania State University with a Bachelor of Science
8 degree in Finance. I later attended Youngstown State University part time to
9 secure additional accounting credit hours. From 1977 to 1984, I was employed by
10 General American Transportation Corporation where I held various accounting
11 positions including Accounting Supervisor and Cost Analyst. I joined Consumers
12 Pennsylvania Water Company-Shenango Division in 1984 and assumed my
13 present position as Vice President of Finance for Aqua Ohio, Inc in September
14 1998. I am registered in Ohio as a Certified Public Accountant.

15 **Q. Do you have experience in testifying before this Commission or other Public**
16 **Utility Commissions?**

17 A. Yes. In addition to my work in connection with this filing, I have been involved in
18 Aqua Ohio's previous system improvement charge filing (Case Nos.04-1824-
19 WW-SIC, 05-1552-WW-SIC and 06-1470-WW-SIC). Additionally, I have been
20 involved in the preparation of Aqua Ohio Inc.'s Lake Erie Division filings (Case
21 Nos. 01-2924-WW-AIR, 03-2290-WW-AIR and 07-0564-WW-AIR) and the last
22 five Masury Water Company rate applications submitted to this Commission
23 (Case No. 90-331-WW-AIR, Case No. 93-213-WW-AIR, Case No. 95-357-WW-

1 AIR, Case No. 97-1544-WW-AIR, Case No. 00-713-WW-AIR and Case No. 03-
2 2294-WW-AIR), and have filed testimony in each of those proceedings. I have
3 also participated in a number of proceedings before the Pennsylvania Public
4 Utility Commission in connection with rate filings by Consumers Pennsylvania
5 Water Company, Shenango, Roaring Creek, and Susquehanna Divisions.

6 **Q. Did you prepare the application that is the subject of this proceeding?**

7 A. Yes. I prepared this application with the assistance of other company officers and
8 personnel and in accordance with the Commission's rules. The schedules
9 incorporated into the application were prepared by me or at my direction by
10 company personnel.

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

12 A. My testimony is to support the need for the System Improvement Charge and the
13 schedules necessary to support the amount of the System Improvement Charge
14 requested in the application.

15 **Q. Is your testimony directly related to or in support of any of the schedules,
16 data and materials filed in support of the rate application?**

17 A. Yes, my testimony is in support of the following schedules: 1) Revenue
18 Requirement; 2) Plant Additions; 3) Original Cost Retired; 4) Provision for
19 Depreciation; 5) Annualized Depreciation Associated with Additions; 6)
20 Annualized Reduction in Depreciation for Retirements; 7) Rate of Return; 8) Net
21 Operating Income and Return on Rate Base; 9) Current and Proposed Tariff
22 Sheets; and 10) Revenue Distribution.

1 **Q. Please summarize the following schedules: 1) Revenue Requirement; 2) Plant**
2 **Additions; 3) Original Cost Retired; 4) Provision for Depreciation; 5)**
3 **Annualized Depreciation Associated with Additions; 6) Annualized**
4 **Reduction in Depreciation for Retirements; 7) Rate of Return; 8) Net**
5 **Operating Income and Return on Rate Base; 9) Current and Proposed Tariff**
6 **Sheets, and 10) Revenue Distribution.**

7 **A. Schedule One includes information to determine the amount of the annualized**
8 **revenue requirement to be recovered in this System Improvement Charge filing.**
9 **The schedule summarizes information from Schedules 2 thru 7 and results in**
10 **\$495,438 of eligible surcharge revenues to be recovered in this proceeding.**
11 **However, as seen on Schedule 10, only \$435,482 is being requested due to the 3%**
12 **limitation.**

13 Schedule Two lists the eligible infrastructure additions by month by major
14 property groupings. Total qualifying additions in this filing are \$3,548,237 and
15 are included on Line 3 of Schedule One.

16 Schedule Three represents the original cost of property being replaced by
17 the qualifying infrastructure improvements included in Schedule Two. The
18 retirements total \$276,717 and are included on Line 4 of Schedule One.

19 Schedule Four calculates the depreciation expense by plant account by
20 month for the eligible additions from Schedule Two. The total of \$44,212 is
21 carried to Schedule One, Line 7.

1 Schedule Five calculates the annual depreciation expense for the
2 qualifying infrastructure improvements on Schedule Two. The total depreciation
3 expense in this filing is \$79,192 and is carried over to Schedule One, Line 13.

4 Schedule Six calculates the annual depreciation expense related to the
5 retirements from Schedule Three. The balance of \$7,741 is carried forward to
6 Schedule One, Line 14.

7 Schedule Seven reflects the pre-tax rate of return to be used in this filing.
8 The schedule is based on information contained in the Company's rate filing from
9 June 2007, Case No. 07-0564-WW-AIR and the rate of return on equity utilized
10 in the stipulation attached to the Commission Order dated May 14, 2008. The
11 pretax rate of return of 12.10% is carried to Schedule One, Line 11.

12 Schedule 8 and 8a represent the earned rate of return for the Company for
13 the twelve months ending October 31, 2006. The schedule computes a return on
14 rate base of 2.79%.

15 Schedule 9 contains a copy of the current tariff and a scored version on the
16 proposed tariff.

17 Schedule 10 shows the class of customers, applicable surcharge percent
18 and the estimated surcharge revenues to be collected. The surcharge is being
19 applied to all metered water service customers and private fire protection.

20 **Q. To the best of your knowledge, are the schedules attached and incorporated**
21 **in the application true and accurate?**

22 **A. Yes, to the best of my knowledge, the schedules attached to and incorporated in**
23 **the application are true and accurate.**

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

2 **A.** **Yes, it does.**

EXHIBIT C

Schedules

Schedule 1

AQUA OHIO, Inc.
LAKE ERIE DIVISION
Case No. 08-1239-WW-SIC
Annualized Revenue Requirement

Line

No.

1	<u>Return on Investment</u>		
2	Plant In-Service		
3	Additions	\$3,548,237	Schedule 2
4	Original Cost Retired	276,717	Schedule 3
5	Net Plant In-Service (3 - 4)	<u>3,271,520</u>	
6	Less: Accumulation Provision for Depreciation		
7	Depreciation Expense	44,212	Schedule 4
8	Original Cost Retired	276,717	Schedule 3
9	Total Accumulated Provision for Depreciation (7 - 8)	<u>(232,505)</u>	
10	Net Rate Base	3,504,025	
11	Pre-tax Rate of Return	<u>12.10%</u>	Schedule 7
12	Annualized Return on Rate Base (10 x 11)	423,987	
<u>Operating Expenses</u>			
13	Annualized Provision for Depreciation For Additions	79,192	Schedule 5
14	Annualized Reduction in Depreciation For Retirements	<u>7,741</u>	Schedule 6
15	Annualized Revenue Requirement (12 + 13 - 14)	<u><u>\$495,438</u></u>	

AQUA OHIO, Inc.,
LAKE ERIE DIVISION
Case No. 08-1239-WW-SIC
Plant Additions By Month

[illegible]

Line Acct. No.

Case No. 08-1238-WW-SIC
Original Court Ruling

Schedule 3

Line Acct. No.	1/31/07	2/28/07	3/31/07	4/30/07	5/31/07	6/30/07	7/31/07	8/31/07	9/30/07	10/31/07	11/30/07	12/31/07	1/31/08	2/28/08	3/31/08	4/30/08	5/31/08	6/30/08	Sub-Total
1	Cumulative																		
2	Property Grouping																		
3	Account 343																		
4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$734	\$734	\$734	\$734	\$734	\$734	\$0,341	\$0,341	\$0,002	\$0,002	\$0,002
5	0	0	0	0	0	0	0	0	3,359	3,359	3,359	3,359	3,359	3,359	5,006	5,006	116,820	116,820	116,820
6	0	0	0	0	0	0	0	0	\$4,083	\$4,083	\$4,083	\$4,083	\$4,083	\$4,083	\$12,327	\$12,327	7,071	7,071	7,071
7	\$0	\$0	\$0	\$0	\$0	\$2,250	\$2,250	\$2,250	\$4,083	\$4,083	\$4,083	\$4,083	\$4,083	\$4,083	\$12,327	\$12,327	\$130,353	\$130,353	\$130,353
8	Total (3 + 4 + 6)																		
9	[continued]																		
10	Property Grouping																		
11	Account 343																		
12	0	0	0	0	0	0	0	0	\$734	\$734	\$734	\$734	\$734	\$734	\$0,341	\$0,341	\$0,002	\$0,002	\$0,002
13	0	0	0	0	0	0	0	0	3,359	3,359	3,359	3,359	3,359	3,359	5,006	5,006	116,820	116,820	116,820
14	\$0	\$0	\$0	\$0	\$0	\$2,250	\$2,250	\$2,250	\$4,083	\$4,083	\$4,083	\$4,083	\$4,083	\$4,083	\$12,327	\$12,327	\$130,353	\$130,353	\$130,353
15	Total (9 + 10 + 12)																		
16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$321	\$321	\$8,002
17	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820
18	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071
19	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353
20	[continued]																		
21	Property Grouping																		
22	Account 343																		
23	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002
24	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820
25	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071
26	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353
27	Total (21 + 22 + 23)																		
28	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002
29	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820
30	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071
31	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353
32	[continued]																		
33	Property Grouping																		
34	Account 343																		
35	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002
36	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820
37	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071
38	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353
39	Total (33 + 34 + 35)																		
40	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002
41	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820
42	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071
43	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353
44	Total (40 + 41 + 42)																		
45	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002
46	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820
47	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071
48	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353
49	Total (45 + 46 + 47)																		
50	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002
51	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820
52	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071
53	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353
54	Total (50 + 51 + 52)																		
55	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002
56	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820
57	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071
58	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353
59	Total (55 + 56 + 57)																		
60	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002
61	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820
62	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071
63	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353
64	Total (60 + 61 + 62)																		
65	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002	\$0,002
66	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820	\$116,820
67	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071	\$7,071
68	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353	\$130,353						

Line	Account No.	12/10/07	2/28/07	3/31/07	4/30/07	5/31/07	6/30/07	7/31/07	8/31/07	9/30/07	10/31/07	11/30/07	12/31/07	1/31/08	2/28/08	3/31/08	Sub-Total
1	Account No. 343 / Depreciation - Motors																
2	Beginning Plant Balance (a)	\$0	\$0	\$0	\$119,718	\$119,718	\$119,718	\$119,718	\$119,718	\$119,718	\$119,718	\$119,718	\$119,718	\$119,718	\$119,718	\$119,718	\$119,718
3	Additions for the month (b)	0	0	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	\$239,436
4	Ending Plant Balance (c)	0	0	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	119,718	\$359,154
5	Depreciation Rate (d)	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
6	Calculated Depreciation Expense (e)	0	0	168	168	168	168	168	168	168	168	168	168	168	168	168	\$1,344
7	Adjustments (f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Ending Reserve Balance (g)	\$0	\$0	\$168	\$336	\$504	\$672	\$840	\$1,008	\$1,176	\$1,344	\$1,512	\$1,680	\$1,848	\$2,016	\$2,184	\$13,440
9	Account No. 343 / Depreciation - Motors																
10	Beginning Plant Balance (a)	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845	\$1,485,845
11	Additions for the month (b)	0	0	31,522	31,522	31,522	31,522	31,522	31,522	31,522	31,522	31,522	31,522	31,522	31,522	31,522	\$315,222
12	Ending Plant Balance (c)	1,485,845	1,485,845	1,517,367	1,517,367	1,517,367	1,517,367	1,517,367	1,517,367	1,517,367	1,517,367	1,517,367	1,517,367	1,517,367	1,517,367	1,517,367	\$1,801,067
13	Depreciation Rate (d)	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
14	Calculated Depreciation Expense (e)	2,082	2,082	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	2,137	\$17,901
15	Adjustments (f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Ending Reserve Balance (g)	\$11,750	\$13,832	\$15,970	\$18,110	\$20,253	\$22,395	\$24,538	\$26,681	\$28,824	\$30,967	\$33,110	\$35,253	\$37,396	\$39,539	\$41,682	\$416,822
17	Account No. 345 / Depreciation - Services																
18	Beginning Plant Balance (a)	\$0	\$0	\$0	\$32,146	\$32,146	\$32,146	\$32,146	\$32,146	\$32,146	\$32,146	\$32,146	\$32,146	\$32,146	\$32,146	\$32,146	\$32,146
19	Additions for the month (b)	0	0	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	\$321,460
20	Ending Plant Balance (c)	0	0	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	32,146	\$353,606
21	Depreciation Rate (d)	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%
22	Calculated Depreciation Expense (e)	0	0	100	100	100	100	100	100	100	100	100	100	100	100	100	\$985.76
23	Adjustments (f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Ending Reserve Balance (g)	\$0	\$0	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900	\$1,000	\$1,100	\$1,200	\$1,300	\$5,265.76
25	Account No. 345 / Depreciation - Services																
26	Beginning Plant Balance (a)	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335	\$404,335
27	Additions for the month (b)	0	0	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	19,880	\$198,800
28	Ending Plant Balance (c)	404,335	404,335	424,215	424,215	424,215	424,215	424,215	424,215	424,215	424,215	424,215	424,215	424,215	424,215	424,215	\$603,135
29	Depreciation Rate (d)	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%
30	Calculated Depreciation Expense (e)	1,264	1,264	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,306	\$10,449.6
31	Adjustments (f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Ending Reserve Balance (g)	\$7,314	\$8,778	\$10,104	\$11,430	\$12,756	\$14,082	\$15,408	\$16,734	\$18,060	\$19,386	\$20,712	\$22,038	\$23,364	\$24,690	\$26,016	\$260,160
33	Account No. 348 / Depreciation - Hydraulics																
34	Beginning Plant Balance (a)	\$0	\$0	\$0	\$15,477	\$15,477	\$15,477	\$15,477	\$15,477	\$15,477	\$15,477	\$15,477	\$15,477	\$15,477	\$15,477	\$15,477	\$15,477
35	Additions for the month (b)	0	0	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	\$154,770
36	Ending Plant Balance (c)	0	0	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	15,477	\$309,547
37	Depreciation Rate (d)	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
38	Calculated Depreciation Expense (e)	0	0	31	31	31	31	31	31	31	31	31	31	31	31	31	\$249.66
39	Adjustments (f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	Ending Reserve Balance (g)	\$0	\$0	\$31	\$62	\$93	\$124	\$155	\$186	\$217	\$248	\$279	\$310	\$341	\$372	\$403	\$3,747.66
41	Account No. 348 / Depreciation - Hydraulics																
42	Beginning Plant Balance (a)	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300	\$181,300
43	Additions for the month (b)	0	0	47,257	47,257	47,257	47,257	47,257	47,257	47,257	47,257	47,257	47,257	47,257	47,257	47,257	\$472,570
44	Ending Plant Balance (c)	181,300	181,300	228,557	228,557	228,557	228,557	228,557	228,557	228,557	228,557	228,557	228,557	228,557	228,557	228,557	\$653,870
45	Depreciation Rate (d)	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
46	Calculated Depreciation Expense (e)	368	368	465	465	465	465	465	465	465	465	465	465	465	465	465	\$4,725.70
47	Adjustments (f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48	Ending Reserve Balance (g)	\$2,841	\$3,210	\$3,675	\$4,140	\$4,605	\$5,070	\$5,535	\$6,000	\$6,465	\$6,930	\$7,395	\$7,860	\$8,325	\$8,790	\$9,255	\$92,550
49	Account No. 348 / Depreciation - Hydraulics																
50	Beginning Plant Balance (a)	\$0	\$0	\$0	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800
51	Additions for the month (b)	0	0	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	\$1,788,000
52	Ending Plant Balance (c)	0	0	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	\$1,966,800
53	Depreciation Rate (d)	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%
54	Calculated Depreciation Expense (e)	0	0	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	\$554,280
55	Adjustments (f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Ending Reserve Balance (g)	\$0	\$0	\$55,428	\$110,856	\$166,284	\$221,712	\$277,140	\$332,568	\$387,996	\$443,424	\$498,852	\$554,280	\$609,708	\$665,136	\$720,564	\$7,205,640
57	Account No. 348 / Depreciation - Hydraulics																
58	Beginning Plant Balance (a)	\$0	\$0	\$0	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800
59	Additions for the month (b)	0	0	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	\$1,788,000
60	Ending Plant Balance (c)	0	0	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	\$1,966,800
61	Depreciation Rate (d)	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%
62	Calculated Depreciation Expense (e)	0	0	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	\$554,280
63	Adjustments (f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
64	Ending Reserve Balance (g)	\$0	\$0	\$55,428	\$110,856	\$166,284	\$221,712	\$277,140	\$332,568	\$387,996	\$443,424	\$498,852	\$554,280	\$609,708	\$665,136	\$720,564	\$7,205,640
65	Account No. 348 / Depreciation - Hydraulics																
66	Beginning Plant Balance (a)	\$0	\$0	\$0	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800	\$178,800
67	Additions for the month (b)	0	0	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	\$1,788,000
68	Ending Plant Balance (c)	0	0	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	178,800	\$1,966,800
69	Depreciation Rate (d)	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%	0.31%
70	Calculated Depreciation Expense (e)	0	0	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	55,428	\$554,280
71	Adjustments (f)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
72	Ending Reserve Balance (g)	\$0	\$0	\$55,428	\$110,856	\$166,284	\$221,712	\$277,140	\$332,568	\$387,996	\$443,424	\$498,852	\$554,280	\$609,708	\$665,136	\$720,564	\$7,205,640

AQUA OHIO, Inc.
LAKE ERIE DIVISION
Case No. 08-1239-WW-SIC
Annualized Depreciation Associated With Additions

Line No.	Acct. No.	Description	Plant In Service Balance At 9/30/08 (a)	Accrual Rates (b)	Depreciation Expense (c)
1		Property Grouping			
2		Account 343	\$2,398,895	1.69%	\$40,541
3		Account 345	809,736	3.75%	30,365
4		Account 348	339,608	2.44%	8,288
5		Total (2 + 3 + 4)	3,548,237		79,192
6		Grand Total	<u>\$3,548,237</u>		<u>\$79,192</u>

- (a) Schedule 2
(b) Accrual Rates Approved in Applicant's Last Base Rate Case
(c) Columns (a) x (b)

AQUA OHIO, Inc.
LAKE ERIE DIVISION
Case No. 08-1239-WW-SIC
Annualized Reduction in Depreciation For Retirements

Line	Acct.		Plant In Service		Depreciation
No.	No.	Description	Balance At	Accrual Rates	Expense
			9/30/08		
			(a)	(b)	(c)
1		Property Grouping			
2		Account 343	\$97,928	1.69%	\$1,655
3		Account 345	131,545	3.75%	4,933
4		Account 348	47,244	2.44%	1,153
5		Total (2 + 3)	276,717		7,741
6		Grand Total	<u>\$276,717</u>		<u>\$7,741</u>

- (a) Schedule 3
(b) Accrual Rates Approved in Applicant's Last Base Rate Case
(c) Columns (a) x (b)

AQUA OHIO, Inc.
LAKE ERIE DIVISION
Case No. 08-1239-WW-SIC
Pre-Tax Return Summary

Line No.	Class of Capital	Reference	(\$) Amount	% of Total	(%) Cost	Weighted Cost (%)	Gross-Up	Pre-Tax Cost %
1	Long Term Debt		\$45,758,294	48.33%	8.61%	3.19%	1,04987	(a) 3.35%
2	Preferred Stock		0	0.00%	0.00%	0.00%	(b)	(b) 0.00%
3	Common Equity		<u>48,918,895</u>	51.67%	10.48%	5.41%	1,61518	(b) 8.8%
4	Total Capital (1 + 2 + 3)		\$94,674,989	100.00%		8.61%		12.10%

Note: Prepare This Schedule On The Basis Of The Last Base Rate Case If The Time Current Base Rates Became Effective To The Date Certain Of The Current Proceeding Does Not Exceed Three Years. If Over Three Years, Prepare Schedules Using Current Information.

(a) 1 / (1 Minus Gross Receipts or Franchise Tax) 1.04988766
 (b) 1 / ((1 Minus Gross Receipts or Franchise Tax) x (1 Minus Federal Income Tax)) 1.615182718

AQUA OHIO, Inc.
LAKE ERIE DIVISION
Case No. 08-1239-WW-SIC
Calculation of Eamed Rate of Return

Line No.	Acct. No.		
1		<u>Calculation of Net Operating Income Return on Rate Base</u>	
2	101	Plant in Service	\$85,885,213
3	108	Depreciation Reserve	<u>17,805,655</u>
4		Net Plant in Service (2 - 3)	68,079,558
5		Working Capital * (a)	0
6		Other Rate Base Items (a)	<u>(20,982,315)</u>
7		Rate Base (4 + 5 + 6)	41,097,243
8		<u>Operating Income Statement</u>	
9	400	Operating Revenues	12,871,934
10	401-402	Operation and Maintenance Expenses	5,793,344
11	403-407	Depreciation & Amortization Expense	2,170,494
12	408.1	Taxes Other Than Income - Utility Operating Income	3,653,782
13	408.1-412.2	Income Taxes - Utility Operating Income	<u>108,777</u>
14		Net Operating Income (9 - 10 - 11 - 12 - 13)	<u>\$1,145,537</u>
15		Net Operating Return On Rate Base (14 / 7)	<u>2.79%</u>

* Enter Zero, If No Working Capital Was Approved in Company's Last Base Rate Case.

(a) Schedule 8a

AQUA OHIO, Inc.
LAKE ERIE DIVISION
Case No. 08-1239-WW-SIC
Working Capital & Other Rate Base Items

Working Capital

(1)	Operation & Maintenance Expense (a)	\$0
(2)	Expense Lag Dollars (1) / 8	0
(3)	Materials & Supplies (b)	0
(4)	1/4 of Operating Taxes (c)	0
(5)	Working Capital (2) + (3) - (4)	<u>\$0</u>

- (a) Annual Report, Schedule 5
(b) Annual Report, Schedule 4
(c) Represents 1/4 of Taxes Other Than Income Taxes & Current Federal Income Taxes Excluding FICA and .75% of the Ohio Gross Receipts Tax

Other Rate Base Items

(1)	Customers' Deposits (a)	0
(2)	Unclaimed Funds (b)	0
(3)	Customer's Advances For Construction (b)	(153,563)
(4)	Contributions in Aid of Construction (a)	(25,887,101)
(5)	Investment Tax Credits (b)	(23,423)
(6)	Deferred Federal Income Taxes (a)	(3,227,990)
(7)	Other (b)	<u>2,309,782</u>
(8)	Other Rate Base Items (1) Thru (7)	<u>(\$26,982,315)</u>

- (a) Annual Report Schedule 4
(b) Refer to Annual Report for Detail

Schedule 9

Tariff Pages

<u>Description</u>	<u>Section</u>	<u>Sheet No.</u>	<u>Effective Date</u>
S			
Service – Temporary	3-4	1	11/8/02 12/01/03
Service – Temporarily Discontinued	3-3	2	11/8/02 5/15/08
Service – Trench	3-5	2	11/8/02
Sprinklers, Automatic	4	"See Sch. of Rates"	10/20/04 5/15/08
Stop Cocks and Valves	3-6	2	11/8/02
Superseded Tariffs	1	1	03/04/05 3/2/06
System Improvement Surcharge (SIC)	4-1	2	5/15/08 x/xx/xx
System Improvement Surcharge (SIC)	4-2	1	5/15/08 x/xx/xx
System Improvement Surcharge (SIC)	4-3	1	5/15/08 x/xx/xx
System Improvement Surcharge (SIC)	4-4	2	5/15/08 x/xx/xx
T			
Temporary Service	3-4	1	11/8/02 12/01/03
Temporary Shut-Off Notice	3-2	1	11/8/02 12/01/03
V			
Valves	3-6	2	11/8/02
Valves – Size, Type and Location	3-2	1	12/01/03 9/26/08
W			
Waste of Water	3-2	2	11/8/02
Water Service, Bills and Payments	3-3	1	11/8/02 5/15/08
Water Supply Control	3-2	1	12/01/03 9/26/08
Water Supply Control	3-6	2	11/8/02 12/01/03
Water Supplied – Definition	3-1	3	11/8/02 12/01/03
Water Supply – Contamination	3-2	1	11/8/02 12/01/03
Water Supply Stoppage	3-2	1	11/8/02 12/01/03
Water Service – Bills for, Delinquent	3-3	1	11/8/02
Water Service – Bills for, Mailing	3-3	1	11/8/02 5/15/08
Water Service – Bills for, When Rendered	3-3	1	11/8/02 5/15/08
Water Service – Bills for, Where Paid	3-3	1	11/8/02
Water Service – Contracts for	3-4	1	11/8/02 12/01/03
Water Service – Deposit	3-2	3	11/8/02 12/01/03

Issued:

Effective:

Issued by Robert A. Kopas, Vice President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated for Case No.

P.U.C.O. TARIFF NO. 1

DIVISION B - PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

	Per Month
1-1/4" Hose Connector	\$1.65
1-1/2" Hose Connector	\$2.38
2" Hose Connection.....	\$4.23
2-1/2" Hose Connection	\$6.63
Private Fire Hydrant.....	\$38.24

AUTOMATIC SPRINKLERS

Size of Connection	Per Month
2".....	\$4.25
4".....	\$16.97
6".....	\$38.24

SYSTEM IMPROVEMENT SURCHARGE (SIC) (Increase)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.00% will apply to all bills issued after Xxxxxx XX, XXXX.

ISSUED:

EFFECTIVE:

Issued by Robert A. Kopas, Vice President, Aqua Ohio, Inc
In accordance with the Public Utilities Commission of Ohio
Order Dated for Case No.

P.U.C.O. TARIFF NO. 1

Water Rates for customers in the former Norlick Place Water Company
Located in Norlick Place Subdivision, Center Township, Williams County, Ohio

CUSTOMER CHARGE

Flat rate unmetered service per customer, monthly..... \$30.00

LATE PAYMENT FEE

The customer will be charged a 5% late payment fee, on current billing amounts, if payment is made after the due date as specified on the customer bill.

DISHONORED PAYMENTS

When a payment for service is returned by the financial institution unpaid, a charge of sixteen dollars and thirty-three cents (\$16.33) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the company. The charge for the dishonored payment may be reflected at the company's option, when the company returns the dishonored payment or may be included on the customer's next billing

RECONNECTION FEE:

Reconnection fees as defined by this tariff Section 3-2, Original Sheet No. 4, Item 12 (c), and Section 3-6, Original Sheet No. 4, Item 10 (a) are:

Reconnection Fee during regular business hours \$43.00
Reconnection Fee other than during regular business hours..... \$130.00

ACCOUNT ACTIVATION CHARGE

An account activation charge of twenty-one dollars (\$21.00) will be charged for a service connection during the Company's regular business hours.

SYSTEM IMPROVEMENT SURCHARGE (SIC) (Increase)

In addition to the charges provided for in this tariff for all flat rate unmetered service, a surcharge of 3.00% will apply to all bills issued after Xxxxxx XX, XXXX.

ISSUED:

EFFECTIVE:

Issued by Robert A Kopas, Vice President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated for Case No.

P.U.C.O. TARIFF NO. 1

Water Rates for customers in the former Seneca Utilities, Inc. Water Company
Located in Lake Seneca Subdivision, Bridgewater Township, Williams County, Ohio

Rates and Charges For Unmetered Service

	Monthly Charge
Residential	\$30.00
Commercial	\$38.57
Yard Hydrant	\$10.73
Availability	\$5.73

LATE PAYMENT FEE

The customer will be charged a 5% late payment fee, on current billing amounts, if payment is made after the due date as specified on the customer bill.

DISHONORED PAYMENTS

When a payment for service is returned by the financial institution unpaid, a charge of sixteen dollars and thirty-three cents (\$16.33) will be assessed to cover the cost of processing this transaction, provided the payment is properly processed by the company. The charge for the dishonored payment may be reflected at the company's option, when the company returns the dishonored payment or may be included on the customer's next billing

RECONNECTION FEE:

Reconnection fees as defined by this tariff Section 3-2, Original Sheet No. 4, Item 12 (c), and Section 3-6, Original Sheet No. 4, Item 10 (a) are:

Reconnection Fee during regular business hours	\$43.00
Reconnection Fee other than during regular business hours	\$130.00

ACCOUNT ACTIVATION CHARGE

An account activation charge of twenty-one dollars (\$21.00) will be charged for a service connection during the Company's regular business hours.

SYSTEM IMPROVEMENT SURCHARGE (SIC) (Increase)

In addition to the charges provided for in this tariff for all rates and charges for unmetered services, a surcharge of 3.00% will apply to all bills issued after Xxxxxx X, XXXX.

ISSUED:

EFFECTIVE:

Issued by Robert A. Kopas, Vice President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated for Case No.

P.U.C.O. TARIFF NO. 1

DIVISION B -PRIVATE FIRE RATE SCHEDULE

HOSE CONNECTIONS AND HYDRANTS

	Per Month
1-1/4" Hose Connector	\$12.99
1-1/2" Hose Connector	\$16.52
2" Hose Connection....	\$20.08
2-1/2" Hose Connector	\$23.60
Private Fire Hydrant.....	\$47.29

AUTOMATIC SPRINKLERS

Size of Connection	Per Month
2".....	\$39.38
4".....	\$57.69
6".....	\$78.74

DIVISION C -PUBLIC FIRE PROTECTION SERVICE RATE SCHEDULE

No charges shall be made for public fire protection, and there shall be no fire hydrant rentals charged.

SYSTEM IMPROVEMENT SURCHARGE (SIC) (Increase)

In addition to the charges provided for in this tariff for all metered and private fire rates, a surcharge of 3.00% will apply to all bills issued after Xxxxxx XX, XXXX.

ISSUED:

EFFECTIVE:

Issued by Robert A. Kopas, Vice President, Aqua Ohio, Inc.
In accordance with the Public Utilities Commission of Ohio
Order Dated, for Case No.

Schedule 10

AQUA OHIO, Inc,
LAKE ERIE DIVISION
Case No. 08-1239-WW-SIC
Revenue Distribution

Line No.		Revenues 12 months Ended September 30, 2008	Surcharge Percent		Surcharge Revenues
1	Residential	\$ 11,086,861	3.0000%	\$	332,606
2	Commerical	1,920,340	3.0000%	\$	57,610
3	Industrial	527,672	3.0000%	\$	15,830
4	Public Authority	290,472	3.0000%	\$	8,714
5	Private Fire	503,979	3.0000%	\$	15,119
6	Sales for Resale	186,752	3.0000%	\$	5,603
7	Late Fees				
8	Account Activation Fees				
9	Other Misc Revenues				
10		\$ 14,516,076		\$	435,482

Schedule 11

Customer Notice

LAKE ERIE DIVISION

CUSTOMER NOTICE: SYSTEM IMPROVEMENT SURCHARGE

On October 7, 2003, Governor Taft signed Senate Bill 44, which became law January 6, 2004. The legislation created an infrastructure improvement surcharge, known as the System Improvement Charge (SIC), to assist water companies to fund the replacement and rehabilitation of infrastructure including aging water mains that are crucial to service reliability and water quality. The surcharge may not exceed three percent per year up to a cap of nine percent.

With the Environmental Protection Agency estimating that approximately \$250 billion is needed to address water system infrastructure throughout the country over the next 20 years, SIC is important legislation, which will assist water companies such as Aqua Ohio, Inc. to accelerate the replacement of old water mains to improve water quality, pressures, flows and long-term system viability. It transforms infrastructure rehabilitation from reactive to proactive and because the SIC will allow customers to pay as the work is being completed, it will likely reduce the amount of future rate requests.

Aqua Ohio, Inc. filed an application November 21, 2008 with the Public Utilities Commission of Ohio (PUCO) in Case No. 08-1239-WW-SIC seeking approval to assess a SIC in its Masury Division. The purpose of seeking authority to assess a SIC in its Masury Division is to recover costs related to certain qualifying infrastructure improvements to Aqua Ohio's distribution system since the last rate case. After conducting an investigation into the application, the PUCO approved Aqua Ohio's request on _____. The PUCO approved the assessment of a surcharge of 3% to your monthly bill. The surcharge will appear on billings on or after _____. The SIC approved by the PUCO will result in the average residential customer's bill being increased by an additional charge in the amount of 84 cents per month for an average residential customer using 5,000 gallons of water per month.

The surcharge will continue to appear on future bills and may be adjusted or eliminated based on the findings of the PUCO.

If you have any questions concerning the impact of the surcharge on your bill, or have any questions regarding SIC, please call Aqua Ohio at 877-987-2782.

FORMER LAKE ERIE EAST DIVISION

CUSTOMER NOTICE: SYSTEM IMPROVEMENT SURCHARGE

On October 7, 2003, Governor Taft signed Senate Bill 44, which became law January 6, 2004. The legislation created an infrastructure improvement surcharge, known as the System Improvement Charge (SIC), to assist water companies to fund the replacement and rehabilitation of infrastructure including aging water mains that are crucial to service reliability and water quality. The surcharge may not exceed three percent per year up to a cap of nine percent.

With the Environmental Protection Agency estimating that approximately \$250 billion is needed to address water system infrastructure throughout the country over the next 20 years, SIC is important legislation, which will assist water companies such as Aqua Ohio, Inc. to accelerate the replacement of old water mains to improve water quality, pressures, flows and long-term system viability. It transforms infrastructure rehabilitation from reactive to proactive and because the SIC will allow customers to pay as the work is being completed, it will likely reduce the amount of future rate requests.

Aqua Ohio, Inc. filed an application November 21, 2008 with the Public Utilities Commission of Ohio (PUCO) in Case No. 08-1239-WW-SIC seeking approval to assess a SIC in its Masury Division. The purpose of seeking authority to assess a SIC in its Masury Division is to recover costs related to certain qualifying infrastructure improvements to Aqua Ohio's distribution system since the last rate case. After conducting an investigation into the application, the PUCO approved Aqua Ohio's request on _____. The PUCO approved the assessment of a surcharge of 3% to your monthly bill. The surcharge will appear on billings on or after _____. The SIC approved by the PUCO will result in the average residential customer's bill being increased by an additional charge in the amount of 89 cents per month for an average residential customer using 3,674 gallons of water per month.

The surcharge will continue to appear on future bills and may be adjusted or eliminated based on the findings of the PUCO.

If you have any questions concerning the impact of the surcharge on your bill, or have any questions regarding SIC, please call Aqua Ohio at 877-987-2782.

FORMER NORLICK AND SENECA UTILITIES TERRITORY

CUSTOMER NOTICE: SYSTEM IMPROVEMENT SURCHARGE

On October 7, 2003, Governor Taft signed Senate Bill 44, which became law January 6, 2004. The legislation created an infrastructure improvement surcharge, known as the System Improvement Charge (SIC), to assist water companies to fund the replacement and rehabilitation of infrastructure including aging water mains that are crucial to service reliability and water quality. The surcharge may not exceed three percent per year up to a cap of nine percent.

With the Environmental Protection Agency estimating that approximately \$250 billion is needed to address water system infrastructure throughout the country over the next 20 years, SIC is important legislation, which will assist water companies such as Aqua Ohio, Inc. to accelerate the replacement of old water mains to improve water quality, pressures, flows and long-term system viability. It transforms infrastructure rehabilitation from reactive to proactive and because the SIC will allow customers to pay as the work is being completed, it will likely reduce the amount of future rate requests.

Aqua Ohio, Inc. filed an application November 21, 2008 with the Public Utilities Commission of Ohio (PUCO) in Case No. 08-1239-WW-SIC seeking approval to assess a SIC in its Lake Erie Division. The purpose of seeking authority to assess a SIC in its Lake Erie Division is to recover costs related to certain qualifying infrastructure improvements to Aqua Ohio's distribution system since the last rate case. After conducting an investigation into the application, the PUCO approved Aqua Ohio's request on _____. The PUCO approved the assessment of a surcharge of 3% to your monthly bill. The surcharge will appear on billings on or after _____. The SIC approved by the PUCO will result in the average residential customer's bill being increased by an additional charge in the amount of 90 cents per month.

The surcharge will continue to appear on future bills and may be adjusted or eliminated based on the findings of the PUCO.

If you have any questions concerning the impact of the surcharge on your bill, or have any questions regarding SIC, please call Aqua Ohio at 877-987-2782.