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## Public Service Commission of West Virginia EFS Cover Letter (G.O. 262.8)

Filing Date: June 30, 2023

Case Number(s): 23- 0556 -W-IDS

Case Name(s): Application for Approval of the Construction  
of Water Utility Infrastructure at a West Virginia  
Business Ready Site and Associated Cost Recovery  
Pursuant to W. Va. Code § 24-2-1n

Filing Party/Parties: West Virginia-American Water Company

Title of Filing: Application

Attachments: Listed on Table of Contents (next page)

Confidential Materials: None

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# Filing Letter

# JACKSONKELLY<sup>PLLC</sup>

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**State Bar No. 12293**

June 30, 2023

**Via EFS**

Ms. Karen Buckley, Director  
Executive Secretary Division  
Public Service Commission of  
West Virginia  
201 Brooks Street  
Charleston, West Virginia

Re: Application for Approval of the Construction  
of Water Utility Infrastructure at a West Virginia  
Business Ready Site and Associated Cost Recovery  
Pursuant to W. Va. Code § 24-2-1n

Dear Ms. Buckley:

Enclosed please find West Virginia-American Water Company's *Application for Approval of the Construction of Water Utility Infrastructure at a West Virginia Business Ready Site and Associated Cost Recovery Pursuant to W. Va. Code § 24-2-1n*.

Please include me and Christopher L. Callas of Jackson Kelly PLLC on the electronic service list as counsel for the Company.

Finally, please file this letter and its enclosures and provide copies to the appropriate parties at the Commission. As always, we appreciate your assistance in this matter.

Sincerely yours,



Enclosures

Nicklaus A. Presley

# Application

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

CASE NO. 23- 0556 -W-IDS

**WEST VIRGINIA-AMERICAN WATER COMPANY**

Application for Approval of the Construction  
of Water Utility Infrastructure at a West Virginia  
Business Ready Site and Associated Cost Recovery  
Pursuant to W. Va. Code § 24-2-1n

**APPLICATION**

Pursuant to W. Va. Code § 24-2-1n, West Virginia-American Water Company (the "Company") requests (1) authorization to construct a water utility infrastructure project at a West Virginia Business Ready Site in Jackson County and (2) approval of associated cost recovery.

**I. APPLICANT AND BACKGROUND**

1. West Virginia-American Water Company provides water service to approximately 168,000 customers in 19 West Virginia counties and wastewater service to approximately 1,100 customers in Fayette County. The Company's address is:

West Virginia-American Water Company  
1600 Pennsylvania Avenue  
Charleston, West Virginia 25302

2. The Company is submitting this Application pursuant to the West Virginia Business Ready Sites Program (“BRSP”) codified at W. Va. Code § 24-2-1n. The Legislature passed this legislation in 2019 to incentivize the development of utility infrastructure at certain sites having industrial potential to encourage industrial development and attract businesses to West Virginia. W. Va. Code § 24-2-1n(a). This Application is supported by the direct testimony of Brooks Crislip (**WVAW BC-D**), Michael P. Raymo (**WVAW MPR-D**), and Dr. Christina E. Chard (**WVAW CEC-D**), as well as **Attachments A** and **B** described below.

3. In late 2022, state officials, including those from the West Virginia Economic Development Authority (“WVEDA”), approached the Company regarding the need to establish adequate and reliable water service at a quickly developing 2,000-acre industrial site in Jackson County that was once occupied by Century Aluminum (the “Site”). Over \$500 million of investment is expected at the Site, which will become home to a state-of-the-art titanium manufacturing facility powered by a first-of-its-kind renewable energy microgrid. The development will initially result in hundreds of advanced manufacturing jobs and is expected to attract additional industry and jobs in the future. It is the Company’s understanding that the Secretary of the West Virginia Department of Commerce has certified (or very soon will certify) the Site as a West Virginia Business Ready Site in a letter to the Commission,

which will be provided as **Attachment A** once available. Brooks Crislip, the Company's Director of Business Development, provides further details about the Site and the need for the Company's assistance in his direct testimony.

## II. THE PROJECT

4. In passing W. Va. Code § 24-2-1n, the Legislature recognized that having construction-ready industrial sites with adequate infrastructure is in the public interest. The Legislature also determined that it is necessary to incentivize public utilities to construct such infrastructure. Because the water utility infrastructure at the Site is presently inadequate to serve the Site's expected industrial needs, the Company is proposing to construct certain water utility facilities (the "Project") to address such needs.

5. The Project is currently in the planning and investigation stage but is expected to consist of groundwater station treatment facilities, wells, storage, mains, pipes, valves, hydrants, and other necessary facilities. The Company expects to construct the Project in two phases. Phase I is projected to cost \$16.8 million and will consist of 2-4 wells, certain groundwater station treatment facilities, site improvements, and a water distribution system to include all necessary valves, hydrants, storage, and appurtenances. The Project will incorporate approximately 1.5 to 2.0 miles of water line with sizes ranging from 2" to 12". Phase II is intended for the expansion of the capacity of the wells, groundwater station, and distribution system as necessary. Phase II



is not yet planned but can be implemented when appropriate and as the Site grows in demand. Accordingly, the Company is not seeking recovery of any Phase II dollars at this time. The Company's Engineering Director, Michael P. Raymo, provides further Project details in his direct testimony.

6. The WVEDA and industry representatives have expressed a need for adequate water service to be in place at the Site by mid-2024. The Company has already commenced certain engineering efforts, including site analysis, feasibility reviews, permitting actions, treatment option analysis, and test drilling. Groundwater test well production, to sample for water quality and required treatment, was completed in May 2023. Depending on the water analysis results, construction of the additional wells, water line, storage, and other components of the Project will begin as early as August 2023. Industry representatives and state officials have told the Company that potable water must be provided no later than July 1, 2024, and the Company has been strongly encouraged to accommodate this timeline. Accordingly, the Company is requesting interim authorization to proceed with investment during the pendency of this Application so that it can place Phase I in service by July 1, 2024.

7. The Project is prudent and useful under W. Va. Code § 24-2-1n(f), as it is critical to the development of the Site and its ability to achieve its significant potential for economic development to the benefit of both the local

and state economies. While the Project will initially serve a major industrial manufacturing facility, it will be capable of serving future customers at the Site and the surrounding areas, including industrial, commercial, and residential customers. Accordingly, the Project will allow the Company to expand its customer base to the ultimate benefit of its existing customers. Although a formal agreement has not yet been signed, the Company and WVEDA have exchanged and agreed to key terms whereby the WVEDA will purchase a minimum of 13 million gallons of water per month for an initial term of 10 years to serve on-Site facilities once the Project is placed into service, guaranteeing that Phase I of the Project will immediately begin producing revenue once placed into service.<sup>1</sup>

### **III. COST RECOVERY AND RATEMAKING TREATMENT**

8. The Company is currently only proposing to recover costs associated with Phase I of the Project, which is expected to be placed into service by July 1, 2024. The Company has proposed to recover these costs as part of its recent base rate case filing, Case No. 23-0383-W-42T (“2023 Rate Case”). Consistent with that filing, the Company requests in this Application that the projected Phase I costs, which will include all costs incurred prior to

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<sup>1</sup> The Company asserts that this agreement satisfies the requirement of W.Va. Code 24-2-1n(g)(4). The Company further states that at this time there is one projected industrial customer with an annual projected demand of 50 mg.

the Phase I in-service date (currently estimated to occur on or before July 1, 2024), be recovered in new base rates to take effect in February 2024.

9. In the event the Commission declines to grant cost recovery in base rates as part of the 2023 Rate Case, the Company alternatively proposes to recover Project costs through the mechanism authorized under W. Va. Code § 24-2-1n(j) and in conjunction with the Company's Distribution System Improvement Charge ("DSIC"). In other words, rather than recovering the costs associated with Phase I of the Project through a completely separate surcharge on customer bills, the Company proposes to recover them within the Company's 2024 DSIC given that the cost recovery mechanism proscribed in W. Va. Code § 24-2-1n(j) is analogous to the Company's DSIC surcharge mechanism already in place. The Company will simply add the Phase I investment as a separate investment line in the DSIC calculation to arrive at a single surcharge that accounts for recovery of DSIC costs and recovery of the separate costs associated with Phase I of the Project. The Company believes this is a sensible and beneficial approach for all stakeholders and will simplify the billing process, limit customer confusion, and promote administrative efficiency. The Company has estimated a Phase I revenue requirement supported by the schedules appended to the direct testimony of Dr. Christina E. Chard. This cost recovery approach is just, reasonable, and not contrary to

the public interest as required under W. Va. Code § 24-2-1n(i). Further cost recovery details are provided in Dr. Chard's direct testimony.

10. The Company has calculated an initial Project revenue requirement of \$1,053,627, which will result in a surcharge component of the DSIC of 0.62% in 2024.<sup>2</sup> The rate impact is also summarized in the proposed Notice of Filing and Hearing attached as **Attachment B**.

11. Regardless of whether costs are recovered through the 2023 Rate Case or separately through a surcharge to be collected as part of the DSIC, the Company will submit annual true-up information.

#### **IV. REQUESTED RELIEF**

12. For the reasons explained above, the Project and related cost recovery mechanism satisfies the requirements of W. Va. Code § 24-2-1n. The Applicants respectfully request that the Commission:

- a. retain this case;
- b. authorize construction of the Project;
- c. approve cost recovery of Phase I Project Costs (1) in base rates as part of the Company's 2023 Rate Case or (2) as part of the DSIC as set forth in Section III;
- d. enter an order directing publication of Notice of Filing and Hearing;

---

<sup>2</sup> This incorporates an estimated six months of new project customer revenues of \$558 thousand in 2024 to offset Project-related expenditures.

- e. enter an interim order authorizing the Company to proceed with construction and investment during the pendency of this Application; and
- f. grant such other and further relief as may be deemed appropriate.

Dated this 30<sup>th</sup> day of June, 2023.

**WEST VIRGINIA-AMERICAN  
WATER COMPANY**

By Counsel



---

Christopher L. Callas, WV Bar ID No. 5991  
Nicklaus A. Presley, WV Bar ID No. 12293  
JACKSON KELLY PLLC  
Post Office Box 553  
Charleston, WV 25322-0553  
(304) 340-1000  
*Counsel to West Virginia-American  
Water Company*

**VERIFICATION  
[EXECUTED VERSION TO BE PROVIDED]**

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, To-Wit:

Brooks Crislip, Business Development Director of West Virginia American Water Company, being duly sworn, says that the facts and allegations contained in the foregoing Application are true, except so far as they are therein stated to be on information, and that, so far as they are therein stated to be on information, he believes them to be true.

\_\_\_\_\_

Taken, sworn to, and subscribed before me this \_\_\_ day of June, 2023.

My commission expires\_\_\_\_\_.

\_\_\_\_\_

Notary Public

**WVAW Attachment A**

**West Virginia Department of Commerce Certification Letter**

**[TO BE PROVIDED ONCE AVAILABLE]**

**WVAW Attachment B**

**Proposed Notice of Filing and Hearing**



PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

CASE NO. 23- 0556 -W-IDS

WEST VIRGINIA-AMERICAN WATER COMPANY

Application for Approval of the Construction  
of Water Utility Infrastructure at a West Virginia  
Business Ready Site and Associated Cost Recovery  
Pursuant to W. Va. Code § 24-2-1n

**[PROPOSED FORM OF]  
NOTICE OF FILING & HEARING**

On June 30, 2023, West Virginia-American Water Company (WVAW) filed an application, duly verified, for approval of a written plan to construct utility infrastructure at a West Virginia business ready site and associated cost recovery, pursuant to W. Va. Code § 24-2-1n.

WVAW's plan will involve the construction of water utility infrastructure facilities, including treatment facilities, wells, storage, mains, pipes, valves, and other necessary facilities (Project) to provide water service to a West Virginia business ready industrial site in Jackson County, West Virginia. The Project is expected to attract new industrial customers to the benefit of the local and state economies. The Project will be constructed in two phases, and the Company expects to complete the first phase (Phase I) by July 1, 2024 at an estimated cost of \$16.8 million. WVAW's application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, Charleston, WV 25301.

WVAW anticipates that Phase I of the Project will cause the average monthly bill for WVAWC's various classes of customers to change as follows on January 1, 2024 in conjunction with the annual change in WVAW's Distribution System Improvement Charge (DSIC):

Class	\$ Increase	% Increase	Average Usage
Residential	\$0.38	0.62%	3,000 gallons per month
Commercial	\$2.00	0.62%	16,000 gallons per month
Industrial	\$49.12	0.62%	650,000 gallons per month
Sale for Resale	\$293.37	0.62%	5,652,000 gallons per month

The proposed increased rates and charges related to Phase I of the Project will produce approximately \$1 million annually in additional revenue, an overall increase of 0.62% percent over current base rates. The average residential customer using 3,000 gallons per month would experience a rate increase of \$0.38 monthly, or \$4.56 annually as a result of the Project.

The Company recently proposed in its May 1, 2023 general base rate case (on file with the Commission under Case No. 23-0383-W-42T) that Phase I costs be accounted for as part of new base rates. If the Commission approves Project cost recovery in that proceeding, the Project's rate impact will be reflected in new base rates taking effect on February 25, 2024, the impacts of which have been previously noticed.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges among the various classes of customers are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of WVAWC's filing.

The Commission has set a procedural schedule, including a hearing on WVAWC's application, if necessary, that will begin at 9:30 a.m. on \_\_\_\_\_, 2023, in the Howard M. Cunningham Hearing Room at the Commission's offices at 201 Brooks Street, Charleston, West Virginia. If no opposition to WVAWC's

application is received, the hearing may be waived and the Commission may issue a final order within 150 days of the application filing date.

Anyone desiring to intervene in the matter should file a written petition to intervene no later than \_\_\_\_\_, 2023, unless otherwise ordered by the Commission. All requests to intervene should briefly state the reason for the request and comply with the rules on intervention set forth in the Commission's Rules of Practice and Procedure. The Commission will receive public comments until \_\_\_\_\_, 2023. All written comments and requests to intervene should state the case name and number and be addressed to Karen Buckley, Executive Secretary, P.O. Box 812, Charleston, WV 25323. Public comments may also be filed online at <http://www.psc.state.wv.us/scripts/onlinecomments/default.cfm> by clicking the "Formal Case" link.

**WEST VIRGINIA-AMERICAN WATER COMPANY**

# Direct Testimony of Brooks Crislip

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

**CASE NO. 23- 0556 -W-IDS**

**WEST VIRGINIA-AMERICAN WATER COMPANY**

Application for Approval of the Construction  
of Water Utility Infrastructure at a West Virginia  
Business Ready Site and Associated Cost Recovery  
Pursuant to W. Va. Code § 24-2-1n

**DIRECT TESTIMONY OF  
BROOKS CRISLIP**

**June 30, 2023**

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

2 A. My name is Brooks Crislip. My business address is 1600 Pennsylvania Ave,  
3 Charleston, WV 25302.

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

6 A. I am employed by West Virginia-American Water Company (the "Company")  
7 as its Director of Business Development.

8  
9 **Q. Please describe your educational and professional background.**

10 A. I received a B.S.J. in Public Relations from West Virginia University in 2002  
11 and a J.D. from the University of Tennessee College of Law in 2006. My  
12 career has focused on business development, real estate and various  
13 transactional work in the water and wastewater industry as well as the  
14 natural gas production and development industry, the natural gas pipeline  
15 industry, and health care.

16  
17 **Q. What are your current responsibilities at West Virginia American  
18 Water?**

19 A. I am the Director of Business Development for West Virginia-American  
20 Water. In that role, I work with a team to develop opportunities to grow the  
21 Company's customer base through acquisitions, sale for resale, and public-  
22 private partnership agreements. Once opportunities are developed, I work  
23 as a project manager to take the opportunities from signed agreement to  
24 closing and ultimately integration into the existing business.

1 **Q. Have you previously submitted testimony before the Public Service**  
2 **Commission of West Virginia (the “Commission”)?**

3 A. Yes. I have submitted testimony to the Commission in distressed utility  
4 proceedings and recently in the Jefferson Utilities acquisition case (Case  
5 No. 22-0796-WS-PC, et al.).  
6

7 **Q. What is the purpose of your direct testimony?**

8 A. I will sponsor and support the Company’s first Application under West  
9 Virginia’s Business Ready Sites Program codified at W. Va. Code § 24-2-  
10 1n. Specifically, I will provide an overview of the water facilities that the  
11 Company plans to construct pursuant to the BRSP statute (“Project”);  
12 discuss the economic benefits and other impacts of the Project; and identify  
13 the other witnesses who are testifying in support of this filing. My testimony,  
14 and the other material provided with the Application, demonstrate that the  
15 Company’s BRSP plan, including the proposed Project and cost recovery,  
16 is just, reasonable, prudent, useful, and not contrary to the public interest,  
17 all as required by W. Va. Code § 24-2-1n.  
18

19 **Q. Please summarize West Virginia’s Business Ready Sites Program**  
20 **(“BRSP”) provided for under W. Va. Code § 24-2-1n.**

21 A. In 2019, the Legislature found that West Virginia’s industrial sites lack  
22 competitiveness compared to sites in surrounding states due to their lack of  
23 adequate utility infrastructure. To help address this issue, the Legislature  
24 passed the BRSP legislation to incentivize the development of utility  
25 infrastructure at certain sites having industrial potential as a means to  
26 encourage development and attract businesses to West Virginia.  
27 Specifically, once the Secretary of the Department of Commerce

1 (“Commerce Secretary”) approves an industrial site as a “business ready  
2 site” and communicates such certification to the Commission, a public utility  
3 is permitted to file plans “to construct public utility infrastructure and provide  
4 services to industrial development sites” and pursue “recovery of costs in  
5 support of the plans” if the proposed infrastructure program has been found  
6 to be “prudent and useful.” W. Va. Code § 24-2-1n(f). The Commission shall  
7 issue an order approving the infrastructure program and permitting recovery  
8 of project costs within 150 days of the filing of an application if it finds that  
9 “the expenditures and the associated rate requirements are just, reasonable,  
10 and are not contrary to the public interest.” W. Va. Code § 24-2-1n(i).

11  
12 **Q. Please describe the proposed industrial site that will be served by the**  
13 **Project and how the Company became involved in its development.**

14 A. In late 2022, state officials, including those from the West Virginia Economic  
15 Development Authority (“WVEDA”), approached the Company regarding the  
16 need to establish adequate and reliable water service at a quickly  
17 developing 2,000-acre industrial site in Jackson County that was once  
18 occupied by Century Aluminum (the “Site”). Over \$500 million of investment  
19 is expected at the Site, which will include a state-of-the-art titanium  
20 manufacturing facility powered by a first-of-its-kind renewable energy  
21 microgrid.



1 **Q. How will the Company address the Site's water utility infrastructure**  
2 **needs?**

3 A. The current water utility infrastructure at the Site is presently inadequate to  
4 serve its expected industrial needs. The Company is therefore proposing to  
5 construct groundwater station treatment facilities, wells, storage, mains,  
6 pipes, valves, and other necessary facilities to meet such needs. The  
7 Company's Engineering Director, Michael P. Raymo, provides specific  
8 Project details in his direct testimony.  
9

10 **Q Will the Project help maximize economic development in Jackson**  
11 **County and the State?**

12 A. Yes. The Project is critical to the Site's development. It is the Company's  
13 understanding that the Commerce Secretary has certified (or very soon will  
14 certify) the Site as a West Virginia Business Ready Site. Such certification  
15 evidences that the Site has potential for industrial development but does not  
16 yet have adequate public utility infrastructure. The Site's development is  
17 expected to result in hundreds of advanced manufacturing jobs initially, with  
18 the potential to attract additional industry and jobs in the future.  
19

20 **Q. Is there already evidence of concrete demand for water at the Site?**

21 A. Yes. Although a formal agreement has not yet been signed, the Company  
22 and WVEDA have exchanged and agreed to key terms whereby the WVEDA  
23 will purchase a minimum of 13 million gallons of water per month for an initial  
24 term of 10 years to serve on-Site facilities once the Project is placed into  
25 service. The Company anticipates that WVEDA would pay the Company's  
26 tariff rates, which are subject to change from time to time by order of the

1 Commission. Such an arrangement would guarantee that the Project will  
2 immediately begin producing revenue once placed into service.<sup>1</sup>

3  
4 **Q. What is the Company asking the Commission to do in its Application?**

5 A. The Company is requesting that the Commission approve the Project and  
6 permit its cost recovery of Phase I of the Project as described in Dr. Christina  
7 E. Chard's testimony. Such approval is warranted under the statute because  
8 the Company's plan is reasonable, prudent, useful, and not contrary to the  
9 public interest. Access to construction-ready industrial sites form the basis  
10 for meaningful economic development in West Virginia, and the need for the  
11 Project has been effectively acknowledged by the Legislature, the  
12 Commerce Secretary, and other state economic development officials. The  
13 Company has vast experience in developing infrastructure projects  
14 throughout West Virginia and is often called upon by the Commission to  
15 rescue troubling systems. Accordingly, the Company is well suited to aid the  
16 Site's development through the Project. The Project will be capable of  
17 serving future water customers at the Site and the surrounding areas,  
18 including industrial, commercial, and residential customers. Such  
19 development will benefit the state and local economies as well as the  
20 Company's existing customers through the expansion of the Company's  
21 customer base.

22  
23 **Q. When does the Company propose to begin construction?**

24 A. The Project is in its planning and investigative stage. Groundwater test well  
25 production was completed in May 2023, and other components of the

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<sup>1</sup> In addition to this arrangement, the Project currently has a projected user with an annual projected demand of 50 mg as discussed in Mr. Raymo's testimony.

1 Project will begin as early as August 2023. The Project will consist of two  
2 phases, and state and industry officials have directed the Company to  
3 complete Phase I by July 1, 2024. Accordingly, the Company is requesting  
4 interim authorization of Project construction and investment during the  
5 pendency of this Application.

6

7 **Q. What other witnesses are submitting testimony on behalf of the**  
8 **Company?**

9 A. Michael P. Raymo, the Company's Engineering Director, is providing  
10 testimony regarding the scope of the Project, including the details required  
11 by W. Va. Code § 24-2-1n(g). Dr. Christina E. Chard, Director of Rates and  
12 Regulatory Support, is providing testimony supporting the rate mechanism  
13 authorized by W. Va. Code § 24-2-1n(j).

14

15 **Q. Does this complete your direct testimony?**

16 A. Yes.

# Direct Testimony of Michael P. Raymo

PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON

CASE NO. 23- 0556 -W-IDS

WEST VIRGINIA-AMERICAN WATER COMPANY

Application for Approval of the Construction  
of Water Utility Infrastructure at a West Virginia  
Business Ready Site and Associated Cost Recovery  
Pursuant to W. Va. Code § 24-2-1n

DIRECT TESTIMONY OF  
MICHAEL P. RAYMO

June 30, 2023

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

2 A. My name is Michael P. Raymo. My business address is 1600 Pennsylvania  
3 Avenue, Charleston, WV 25302.

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

6 A. I am the Engineering Director of West Virginia-American Water Company  
7 (“West Virginia American Water,” “WVAW” or the “Company”).

8  
9 **Q. Please describe your educational background.**

10 A. I graduated from The United States Military Academy at West Point in 1999  
11 with a Bachelor of Science in Civil Engineering. I received a Master of  
12 Science degree in 2003 from the University of Missouri at Rolla (now known  
13 as Missouri University of Science and Technology) also in Civil Engineering,  
14 and I am a registered Professional Engineer (Missouri #2005001035, Texas  
15 #95998, West Virginia #24596).

16  
17 **Q. Please describe your professional and education background.**

18 A. I served as an Engineer Officer in the United States Army from 1999-2007,  
19 managing teams of combat engineers worldwide for various missions which  
20 supported the survivability and mobility of American and Coalition Soldiers.  
21 From 2007-2010 I served as a Project Engineer for S&B Engineers and  
22 Constructors in Houston, TX. In this role I supervised structural engineers  
23 and pipe designers for various capital improvement and “turn-around”  
24 projects performed in the BP Texas City, TX oil refinery. I joined American  
25 Water Enterprise’s Military Services Group (MSG) in 2010 where I served  
26 as the Capital Program Manager for the water and wastewater systems at  
27 Fort Hood, Texas, as part of the Department of Defense’s Utility Privatization

1 Program. I oversaw an annual capital budget of approximately \$10M and  
2 completed various elevated storage tank coating projects, water and  
3 wastewater line installation projects, as well as lift station and water booster  
4 pump station design and construction projects. From 2013-2020, I served  
5 as the Director of Operations, Capital, and Asset Management still for MSG,  
6 and was responsible for the operations and construction activities at various  
7 military forts and bases across the country. I oversaw all operations,  
8 maintenance and capital activities, and was also responsible for regulatory  
9 and environmental compliance. Examples include emergency response,  
10 work order tracking systems, SCADA, GIS, budget tracking, contracting and  
11 procurement, elevated storage tank construction and coating, water and  
12 wastewater treatment plant upgrades, water and sewer line installations,  
13 and lift station and booster pump station design and construction. In January  
14 2021, I assumed my current role with WVAW, as described above.

15  
16 **Q. What are your current responsibilities at West Virginia American**  
17 **Water?**

18 A. I manage all facets of the engineering function, including capital budgeting,  
19 planning, comprehensive planning studies, infrastructure replacement, tank  
20 painting and automation, water system planning, design and construction  
21 management, due diligence studies for acquisitions, and mapping/records  
22 including the use of geographical information systems.

1 **Q. Have you previously submitted testimony before the Public Service**  
2 **Commission of West Virginia (the “Commission”)?**

3 A. Yes. I have submitted testimony in distressed utility proceedings, the  
4 Company’s DSIC and general rate proceedings, and in the Jefferson Utilities  
5 acquisition case (Case No. 22-0796-WS-PC, et al.).  
6

7 **Q. What is the purpose of your direct testimony?**

8 A. I will support the Company’s request for Commission approval to construct  
9 water infrastructure facilities (the “Project”) at a West Virginia Business  
10 Ready Site in Jackson County (the “Site”). Specifically, I will discuss the  
11 items required by W. Va. Code § 24-2-1n(g), including a summary of the  
12 Project’s scope (including the amount, location, type, and projected  
13 installation timing of the Project facilities); the projected cost of construction;  
14 the projected start date of Project construction and the Project’s projected  
15 in-service date; the potential new customers that may be served by the  
16 Project; and the projected annual demand for water service.  
17

18 **Q. Please describe the scope of the Project.**

19 A. The Project is currently in the planning and investigation stage. Although a  
20 final engineering design is still in process, it is expected that the Project will  
21 consist of a groundwater station with applicable treatment, wells, storage,  
22 mains, pipes, valves, hydrants, and other necessary water facilities. The  
23 Company anticipates constructing the Project in two phases to  
24 accommodate the phased build-out of the area that West Virginia Economic  
25 Development Authority (“WVEDA”) officials and industry representatives  
26 have presented to the Company.



1 **Q. Please describe the two phases of the Project.**

2 A. Phase I will consist of the drilling of 2-4 wells and the construction of  
3 groundwater station treatment facilities based on the quality and  
4 characteristics of the groundwater. The type of treatment may range from  
5 simple disinfection to more complex treatment to include the treatment of  
6 minerals and contaminants. The Company will pursue the appropriate  
7 treatment to meet regulatory and industry standards. Phase I will also  
8 require necessary utility and site improvements, as well as the construction  
9 of a water distribution system to serve the Site, including all necessary  
10 valves, hydrants, storage, and appurtenances. Phase I construction will be  
11 able to accommodate a certain degree of growth in demand from future  
12 industry. The groundwater station is expected to be constructed southwest  
13 of the southernmost intersection of Highway 2 and Century Road Jackson  
14 County, WV and will source water from wells drilled in the same general  
15 location. The Project will incorporate approximately 1.5 to 2.0 miles of water  
16 line with sizes ranging from 2" to 12".

17  
18 Phase II will consist of further expansion of the capacity of the wells and  
19 groundwater station, as well as expansion of the distribution system as  
20 necessary. The current plan is to construct the Phase I assets so that they  
21 can be expanded in Phase II in a cost-effective manner, as demand at the  
22 Site increases. Phase II is currently not planned but can be implemented  
23 when appropriate and as the Site grows in demand.

24  
25 **Q. What is the estimated timeline for the Project?**

26 A. The Company has already commenced certain engineering efforts,  
27 including site analysis, feasibility reviews, permitting actions, treatment

1 option analysis, and test drilling. Groundwater test well production, to  
2 sample for water quality and required treatment, was completed in May  
3 2023. Depending on the water analysis results, construction of the  
4 additional wells, water lines, storage, and other components of the Project  
5 will begin as early as August 2023. Industry representatives and state  
6 officials have told the Company that potable water must be provided no later  
7 than July 1, 2024. The Company has been strongly encouraged by state and  
8 industry officials to accommodate this timeline. Accordingly, the Company is  
9 requesting interim authorization to proceed with investment during the  
10 pendency of this Application so that it can place Phase I in service by July  
11 1, 2024.

12  
13 **Q. What is the projected cost of the Project?**

14 A. The Company estimates that the total capital cost of Phase I of the Project  
15 will be \$16,812,864. Phase II has yet to be estimated because the scope  
16 and demand is undefined. However, using preliminary information from the  
17 WVEDA, Phase II of the Project could cost up to \$5 million, depending on  
18 the scope and timing of the new water demand. **WVAW MPR-D Attachment**  
19 **1** to this testimony provides a breakdown of the Phase I project costs by  
20 year and activity. The Company also expects to incur \$300 thousand  
21 annually in O&M expense, an estimate based on actual costs experienced  
22 at surrounding water plants and input from the treatment technology  
23 supplier. O&M expense will include electrical, chemical, disposal, and  
24 routine maintenance costs.

1 **Q. Please summarize the Project's annual projected demand, as well as**  
2 **the number and type of potential customers to be served by the**  
3 **Project.**

4 A. The annual projected demand varies greatly at this phase of the business  
5 site development. The initial annual demand is approximately 50 million  
6 gallons. Total build out of the area around the Site could require a water  
7 demand of over 500 million gallons per year. The current design will allow  
8 the flexibility to expand the water system with the business growth in the  
9 area. Once the initial phase of the Project is placed into service, it will serve  
10 at least one industrial customer. The Project will have the capacity to serve  
11 future industrial, commercial, and residential customers at the Site and  
12 areas around the Site as it develops. As noted in W.Va. Code § 24-2-1n, the  
13 purpose of the Project is to attract new industries and business to the Site.  
14 Without the Project, the development and expansion of the Site would be  
15 impossible. Development cannot proceed without first installing adequate  
16 water infrastructure.

17 As Mr. Crislip mentions in his testimony, WVEDA is expected to  
18 purchase a minimum amount of water per month for an initial term of 10  
19 years to serve on-Site facilities once the Project is placed into service.

20  
21 **Q. Does this complete your direct testimony?**

22 A. Yes, it does.

West Virginia American Water  
 Business Ready Site Project - Jackson County  
 2023-2024 Capital Investments

Account	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
T&D Mains	-	-	-	-	-	-	\$600,000	\$331,357	\$400,000	\$1,127,539	\$1,050,000	\$700,000	\$438,968	-	\$4,647,864
Wells & Springs	50,000	100,000	250,000	250,000	250,000	100,000	135,000	-	150,000	150,000	-	-	-	-	1,435,000
Structures & Imp	-	-	-	250,000	450,000	450,000	250,000	50,000	100,000	180,000	800,000	700,000	500,000	100,000	3,830,000
Standpipes	-	-	-	-	-	100,000	100,000	150,000	300,000	450,000	400,000	150,000	-	-	1,650,000
Water Treatment	-	-	50,000	100,000	100,000	100,000	250,000	150,000	550,000	1,000,000	800,000	800,000	600,000	250,000	4,750,000
Pumping Equipment	-	-	-	-	-	-	50,000	50,000	-	-	150,000	200,000	50,000	-	500,000
<b>Total</b>	<b>\$50,000</b>	<b>\$100,000</b>	<b>\$300,000</b>	<b>\$600,000</b>	<b>\$800,000</b>	<b>\$750,000</b>	<b>\$1,385,000</b>	<b>\$731,357</b>	<b>\$1,500,000</b>	<b>\$2,907,539</b>	<b>\$3,200,000</b>	<b>\$2,550,000</b>	<b>\$1,588,968</b>	<b>\$350,000</b>	<b>\$16,812,864</b>

# Direct Testimony of Christina E. Chard

**PUBLIC SERVICE COMMISSION  
OF WEST VIRGINIA  
CHARLESTON**

**CASE NO. 23- 0556 -W-IDS**

**WEST VIRGINIA-AMERICAN WATER COMPANY**

Application for Approval of the Construction  
of Water Utility Infrastructure at a West Virginia  
Business Ready Site and Associated Cost Recovery  
Pursuant to W. Va. Code § 24-2-1n

**DIRECT TESTIMONY OF  
DR. CHRISTINA E. CHARD**

**June 30, 2023**

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

2 A. My name is Christina E. Chard. My business address is 1600 Pennsylvania  
3 Ave, Charleston, WV 25302.

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

6 A. I am employed by American Water Works Service Company as Director of  
7 Rates and Regulatory Support.

8  
9 **Q. Please describe your educational background.**

10 A. I hold a Doctor of Executive Leadership, a Master of Science in Forensic  
11 Accounting, and a Bachelor of Science in Mathematics from the University  
12 of Charleston.

13

14 **Q. Please describe your business and professional background.**

15 A. My professional experience is set forth in Appendix A to this Testimony.

16

17 **Q. What are your current responsibilities?**

18 A. My responsibilities as Director of Rates and Regulatory Support include the  
19 following: 1) leading rates and regulatory activity for West Virginia-American  
20 Water Company ("Company") to include coordination with finance,  
21 engineering, and legal; 2) presenting rate change applications and  
22 supporting documents and exhibits as prescribed by management policies,  
23 guidelines and regulatory commission requirements; 3) preparing rate  
24 analyses and studies to evaluate the effect of proposed rates on the  
25 revenues, rate of return, and tariff structures; 4) executing the  
26 implementation of rate orders, including development of the revised tariff  
27 pricing necessary to produce the proposed revenue level; 5) overseeing the

1 preparation of revenue and capital requirements analyses; 6) providing  
2 support for financial analyses, including preparation of applicable regulatory  
3 commission filings; and 7) ensuring compliance with GAAP, regulatory, and  
4 Company policies.

5  
6 **Q. Have you previously submitted testimony before the Public Service  
7 Commission of West Virginia (the “Commission”)?**

8 A. Yes. I have submitted testimony to the Commission in a variety of cases,  
9 including acquisition, Distribution System Improvement Charge (“DSIC”),  
10 and general rate proceedings.

11  
12 **Q. What is the purpose of your direct testimony?**

13 A. I will support the Company’s proposals to recover costs relating to a  
14 proposed water infrastructure project (“Project”) at a Business Ready Site in  
15 Jackson County pursuant to West Virginia’s Business Ready Sites Program  
16 (“BRSP”) codified at W. Va. Code § 24-2-1n.

17  
18 **Q. Please provide an overview of the Project.**

19 A. The Project is in its planning and investigative stage, and test well  
20 construction was completed in May, with water sample results pending.  
21 Depending on the subsequent water analysis results, construction of other  
22 Project components will begin as early as August 2023. The Project will  
23 consist of two phases. Phase I is projected to cost approximately \$16.8  
24 million and is expected to be placed into service by July 1, 2024. Phase II  
25 has not been planned but is intended to expand the Project to serve future  
26 growth as necessary. The Company is currently only seeking recovery of  
27 costs associated with Phase I of the Project, which will include all costs



1 incurred prior to the projected in-service date of July 1, 2024 (“Phase I  
2 Costs”). Company witness Michael P. Raymo provides further details about  
3 the Project itself.  
4

5 **Q. Did the Company request recovery of Project costs as part of its recent**  
6 **rate case filing in Case No. 23-0383-W-42T (“2023 Rate Case”)?**

7 A. Yes. Given the timing of its 2023 Rate Case filing, the Company requested  
8 recovery of Phase I Costs in new base rates (to take effect in February 2024)  
9 as part of its Future Test Year proposal in that case. The Company believes  
10 this is the simplest cost recovery approach.  
11

12 **Q. What if the Commission rejects base rate recovery as requested in the**  
13 **2023 Rate Case?**

14 A. In the event the Commission declines to grant recovery in base rates, the  
15 Company alternatively proposes to recover Phase I Costs through the  
16 mechanism authorized in W. Va. Code § 24-2-1n(j), in conjunction with the  
17 Company’s DSIC. Because the cost recovery mechanism proscribed in W.  
18 Va. Code § 24-2-1n(j) is analogous to the DSIC mechanism already in place,  
19 the Company believes it is sensible and beneficial to all stakeholders to  
20 include Phase I Costs as an item in its 2024 DSIC calculation. Recovery of  
21 the Project’s revenue requirement within the DSIC, rather than through the  
22 establishment of a completely separate charge on customer bills, will result  
23 in administrative efficiency and billing simplicity. In other words, the  
24 Company plans to simply add the BRSP investment as a separate  
25 investment line in the DSIC calculation and arrive at a single surcharge that  
26 accounts for recovery of DSIC costs as well as recovery of the Phase I  
27 Costs. The Company proposes to include the Phase I Costs in the 2024

1 DSIC surcharge taking effect on January 1, 2024, which will be collected  
2 from all tariff customers.

3  
4 **Q. Is the Company attempting to “expand” its DSIC program through this**  
5 **Application?**

6 A. No. The Company is not arguing in this Application that DSIC investment  
7 categories should be expanded for the BRSP types of investments. The  
8 Company is simply proposing to use the DSIC as a vehicle to bill customers  
9 for the BRSP related revenue requirement rather than the Commission  
10 approving another surcharge to be added to customer bills. Rather than  
11 implement a separate surcharge process, the Company is asking to include  
12 the BRSP investment as a separate line item of the DSIC surcharge  
13 calculation for a streamlined surcharge approach. This is less cumbersome  
14 for the Company and parties and less confusing for customers. Again, this  
15 is only if the Commission doesn't not approve ratemaking treatment for the  
16 Project in the Company's 2023 Rate Case.

17 **Q. Please explain the time period associated with the initial BRSP revenue**  
18 **requirement.**

19 Phase I of the BRSP Project includes approximately \$16.8 million of  
20 investment expected to go into service by July 1, 2024, so the Phase I  
21 investment will fall within the 2024 DSIC period. Subsequent phases will be  
22 included in either base rate or DSIC rate calculations for future years based  
23 on their in-service dates.

1 **Q. What Project-related costs does the Company seek to recover?**

2 A. Consistent with W. Va. Code § 24-2-1n(j), the Company seeks to recover  
3 the following:

- 4 a) an allowance for return on Project investment;  
5 b) income taxes applicable to the return allowed on the Project;  
6 c) depreciation expense; and  
7 d) operations and maintenance expense.

8  
9 **Q. Did you prepare any schedules to support the BRSP revenue  
10 requirement?**

11 A. Yes. Although the Company proposes to include Phase I Costs as part of  
12 the 2024 DSIC calculation in an application to be filed on or around June 30,  
13 2023, I have included schedules with my testimony to provide the  
14 Commission with an estimate of Phase I's revenue requirement and rate  
15 impact. Schedules (A – J), collectively attached to my direct testimony as  
16 **WVAW CEC-D Attachment 1**, support the Project's revenue requirement  
17 calculation. The schedules include the following information:

18  
19

<i>Schedule A</i>	Revenue Requirement Calculation
<i>Schedule B</i>	Investment/Rate Base
<i>Schedule C</i>	Capital Structure and Cost of Capital
<i>Schedule D</i>	Depreciation Expense
<i>Schedule E</i>	ADIT Calculation
<i>Schedule F</i>	State and Federal Income Tax Calculation
<i>Schedule G</i>	Summary of Authorized Revenues

20  
21  
22  
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30

1	<i>Schedule H</i>	Tax Basis and Tax Depreciation
2		
3	<i>Schedule I</i>	Project Monthly Expenditure Forecast
4		
5	<i>Schedule J</i>	Annual Estimated New Customer Revenues
6		
7		

8 **Q. Please explain Schedule A – Revenue Requirement Calculation.**

9 A. The initial BRSP annual revenue requirement for Phase I is estimated to be  
10 approximately \$1,053,627. The information reflected on Schedule A is  
11 supported by Schedules B through J.

12

13 **Q. Does the \$496 thousand revenue requirement include an operating and  
14 maintenance (“O&M”) estimate for the new infrastructure?**

15 A. Yes. W. Va. Code § 24-2-1n(j)2) specifically authorizes recovery of O&M  
16 expense.<sup>1</sup> The Company’s best O&M cost estimate at this time, based on  
17 actual costs experienced at surrounding water plants, as well as input from  
18 the treatment technology supplier, is \$300 thousand annually. This estimate  
19 includes estimated electrical, chemical, disposal, and routine maintenance  
20 costs.

21

22 **Q. Please explain Schedule B – Planned Expenditures.**

23 A. Schedule B shows the planned Project expenditures for Phase I. These  
24 figures form the rate base projection, which is the starting point for  
25 computing the BRSP Phase I revenue requirement.

---

<sup>1</sup> In its upcoming DSIC application, the Company will not be asking the Commission to expand the DSIC to include O&M expense for DSIC projects. To be clear, the Company anticipates seeking recovery of O&M expense in its DSIC only for limited purposes, such as for the Project and as may be authorized by Commission orders (see, e.g., Case No. 220-0605-W-DSIC, Order dated December 30, 2022 (authorizing inclusion of design loan expense for a Jumping Branch-Nimitz PSD project.))

1 **Q. Please explain Schedule C – Cost of Capital and Capital Structure.**

2 A. Schedule C sets forth the Company’s proposed capital structure and cost of  
3 capital calculations used in developing the BRSP Phase I revenue  
4 requirement. W. Va. Code § 24-2-1n(j)(1) requires that the rate of return  
5 “shall be determined by utilizing the rate of return on equity authorized by  
6 the Public Service Commission in the public utility’s most recent rate case  
7 proceeding or in the case of a settled rate case, a rate of return on equity as  
8 determined by the commission, and the projected cost of the public utility’s  
9 debt during the period of the infrastructure program to determine the  
10 weighted cost of capital based upon the public utility’s capital structure.”  
11 Accordingly, the 7.41% rate of return calculated by the Company includes  
12 the 9.8% ROE authorized by the Commission in the Company’s most recent  
13 base rate proceeding (Case No. 21-0369-W-42T).

14  
15 **Q. Please explain Schedule D – Depreciation Expense.**

16 A. Schedule D computes depreciation using the depreciation rates authorized  
17 in Case No. 21-0368-WS-D and applying them to the proposed Project  
18 investment. The Company does not currently have an authorized  
19 depreciation rate for a wells asset category and is proposing to begin with a  
20 50-year life rate or depreciation rate of 2.00% in this case. If the Commission  
21 approves, the Company will utilize this depreciation rate until the  
22 depreciation rate is assessed again in the Company’s next depreciation  
23 study.

1 **Q. Please explain Schedule E – Accumulated Deferred Income Tax**  
2 **Calculations.**

3 A. Schedule E computes book and tax depreciation for accumulated state and  
4 federal deferred income tax.

5  
6 **Q. Please explain Schedule F – State and Federal Income Tax Calculation.**

7 A. W. Va. Code § 24-2-1n(j)(2) requires that income taxes applicable to the  
8 return allowed on the Project “shall be calculated at the statutory rate for  
9 inclusion in rates.” Schedule F provides the state and federal income tax  
10 calculations for the Project.

11  
12 **Q. Please explain Schedule G – Bill Analysis.**

13 A. Schedule G provides the Company’s 2021 authorized base rate bill analysis  
14 for water as support for the percent rate increase for this project revenue  
15 requirement.

16  
17 **Q. Please explain Schedule H – Tax Basis and Tax Depreciation.**

18 A. Schedule H is the calculation to account for tax basis and tax depreciation.

19  
20 **Q. Please explain Schedule I – Project Monthly Expenditure Forecast.**

21 A. Schedule I provides the monthly capital investment forecast through in-  
22 service date.

23  
24 **Q. Please explain Schedule J – Annual Estimated Customer Revenues.**

25 A. Schedule J provides support for the annual estimated customer revenues  
26 anticipated from either the industrial customer and/or through an agreement  
27 with the West Virginia Economic Development Authority as further described

1 in the testimony of Mr. Crislip. The Company estimates 2024 of new  
2 customer revenues of \$557,746 that can be used to offset the revenue  
3 requirement for the Project related expenditures. These revenues are  
4 calculated on the Company's current base rates assuming an estimated  
5 consumption of 13 million gallons per month and a 4" meter.  
6

7 **Q. What will be the rate impact of the Project on customers?**

8 A. As explained above, the Company included the Project in the base rate case  
9 revenue requirement currently pending with the Commission but proposes  
10 to include the Project as part of the 2024 DSIC surcharge rate in the event  
11 the Commission does not approve recovery in base rates. With that being  
12 said, the approximate monthly rate increase as a result of the Project on the  
13 average residential customer using 3,000 gallons per month would be  
14 approximately \$0.38 per month or a 0.62% increase over current base rates.  
15 The rate impact is also summarized in the Proposed Notice of Filing and  
16 Hearing appended to the Application as WVAW Attachment B. The revenue  
17 requirement was divided by the Company's currently authorized DSIC-  
18 eligible billing determinants as authorized in the Company's last base rate  
19 case.  
20

21 **Q. Do the Company's calculations include any property tax expense?**

22 A. No. The Company does not expect to incur property tax expenditures related  
23 to this new investment during this period.  
24

25 **Q. Did you prepare a proposed revised tariff sheet?**

26 A. No. Since, the Company intends to add the Project's revenue requirement  
27 to the DSIC revenue requirement to arrive at a single surcharge, the

1 Project's rate effect will be reflected on Tariff Sheet RS-7 to be filed with the  
2 Company's DSIC application.

3

4 **Q. Does the BRSP statute contemplate a true-up mechanism?**

5 A. Yes. W. Va. Code § 24-2-1n(j)(4) includes the following provision:

6 In each year subsequent to the order approving the  
7 infrastructure program and the incremental cost recovery  
8 increment, the public utility shall file a petition with the Public  
9 Service Commission setting forth a new proposed incremental  
10 cost recovery increment based on investments to be made in  
11 the subsequent year, plus any under-recovery or minus any  
12 over-recovery of actual incremental costs attributable to the  
13 infrastructure program investments, for the preceding year.

14 Accordingly, the Company intends to provide true-up information in future  
15 BRSP filings. Regardless of whether costs are recovered through the 2023  
16 Rate Case or separately with the DSIC, the Company will submit annual  
17 true-up information.

18

19 **Q. Does this complete your direct testimony?**

20 A. Yes, it does.



## Appendix A

---

From 2015 to 2017, I served as Assistant Professor and Director of the University of Charleston's Master of Forensic Accounting ("MFAcc") Program. I provided administrative oversight of the program to include curriculum development, faculty development and coordination, program assessment, recruiting, retention, marketing, and fiscal planning and management. I also served as faculty in the MFAcc program, teaching *MFACC 624 - Data as Evidence* which included data mining, probability concepts and calculations, link analysis, timelines and relationship charts, and applications of statistics in the courtroom. In addition I taught the following undergraduate courses: *BUSI 215 – Business Software*, *ACCT 460 – Accounting Information Systems*, and *ACCT 281 - Introduction to Forensic Accounting*.

From 2010 to 2015, I served as Manager of Information Technology Services Expense Management for American Water ("AW"), responsible for managing operating and capital expenditures for the ITS department. I proposed and received approval for establishment of AW's first IT Finance team overseeing the management of IT related operating and capital funding projects across AW's subsidiaries. I was responsible for business planning and reporting, contracts processing, capital asset management, procurement of ITS goods/services, and budget management of \$70M+ annually. During this time, I also served as the ITS functional lead member of AW's Procure to Pay Service Delivery Council. I established the Centrally Sponsored Financial Model for use by the company in SAP and related system asset management post-system implementation. I established an annual CIO communication to state presidents, finance, rates, and capital leads within the operating companies for the purpose of communication business planning needs for information systems projects at enterprise and state levels.

From 2003 to 2010, I served as Team Lead for the ITS Service Delivery department overseeing up to 9 states and service company locations with 22 support specialists for the delivery of information technology services such as local network, computer, and software support.

I also serve as a contract instructor and presenter for the National Association of Valuators and Analysts (NACVA), presenting on topics such as computer forensics and the digital age.

I hold a bachelor's degree in Mathematics, a master's degree in Forensic Accounting, and a Doctor of Executive Leadership degree.

Revenue Requirement

BRSP  
 Revenue Requirement

<u>Line No.</u>	<u>Description</u>	<u>Schedule</u>	<u>Amount</u>
1	Capital Additions	B	\$8,406,432
2	Accumulated Depreciation	D	(501,798)
3	Net Plant		7,904,634
4	ADIT	E	(16,104)
5	Total Investment Base for the DSIC		<u>\$7,888,530</u>
6			
7	Rate of Return on Investment Base	C	7.410%
8	Cost of Investments		\$584,540
9	Operating and Maintenance Expense		300,000
10	Depreciation Expense	D	501,798
11	State Income Tax	F	46,981
12	Federal Income Tax	F	107,154
13	Revenue Requirement before B&O Tax		\$1,540,473
14	Gross-up for B&O Tax (100% - 4.4%)		95.60%
15	<b>Revenue Requirement</b>		<u><b>\$1,611,373</b></u>
16			
17	Less Estimated Annual New Customer Revenues	J	(\$557,746)
18			
19	<b>Final Revenue Requirement</b>		<u><b>\$1,053,627</b></u>
20			
21	Metered Water Sales	G	\$168,658,992
22	Less: Sales for Resale	G	2,158,584
23	Add: Metered Sales for Resale	G	663,477
24	Add: Private Fire Service	G	2,441,660
25	Base Revenues for DSIC Component		<u><b>\$169,605,545</b></u>
26			
27	<b>BRSP Surcharge Component</b>		<b>0.62%</b>

Investment Base

<u>Line No.</u>	<u>Item</u>	<u>Annual 2024</u>	<u>Average 2024</u>
1	T & D MAINS	\$4,647,864	\$2,323,932
2	WELLS & SPRINGS	1,435,000	717,500
3	STANDPIPES	1,650,000	825,000
4	STRUCTURES & IMPROVEMENTS	3,830,000	1,915,000
5	WT EQUIPMENT FILTER MEDIA	4,750,000	2,375,000
6	BOOSTER STATION - PUMPING EQUIPMENT	500,000	250,000
		<hr/>	<hr/>
		\$16,812,864	\$8,406,432

Capital Structure and Cost of Capital (13 Month Average Ending December 31, 2024)

Line No.	Weight	Rate	Weighted Rate	With Tax Gross-up 1/
1	ST Debt	2.000%	4.890%	0.100%
2	LT Debt	45.810%	4.800%	2.200%
3	Preferred Stock	0.000%	0.000%	0.000%
4	Common Equity	52.190%	9.800%	6.918%
5	ROR	100.000%		7.41%
6	State Tax Rate (STR)		0.065	
7	Federal Tax Rate (FTR)		0.21	
8	Gross up factor = $1 / \{(1-STR) - [(1-STR) \times FTR]\}$			1.3538

Depreciation Expense

Line No.	T&D Mains	Wells & Springs	Structures & Imp	Standpipes	Water Treatment	Pumping Equipment	Total
1	\$4,647,864	\$1,435,000	\$3,830,000	\$1,650,000	\$4,750,000	\$500,000	\$16,812,864
2	2,323,932	717,500	1,915,000	825,000	2,375,000	250,000	8,406,432
3	1.280%	2.000%	3.680%	3.190%	14.710%	4.620%	
4	29,746	14,350	70,472	26,318	349,363	11,550	501,798
5	\$29,746	\$14,350	\$70,472	\$26,318	\$349,363	\$11,550	\$501,798

ADIT CALCULATION

Line No.	Asset Description	Additions	Book Depreciation Rate	Average Book Depreciation Expense	Tax Additions	Tax Depreciation Rate	Tax Depreciation	Bonus Tax Depreciation (see Schedule H)	Total Tax Depreciation	Tax Timing Difference
1	T & D MAINS	\$2,323,932	1.280%	\$29,746						
2	WELLS & SPRINGS	717,500	2.000%	14,350						
3	STANDPIPES	625,000	3.190%	26,318						
4	STRUCTURES & IMPROVEMENTS	1,915,000	3.680%	70,472						
5	WT EQUIPMENT FILTER MEDIA	2,375,000	14.710%	349,363						
6	BOOSTER STATION - PUMPING EQUIPMENT	250,000	4.620%	11,550						
7		\$8,406,432		\$501,798	\$16,812,864	2.00%	\$336,257		\$336,257	\$165,541
8										165,541
9										21.00%
10										\$34,764
11										
12										
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Computation of ADIT for 2024

ADIT Analysis

If NOLC, then Current Tax to move to Deferred Tax. No NOLC for 2024.  
ADIT limited to Income before taxes.

2024  
\$34,764  
DTA (DTL)

Cumulative  
Prorated ADIT  
\$16,104

Average  
16,104

ADIT Proration Formula

Total Days	365	Balance
Jan	31	\$2,659
Feb	28	2,437
Mar	31	2,191
Apr	30	1,952
May	31	1,706
Jun	30	1,468
Jul	31	1,222
Aug	31	976
Sep	30	738
Oct	31	482
Nov	30	254
Dec	31	8
<b>Total</b>		<b>\$16,104</b>

Projected Increase in Federal ADIT Liability - 2024

Average Repairs (Schedule H)

CALCULATION OF FEDERAL AND STATE INCOME TAXES

FEDERAL INCOME TAX

Line No.	Description	2024
1	Investment Base for DSIC	\$7,888,530
2	Rate of Return	7.410%
3	Return on Rate Base	\$584,540
4	Adjustments	
5	Interest Expense	(181,436)
6	Temporary Deductions	165,541
7	Temporary Deductions: Average Repairs	-
8	Federal Taxable Income	\$568,645
9	Federal Tax Rate	21%
10	Current Federal Tax	\$119,415
11	Add Deferred Federal Tax @21%	(34,764)
12	Total Federal Tax	\$84,651
13		
14	Gross-up Federal Income Tax (Line 11/79%)	\$107,154
15		
16	<u>Interest Expense</u>	
17	Investment Base for DSIC	\$7,888,530
18	Weighted Cost of Debt	2.30%
19		\$181,436

STATE INCOME TAX

20	Federal Taxable Income	\$568,645
21	Gross-up Federal Tax	107,154
22	State Taxable Income	\$675,799
23	State Tax Rate	0.065
24	Current State Tax	\$43,927
25	Add Deferred State Income Taxes (6.5% of Repairs)	-
26	Total State Tax	\$43,927
27	Tax Gross-up Rate (100.0 -6.50)	0.935
28	Gross-up State Income Tax	\$46,981



2021 BILL ANALYSIS

Line No.	CONSUMPTION - 100 GALLONS		REVENUES		PRO FORMA	
	PRO FORMA PER RULE 42 FILING	GOING-LEVEL	PER BOOKS	GOING-LEVEL	PRO FORMA	PERCENTAGE
6	53,048,735	53,048,735	\$100,200,203	\$100,200,203	\$116,059,843	15.83%
7	1,303,908	1,303,908	2,393,272	2,393,272	2,551,226	
8	19,260,778	19,260,778	28,551,988	28,551,988	33,062,921	15.80%
9	8,017,890	8,017,890	6,135,705	6,135,705	960,661	15.66%
10	4,976,486	4,976,486	6,664,956	6,664,956	1,053,554	15.81%
11	6,859,260	6,859,260	2,028,206	2,065,374	104,752	5.07%
12	-	-	-	-	-	0.00%
13	-	-	-	-	-	-
14	93,467,057	93,467,057	\$145,974,330	\$146,011,498	\$168,658,992	15.40%
15	-	-	2,108,657	2,108,657	2,441,660	15.79%
16	-	-	352,388	352,388	-	0.00%
17	-	-	-	-	-	-
18	-	-	-	-	-	-
19	93,467,057	93,467,057	\$148,435,375	\$148,472,543	\$171,453,040	15.37%
20	-	-	-	-	-	-
21	-	-	3,016,856	3,046,767	3,512,922	15.36%
22	-	-	1,913,632	1,769,610	1,769,610	0.00%
23	-	-	624,160	624,875	-	0.00%
24	-	-	2,678,085	2,678,085	-	0.00%
25	-	-	-	-	-	-
26	93,467,057	93,467,057	\$156,666,108	\$156,591,880	\$180,038,532	14.87%

(\*) Residential - SRRRS not included in the \$23,290,422 revenue increase

Residential Bill Class

Line No.	Description	Pro Forma Per Rule 42 Filing			Going Level			Pro Forma		
		Billing Determinants	Rates Effective February 25, 2019	Revenues	Billing Determinants	Rates Effective February 25, 2019	Revenues	Billing Determinants	Proposed Rates	Revenues
6	5/8 -inch meter	1,789,717	\$31.44	\$56,268,695	1,789,717	\$31.44	\$56,268,695	1,789,717	\$36.41	\$65,163,587
7	3/4-inch meter	435	31.44	13,664	435	31.44	13,664	435	36.41	15,825
8	1-inch meter	3,739	77.00	287,890	3,739	77.00	287,890	3,739	89.16	333,354
9	1 1/2 -inch meter	48	152.94	7,341	48	152.94	7,341	48	177.09	8,500
10	2-inch meter	791	244.14	193,203	791	244.14	193,203	791	282.70	223,717
11	3-inch meter		456.87	-		456.87	-		529.02	-
12	4-inch meter		760.76	-		760.76	-		880.90	-
13	6-inch meter		1,520.52	-		1,520.52	-		1,760.65	-
14	8-inch meter		2,432.24	-		2,432.24	-		2,816.35	-
16	First 1,500 gallons		0.00000	-		0.00000	-		0.00000	-
17	Next 28,500 gallons	21,612,045	1.39450	41,549,906	21,612,045	1.39450	41,549,906	21,612,045	1.61472	48,111,603
18	Next 870,000 gallons	29,795,558	0.91680	917,047	29,795,558	0.91680	917,047	29,795,558	1.06158	1,061,870
19	Next 8,100,000 gallons	1,000,270	0.66770	-	1,000,270	0.66770	-	1,000,270	0.77315	-
20	All over 9,000,000 gallons		0.43430	-		0.43430	-		0.48389	-
21	Subtotal	52,407,873		\$99,237,746	52,407,873		\$99,237,746	52,407,873		\$114,918,456
27	DSIC Revenue									
28	Add Cumberland	29,078		28,442	29,078		28,442	29,078		37,661
29	Add Town of Glasgow	112,598		167,655	112,598		167,655	112,598		194,126
30	Add Town of East Bank	127,236		199,027	127,236		199,027	127,236		252,653
31	Add Page-Kincaid	220,990		386,963	220,990		386,963	220,990		448,110
32	Add Town of Cedar Grove	150,960		216,144	150,960		216,144	150,960		250,273
33	Less: Corrections and Allowances									
34	Total Per Bill Analysis	53,048,735		100,235,977	53,048,735		100,235,977	53,048,735		116,101,279
35	Correction Factor			0.9996431			0.9996431			0.9996431
36	Per Books			\$100,200,203			\$100,200,203			\$116,059,843

Commercial Bill Class

Line No.	Description	Pro Forma Per Rule 42 Filing			Going Level			Pro Forma		
		Billing Determinants	Effective Rates February 25, 2019	Revenues	Billing Determinants	Effective Rates February 25, 2019	Revenues	Billing Determinants	Proposed Rates	Revenues
5	5/8 -inch meter	88,121	\$31.44	\$2,770,522	88,121	\$31.44	\$2,770,522	88,121	\$36.41	\$3,208,483
6	3/4-inch meter	246	31.44	7,729	246	31.44	7,729	246	36.41	8,950
7	1-inch meter	20,073	77.00	1,545,584	20,073	77.00	1,545,584	20,073	89.16	1,789,666
8	1 1/2 -inch meter	918	152.94	140,325	918	152.94	140,325	918	177.09	162,483
9	2 -inch meter	16,466	244.14	4,019,938	16,466	244.14	4,019,938	16,466	282.70	4,654,856
10	3 -inch meter	278	456.87	126,982	278	456.87	126,982	278	529.02	147,036
11	4 -inch meter	410	760.76	311,766	410	760.76	311,766	410	880.90	361,000
12	6 -inch meter	114	1,520.52	173,698	114	1,520.52	173,698	114	1,760.65	201,129
13	8 -inch meter	12	2,432.24	29,187	12	2,432.24	29,187	12	2,816.35	33,796
14										
15										
16	First 1,500 gallons	1,309,778	0.00000	-	1,309,778	0.00000	-	1,309,778	0.00000	-
17	Next 28,500 gallons	6,703,494	1.39450	9,348,022	6,703,494	1.39450	9,348,022	6,703,494	1.61472	10,824,292
18	Next 870,000 gallons	10,197,268	0.91680	9,348,855	10,197,268	0.91680	9,348,855	10,197,268	1.06158	10,825,257
19	Next 8,100,000 gallons	995,200	0.66770	664,495	995,200	0.66770	664,495	995,200	0.77315	769,434
20	All over 9,000,000 gallons		0.43430			0.43430			0.49389	
21	Subtotal	19,205,740		\$28,487,103	19,205,740		\$28,487,103	19,205,740		\$32,986,382
22										
23										
24										
25										
26										
27	DSIC Revenues									
28	Add Cumberland	16,527		20,940	16,527		20,940	16,527		24,661
29	Add Town of Glasgow	31,949		37,330	31,949		37,330	31,949		43,225
30	Add Town of East Bank	2,472		7,982	2,472		7,982	2,472		10,133
31	Add Page-Kincaid	4,090		7,723	4,090		7,723	4,090		8,945
32	Add Town of Cedar Grove									
33										
34										
35	Less: Corrections and Allowances									
36	Total Per Bill Analysis	19,260,778		28,561,078	19,260,778		28,561,078	19,260,778		33,073,346
37	Correction Factor			0.9996817			0.9996817			0.9996848
38	Per Books			\$28,551,988			\$28,551,988			\$33,062,921

Industrial Bill Class

Line No.		Pro Forma Per Rule 42 Filing			Going Level			Pro Forma		
		Billing Determinants	Effective Rates February 25, 2019	Revenues	Billing Determinants	Effective Rates February 25, 2019	Revenues	Billing Determinants	Proposed Rates	Revenues
6	5/8 -inch meter	230	\$31.44	\$7,238	230	\$31.44	\$7,238	230	\$36.41	\$8,382
7	3/4-inch meter		31.44			31.44			36.41	
8	1 -inch meter	325	77.00	25,011	325	77.00	25,011	325	89.16	28,961
9	1 1/2 -inch meter	46	152.94	7,035	46	152.94	7,035	46	177.09	8,146
10	2 -inch meter	610	244.14	148,888	610	244.14	148,888	610	282.70	172,404
11	3 -inch meter	94	456.87	42,873	94	456.87	42,873	94	529.02	49,644
12	4 -inch meter	95	760.76	72,137	95	760.76	72,137	95	880.90	83,529
13	6 -inch meter	106	1,520.52	161,175	106	1,520.52	161,175	106	1,760.65	186,629
14	8 -inch meter		2,432.24			2,432.24			2,816.35	
16	First	14,599	0.00000	-	14,599	0.00000	-	14,599	0.00000	-
17	Next	148,717	1,39450	207,386	148,717	1,39450	207,386	148,717	1,61472	240,137
18	Next	1,781,926	0.91680	1,633,670	1,781,926	0.91680	1,633,670	1,781,926	1,06158	1,891,664
19	Next	5,096,036	0.66770	3,402,623	5,096,036	0.66770	3,402,623	5,096,036	0.77315	3,939,975
20	All over	971,544	0.43430	421,942	971,544	0.43430	421,942	971,544	0.49389	479,832
21	Subtotal	8,012,822		\$6,129,978	8,012,822		\$6,129,978	8,012,822		\$7,089,303
22										
23										
24										
25										
26										
27	DSIC Revenue									
28										
29	Acid Cumberland	5,068		5,661	5,068		5,661	5,068		6,987
30	Acid Town of Glasgow									
31	Acid Town of East Bank									
32	Acid Page-Kincaid									
33	Acid Town of Cedar Grove									
34										
35	Less: Corrections and Allowances									
36	Total Per Bill Analysis	8,017,890		6,135,639	8,017,890		6,135,639	8,017,890		7,086,290
37	Correction Factor			1,000,008			1,000,008			1,000,008
38	Per Books			\$6,135,705			\$6,135,705			\$7,086,366

Other Public Authority Bill Class

Line No.		Pro Forma Per Rule 42 Filing			Going Level			Pro Forma		
		Billing Determinants	Rates Effective February 25, 2019	Revenues	Billing Determinants	Rates Effective February 25, 2019	Revenues	Billing Determinants	Proposed Rates	Revenues
6	5/8-inch meter	5,165	\$31.44	\$162,386	5,165	\$31.44	\$162,386	5,165	\$36.41	\$188,056
7	3/4-inch meter	36	1,132	40,752	36	1,132	40,752	36	36.41	1,311
8	1-inch meter	3,393	77.00	261,255	3,393	77.00	261,255	3,393	89.16	302,513
9	1 1/2-inch meter	215	152.94	32,855	215	152.94	32,855	215	177.09	38,043
10	2-inch meter	4,804	244.14	1,172,962	4,804	244.14	1,172,962	4,804	282.70	1,358,223
11	3-inch meter	128	456.87	58,608	128	456.87	58,608	128	529.02	67,864
12	4-inch meter	163	760.76	123,896	163	760.76	123,896	163	880.90	143,462
13	6-inch meter	70	1,520.52	106,436	70	1,520.52	106,436	70	1,760.65	123,246
14	8-inch meter	12	2,432.24	29,187	12	2,432.24	29,187	12	2,816.35	33,796
16										
17	First 1,500 gallons	143,299	0.00000	-	143,299	0.00000	-	143,299	0.00000	-
18	Next 28,500 gallons	1,020,368	1.39450	1,422,904	1,020,368	1.39450	1,422,904	1,020,368	1.61472	1,647,613
19	Next 870,000 gallons	2,943,511	0.91680	2,698,611	2,943,511	0.91680	2,698,611	2,943,511	1.06156	3,124,785
20	Next 8,100,000 gallons	853,697	0.66770	570,013	853,697	0.66770	570,013	853,697	0.77315	660,031
21	All over 9,000,000 gallons	-	0.43430	-	-	0.43430	-	-	0.49389	-
22	Subtotal	4,960,876		\$6,640,245	4,960,876		\$6,640,245	4,960,876		\$7,688,943
23										
24										
25										
26										
27	DSIC Revenue									
28										
29	Add Cumberland			630			630			653
30	Add Town of Glasgow	4,534		7,395	4,534		7,395	4,534		8,563
31	Add Town of East Bank	11,076		20,349	11,076		20,349	11,076		25,835
32	Add Page-Kincaid									
33	Add Town of Cedar Grove									
34										
35	Less: Corrections and Allowances									
36	Total Per Bill Analysis	4,976,486		6,668,619	4,976,486		6,668,619	4,976,486		7,723,994
37	Correction Factor			0.9994507			0.9994507			0.9992900
38	Per Books			\$6,664,956			\$6,664,956			\$7,718,510

Other Water Utility Bill Class

Line No.	Description	Pro Forma Per Rule 42 Filing			Going Level Rates			Pro Forma		
		Billing Determinants	Effective February 25, 2019 Rates	Revenues	Billing Determinants	Effective February 25, 2019 Rates	Revenues	Billing Determinants	Proposed Rates	Revenues
5	5/8-inch meter	12	\$31.44	\$377	12	\$31.44	\$377	12	\$36.41	\$437
6	3/4-inch meter		31.44	-		31.44	-		36.41	-
7	1-inch meter		77.00	-		77.00	-		89.16	-
8	1 1/2-inch meter		152.94	-		152.94	-		177.09	-
9	2-inch meter	12	244.14	2,930	12	244.14	2,930	12	282.70	3,392
10	3-inch meter		456.87	-		456.87	-		529.02	-
11	4-inch meter		760.76	-		760.76	-		880.90	-
12	6-inch meter		1,520.52	-		1,520.52	-		1,760.65	-
13	8-inch meter		2,432.24	-		2,432.24	-		2,816.35	-
14										
15										
16	First 1,500 gallons	360	0.00000	-	360	0.00000	-	360.0	0.00000	-
17	Next 28,500 gallons	6,840	1.39450	9,538	6,840	1.39450	9,538	6,840.0	1.61472	11,045
18	Next 870,000 gallons	197,481	0.90950	179,609	197,481	0.90950	179,609	197,481.0	1.05313	207,973
19	Next 8,100,000 gallons	544,789	0.69850	380,535	544,789	0.69850	380,535	544,789.0	0.80881	440,630
20	All over 9,000,000 gallons	0	0.49230	-	-	0.49230	-	-	0.57005	-
21	Subtotal	749,470		\$572,989	749,470		\$572,989	749,470.0		\$663,477
22										
23	Add Aqua Water	2,034,461	0.2620	533,029	2,034,461	0.2730	555,408	2,034,461	0.2770	563,546
24										
25										
26	Add Jane Lew	508,480	0.3580	182,036	508,480	0.3720	189,155	508,480	0.3750	190,680
27										
28										
29	Add Hurricane	123,227	0.2150	26,494	123,227	0.2240	27,603	123,227	0.2270	27,973
30										
31										
32										
33	Add Lincoln	707,324	0.2280	161,270	707,324	0.2370	167,636	707,324	0.2400	169,758
34										
35										
36	Add Lavalette	2,025,064	0.1920	388,812	2,025,064	0.1920	388,812	2,025,064	0.1920	388,812
37	Add City of Milton	711,234	0.2150	152,915	711,234	0.2150	152,915	711,234	0.2170	154,338
38										
39	DSIC Revenue			\$2,017,545	6,859,260		\$2,054,518	6,859,260		\$2,158,584
40	Less: Corrections and Allowances			1,005,2840			1,005,2840			1,005,3469
41	Total Per Bill Analysis			\$2,028,206			\$2,065,374			\$2,170,126
42	Correction Factor									
43	Per Books									

Private Fire Service Bill Class

Line No.	Pro Forma Per Rule 42 Filing			Going Level			Pro Forma		
	Number of Connections	Rates Effective February 25, 2019	Revenues	Number of Connections	Rates Effective February 25, 2019	Revenues	Billing Determinants	Proposed Rates	Revenues
2 - 1/2 - Inch Service	245	\$127	\$31,015	245	\$127	\$31,015	245	\$147	\$35,912
3 - 1/2 - Inch Service	8	288	2,302	8	288	2,302	8	333	2,666
4 - 1/2 - Inch Service	239	505	120,764	239	505	120,764	239	585	139,837
6 - 1/2 - Inch Service	1,011	1,281	1,294,929	1,011	1,281	1,294,929	1,011	1,483	1,499,424
8 - 1/2 - Inch Service	242	2,100	508,309	242	2,100	508,309	242	2,432	588,563
10 - 1/2 - Inch Service	28	3,726	104,340	28	3,726	104,340	28	4,315	120,818
12 - 1/2 - Inch Service	9	5,222	46,998	9	5,222	46,998	9	6,047	54,420
	<u>1,782</u>		<u>2,108,657</u>	<u>1,782</u>		<u>2,108,657</u>	<u>1,782</u>		<u>2,441,660</u>
Less: Corrections and Allowances									
Total Per Bill Analysis			<u>2,108,657</u>			<u>2,108,657</u>			<u>2,441,660</u>
DSIC Revenue									
Total Per Bill Analysis			<u>\$2,108,657</u>			<u>\$2,108,657</u>			<u>\$2,441,660</u>

Public Fire Service Bill Class

1 PUBLIC FIRE (see statement G adjustment)	Per Books	<u>\$352,388</u>	Going Level	<u>\$352,388</u>	Pro Forma	<u>\$352,388</u>
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CALCULATION OF TAX BASIS AND TAX DEPRECIATION

		2024									
A	B	C	D	E	E / 2	A - B - E = F	G = See Note Below	G x 0% = H	F - H = I	I * Rate	I * Rate
In-Srv CapEx	Non Taxable Advances & Contributions	In-Srv CapEx Net of Advances & Contributions	Bldgs, Land, & Intangibles	Repairs	Average Repairs	Adds Net of Repairs	Eligible for Bonus*	Bonus @ 0%	Remaining Adds Basis after Bonus Deduct	Regular Depr YR 1	Regular Depr YR 2
1028		\$16,812,864	-	\$0	\$0	\$16,812,864	-	-	\$16,812,864	\$336,257	\$672,515

The IRS considers meters as not eligible for immediate expensing (Electric Industry Rev Proc 2011-43); therefore, based on this guidance, meter investments have been removed as eligible property.  
 Note that the repairs % is based on a 3 year average for transmission repairs.  
 \*No eligibility for Bonus per TCJA



West Virginia American Water  
 Business Ready Site Project - Jackson County  
 2023-2024 Capital Investments

WVAW CEC-D Attachment 1  
 Schedule I

Account	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
T&D Mains	-	-	-	-	-	-	\$600,000	\$331,357	\$400,000	\$1,127,539	\$1,050,000	\$700,000	\$438,968	-	\$4,647,864
Wells & Springs	50,000	100,000	250,000	250,000	250,000	100,000	135,000	-	150,000	150,000	-	-	-	-	1,435,000
Structures & Imp	-	-	-	250,000	450,000	450,000	250,000	50,000	100,000	180,000	800,000	700,000	500,000	100,000	3,830,000
Standpipes	-	-	-	-	-	100,000	100,000	150,000	300,000	450,000	400,000	150,000	-	-	1,650,000
Water Treatment	-	-	50,000	100,000	100,000	100,000	250,000	150,000	550,000	1,000,000	800,000	800,000	600,000	250,000	4,750,000
Pumping Equipment	-	-	-	-	-	-	50,000	50,000	-	-	150,000	200,000	50,000	-	500,000
<b>Total</b>	<b>\$50,000</b>	<b>\$100,000</b>	<b>\$300,000</b>	<b>\$600,000</b>	<b>\$800,000</b>	<b>\$750,000</b>	<b>\$1,385,000</b>	<b>\$731,357</b>	<b>\$1,500,000</b>	<b>\$2,907,539</b>	<b>\$3,200,000</b>	<b>\$2,950,000</b>	<b>\$1,988,968</b>	<b>\$350,000</b>	<b>\$16,872,864</b>

Estimated Annual Customer Revenues

		<u>Current Rate (1000 Gallons)</u>	<u>Amount</u>
Service Charge - 4" meter			\$ 880.90
Usage (Monthly Gallons)	13,000,000		
First 1,500	1,500	Min Allowance	-
Next 28,500	28,500	\$ 16.1472	460.20
Next 870,000	870,000	\$ 10.6158	9,235.75
Next 8,100,000	8,100,000	\$ 7.7315	62,625.15
All over 9,000,000	4,000,000	\$ 4.9389	19,755.60
<b>Total Monthly</b>	<b>13,000,000</b>		<b>\$ 92,957.60</b>
<b>Total 2024 (6 months)</b>	<b>78,000,000</b>		<b>\$ 557,745.60</b>