

ADDENDUM 3 – APPENDIX C - JEA DRAFT 2011 Depreciation Study Report 9-7-11
ITN 96845 DEPRECIATION STUDY SERVICES

DRAFT

DEPRECIATION RATE STUDY

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PREPARED FOR

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Section 1. Executive Summary

This report presents the results of our analysis of the depreciation expense requirements of the electric, water, wastewater, and chilled water utility properties solely owned and maintained by JEA (collectively referred to as the “combined utilities”). The results presented herein are representative of activity through May 2011 with recognition given to certain known and measurable changes that have occurred or are anticipated to occur subsequent to that date. We consider the rates developed and recommended herein to be reasonable and appropriate for prospective use. We recommend, however, that depreciation rates be reviewed at a minimum of once every five years. Ultimately, the appropriate level of depreciation expense rates is a management decision taking into account various factors.

Black & Veatch conducted physical inspections of major JEA facilities on June 14 through June 16, 2011. During these inspections, we interviewed and were assisted by JEA staff that appeared experienced, qualified, well trained, and knowledgeable with regard to JEA’s routine and preventative maintenance practices. We appreciate the cooperation we received during our field inspections.

Based on our inspections and interviews conducted, JEA appears to operate and maintain its systems prudently and in accordance with current regulatory standards and generally accepted industry practices.

Since 2005, JEA has accrued depreciation expense and maintained reserve balances as prescribed by the Federal Energy Regulatory Commission (FERC) for the electric system and the National Association of Regulatory Utility Commissioners (NARUC) for the water and wastewater systems. JEA currently accrues depreciation at the account level, and as such, we have identified appropriate rates for each applicable FERC and NARUC account.

Survivor curve analysis, and benchmarking of comparable utilities are relied upon in our analyses for mass property accounts. Because sufficient retirement history exists to perform survivor curve analyses on only a few accounts, we attempted to use the simulated plant balance approach to measure average service lives. However, a long history of plant additions and balances by account is not available to perform this type of analysis. We therefore relied upon data from other utilities for the balance of accounts for which survivor curve analyses could not be effectively utilized. The rates recommended in this report for mass property accounts are reflective of results derived from survivor curve analyses, where appropriate, and observations made relative to the aforementioned comparable utility survey.

In Section 2 of this report, we briefly discuss the practice of depreciation accounting.

In Section 3 we discuss, in general, the type of information examined in the analysis and the methods applied to develop depreciation expense rates. The results of the analyses performed are discussed in Sections 4 through 6. These discussions include a determination of whole life depreciation accrual rates for unit property accounts (Section 4), mass property accounts (Section 5), and our analysis of the adequacy of current depreciation reserve amounts and recommended

rates (Section 6). The depreciation expense rates developed for the purpose of this report are considered appropriate for use in the near future.

In the following table, we summarize the change in annual depreciation expense resulting from our recommended rates:

Recommended Change in Depreciation Expense

DESCRIPTION	\$
Electric Utility	
Steam Production	797,480
Other Production	(1,168,604)
Transmission	(13,718)
Distribution	94,608
General Plant	3,546,067
Water Utility	
Source of Supply & Pumping Plant	26,678
Water Treatment Plant	752,269
Transmission & Distribution Plant	3,969,505
General Plant	1,127,357
Wastewater Utility	
Collection Plant	3,121
System Pumping Plant	2,213,398
Treatment & Disposal Plant	2,326,411
Reclaimed Water Plant	371,105
Reclaimed Water Distribution Plant	94,387
General Plant	(1,414,309)
Chilled Water Utility	
Chilled Water Plant	101,512
TOTAL	12,827,267

As shown in the table above, the depreciation rates we recommend in this report result in an overall annual increase in depreciation expense of \$12.8 million. This is an increase of approximately 4.5 percent. The principal factors contributing to this recommended increase relate to:

- Office Furniture and Equipment – Computers. Approximately \$5 million of the increase to depreciation expense relates to computer equipment. We recommend a 20 percent depreciation rate for computers based on JEA’s planned life cycle replacement for computer equipment of nominally 5 years. We recommend that computer equipment be maintained as a separate subaccount from office furniture (desks, chairs, etc.). JEA currently follows this practice.
- Meters and AMR equipment. Approximately \$4 million of the increase to depreciation expense is related to the Water utility metering equipment. JEA currently depreciates water meters at 3.03

percent (nominally a 33 year life). Based on JEA's meter replacement and AMR implementation plans, we recommend a 5 percent depreciation rate for both Meters and AMR equipment. JEA informs us the new meters and AMR equipment has a manufactures expected life of 20 years. We believe that it is appropriate to reduce the expected life of JEA's existing meters in anticipation of early retirements due to the meter upgrade schedule.

- **Treatment and Disposal Equipment.** Approximately \$2.3 million of the increase to depreciation expense is related to wastewater treatment plants. Based on our unit property analysis of JEA's wastewater treatment plants, we recommend an increase from 3.34 percent to 3.87 percent on a composite basis. Our recommendation is based on the current level of investment in wastewater treatment plant as well as the estimated life spans, capital expenditures and interim activities.
- **Pumping Equipment** Approximately \$2.2 million of the increase to depreciation expense is related to pumping equipment. We recommend that a 5 percent depreciation rate be applied to all water and wastewater pumping equipment. Currently, JEA depreciates water pumps at a 5 percent rate, and wastewater pumps at a 3.43 percent rate. This recommendation is in line with the depreciation rates used by other water and wastewater utilities, and maintains consistency among JEA's water and wastewater utilities for similar equipment.

CONCLUSIONS AND RECOMMENDATIONS

- In order to have data specific to JEA to perform depreciation studies, we recommend JEA continue to maintain its books and records in accordance with the Uniform System of Accounts. JEA currently (since 1999) maintains detailed data regarding plant additions, retirements, and transfers by account, vintage year, and transaction year.
- We recommend JEA transfer depreciation reserve between accounts in the amounts set forth in Column M of Tables 6-1, 6-2, 6-3, and 6-4.
- We recommend JEA implement the recommended depreciation rates set forth in Section 6.0, Tables 6-1, 6-2 6-3, and 6-4 (Column R).
- We recommend JEA again review the adequacy of its depreciation rates in five years.
- During the course of our study, JEA asked that we comment on how to treat the unamortized portion of assets that retire before being fully depreciated. We believe the composite rates for mass property accounts are effective at balancing short lived assets with long lived assets and no further adjustment is warranted at this time. For unit property, we recommend that JEA implement an amortization for early retirements to be collected in addition to annual depreciation expense for large assets. JEA should implement this additional depreciation expense when a unit property is retired with a net plant value between 0.1 percent and 3.0 percent of total JEA annual depreciation expense. When the net plant value exceeds 3.0 percent of annual depreciation expense, JEA should amortize over multiple years, with a maximum of 3.0 percent per year. This recommendation should be reviewed by JEA's external auditor prior to implementation by JEA.

Section 2. Depreciation Accounting

The FERC Uniform System of Accounts defines “Depreciation” as:

“[T]he loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.”¹

Although this definition applies specifically to electric property, NARUC has a nearly identical definition applicable to other utility property.

Depreciation accounting provides a method whereby charges for the loss in service value are made against current income derived from operation of the utility. By properly charging depreciation, the total cost of utility property is appropriately distributed over the useful life in such a way as to equitably allocate cost to the period during which service is provided through the use and consumption of such property. It should be noted that for the purposes delineated herein, total cost represents gross plant investment less salvage value (if any) plus cost of removal.

ANNUAL DEPRECIATION EXPENSE

Annual depreciation expense represents the annual charge against income associated with the loss of service value of utility property. Historically, utilities have relied on a number of different methods to identify the appropriate level of depreciation expense. Some of these methods include:

- A direct apportionment by management;
- A percentage of revenues;
- An amount equal to the original cost investment retired during the year;
- A charge per unit of delivery (kWh, kW, Mcf, Ccf, gallons, etc.); and
- A percentage of the investment in depreciable property.

Currently, JEA (as do most utilities) calculates depreciation expense based on the application of a straight-line depreciation rate to the respective balance in each plant account. This rate, which represents a fixed percentage of investment, yields an annual depreciation expense that is intended to amortize the total cost (or original investment plus cost of removal less salvage) over the life of the property in generally equal amounts.

DEPRECIATION RESERVE

Depreciation reserve is a balance sheet item that reflects the accumulation of annual depreciation activities and associated retirement accounting. Under the FERC and NARUC System of Accounts, depreciation reserve is shown on the balance sheet as “Accumulated Provision for Depreciation.”

¹ Uniform System of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act. (18 CFR Part 101 Definitions). For the purposes of this report, we use the term “loss in service value” in the accounting sense where value represents the original cost of facilities.

The depreciation expense charged against income is credited to (accumulated in) depreciation reserve. For utility properties, FERC and NARUC provide that upon retirement of an asset, the utility depreciation reserve is reduced by the original cost of the asset retired, is increased by any benefits derived from the sale of assets removed (salvage), and reduced by the costs attributable to removal.² As such, the use of appropriate depreciation rates corresponding to the service life of utility properties will result in accruals to the depreciation reserve which equal the total investment ultimately retired, adjusted for salvage and cost of removal.

For the purposes of the report, we have included consideration for net salvage (salvage less cost of removal) where appropriate. More specifically, for those depreciation rates recommended for unit property accounts, and rates derived through actuarial analysis for mass property accounts, we have provided allowance for net salvage³ based on industry trends and our experience with similar property. For the mass property accounts, we have also used as a reference, the historical salvage, cost of removal and retirement experience of JEA. Additionally, for those recommended depreciation rates derived from the results of industry survey, an allowance for net salvage equal to that which is imbedded in those comparable utilities surveyed is incorporated in our recommended rates.

² Note that the depreciation practices for utilities as prescribed by FERC and NARUC differ substantially from the practices followed for non utility property.

³ Net salvage represents proceeds from sale of retired assets less cost of removal.

Section 3. Historical Information and Procedures

Depreciation expense rates are intended to recover the net investment (total cost) in utility property over its useful life. In this regard, depreciation rates typically consist of three components. The components, which are further defined below, include the following: (i) service life of the property; (ii) total cost to be recovered; and (iii) reserve requirements.

Normally, the determination of average service life is largely dependent on analyses of detailed utility records. Such records generally provide information regarding additions and retirements by transaction year (year added or retired) and vintage (year originally installed) for each account and for each generating, water treatment, and wastewater treatment plant. Once determined, we adjust average service life to reflect expectations over the remaining service life based on our experience, judgment, and those conditions anticipated to occur.

We normally develop average service lives by account. We first separate accounts into two groups: mass property and unit property. Mass property represents relatively homogeneous property units that tend to be retired individually. Meters, mains, conduit, conductor, services, and line transformers are examples of mass property. Conversely, unit property represents a more heterogeneous property group, which by the nature of their interconnected or integrated operations, tends to be retired simultaneously, or as a group. We normally consider power generation facilities for electric utilities and treatment facilities for water and wastewater utilities as unit property. Generally, utilities maintain detailed unit property data by physical location. Utilities typically maintain mass property data on an aggregate level.

For unit property accounts, we typically define service life based on planned retirement dates. For unit property, we normally develop a history of investment activity by account for each location or site. This life history reflects gross additions, retirements, surviving property and account balances. Based on the estimated life (planned retirement date) for each unit property (generating station, chilled water plant, water treatment plant, wastewater treatment plant), we typically forecast plant investment activity (interim additions, retirements and account balances) at the account level for each year that units within such an account are forecast to remain in service. We then calculate a whole life, straight line depreciation accrual rate by dividing the gross additions (original investment plus interim additions) by the sum of the annual depreciable plant balances over the life of the unit property. Gross additions include both historical and forecast additions and retirements to unit properties throughout the entire lifespan of such properties.

For mass property, we typically define service lives by account based on actuarial analyses (retirement or survivor curve analysis) or semi-actuarial analysis (simulated plant balance). These analyses, which are based on historical plant activity (retirements), utilize survivor curves to illustrate the percent of vintage additions surviving by age for each account. More specifically, using a least squares technique, actual survivor stub curves (specific to the utility property under investigation) are compared to general survivor curve types to identify the best fitting curves and lives. We use average service lives developed by this method as a principal method to determine a reasonable average service life applicable to each account. Appropriate whole life depreciation expense rates are then calculated by dividing one minus the expected net salvage ratio by the average service life. In addition to our analysis of historical experience, we consider our experience

in the industry, practices of other utilities, and basic information regarding expected life characteristics of the property. Results derived from the application of these methodologies are then evaluated in connection with other available information such as: (i) past, present and anticipated economic conditions; (ii) recent industry trends; and (iii) engineering experience and judgment.

Each of these techniques, including a summary of the information required and the information provided by JEA, are further discussed below.

JEA DATA

Currently JEA's books and records do not provide sufficient detailed data upon which to develop depreciation expense rates as outlined above. Data since 1999, when JEA converted to its existing accounting system (Power Plant), appear relatively complete. Data prior to 1999, however, is limited and does not provide sufficient detail to perform comprehensive analysis. JEA is not unique in this regard.

With limited exception, municipally owned utility systems do not have a comprehensive record of additions and retirements. Even though required by state and federal regulations to maintain detailed records in conformance with the Uniform System of Accounts, we have encountered investor-owned utility accounting records which do not have the required detail for one reason or another (often due to records system conversion). We do not believe that simply because JEA does not have a complete detailed record; JEA has been remiss or has failed to maintain sufficient records. JEA, as have other municipal systems we have worked with, did not preserve detail of somewhat limited value when changing accounting systems. Instead, in order to simplify changing systems, the utilities have "rolled-up" historical detailed data.

Where we have encountered investor-owned systems without a complete history of detailed data, we usually have been able to rely on less detailed data. As a result of federal and state regulatory requirements, investor-owned electric and gas systems had filed reports annually. These annual reports contain data regarding annual plant additions and plant balances by account. Usually investor-owned utilities have available most, if not all, of these reports for 50 or more years. We can rely on this data to perform semi-actuarial simulated plant balance studies, which provide some insight into historical retirement experience.

Municipally owned systems, on the other hand, do not have the detailed reporting requirement. While the utility may report (audit or other reports) total annual additions and plant balances, municipal utilities seldom report more detailed information by plant account.

We do not make the foregoing observations as an indictment of municipal accounting practices. We make these observations solely to demonstrate that any lack of detailed records that JEA has is by no means unique. We find that JEA's lack of detail is consistent with our experience with other municipal systems. In fact, if regulations did not require investor owned systems to maintain and report such detailed data, investor-owned systems would probably not maintain or report it.

JEA's historical data that we rely on include the following:

- Plant balances by account, by plant (for unit property), and by vintage (year of initial installation).
- Additions, retirements, and adjustments by account, by plant, and by vintage and by transaction year (year added, retired, or adjusted) from 1999 to date.

PLANNED RETIREMENTS (UNIT PROPERTY ACCOUNTS)

For JEA's unit property, data are limited upon which to develop an investment history. A complete life history reflects gross additions, retirements, surviving property, and account balances by year since the unit property initially went into service. Based on the estimated life (planned retirement date based on expected life span for the various units), we forecast plant investment activity (interim additions, retirements, and balances) for each year that we expect the property to remain in service. In the event that other reasonably anticipated planned additions and retirements are required in order for the property to reach the retirement date, we consider implications of such additions and retirements as well. We reviewed the 2010 Resource Master Plans of the respective utilities to identify anticipated retirement dates and major capital additions through 2020. In its Capital Improvement Plan (CIP), JEA identifies several major projects relating to the water and wastewater treatment plants. In addition, the resource plan indicates for certain water and wastewater treatment plants planned dates of retirement. We incorporate this information into our recommended depreciation rates.

JEA's CIP provides similar information regarding JEA's electric generating equipment, however JEA does not plan to retire any generating units in the next 10 years.

CTs have intensive maintenance requirements which over the life of the equipment may approach (in real dollars) the original investment in the equipment. These requirements are scheduled based on the number of starts and/or hours connected to load. Due to the magnitude of these activities and the somewhat infrequent occurrences, we recommend that JEA capitalize a portion of the cost and hence recover these costs through depreciation in generally equal annual amounts as opposed to expensing the full amounts with the corresponding fluctuations in earnings.

Specifically, consistent with our development of the recommended depreciation rate applicable to other electric producing equipment (combustion turbine based generation), we recommended that JEA capitalize the costs associated with "Hot Gas Path Inspections", and "Major Overhauls". Further, we recommend JEA expense normally expensed maintenance items which includes Combustion Inspections. Several of our depreciation clients expense Combustion Inspections.

As indicated above, with the exception of certain water and wastewater treatment plants, we are unable to identify planned retirement dates for JEA's unit property. In the absence of planned retirement dates, we developed reasonable life spans for each unit property based on our experience and consideration of our site inspections.

Based on the data described above, we calculate a whole life, straight line depreciation accrual rate by dividing the gross additions (original investment plus interim additions) by the sum of the annual depreciable balances over the life of the unit property accounts. Gross additions include both historical and forecast additions to plant in-service. Annual depreciable balances are based on

actual balances reported plus forecast balances, considering forecast additions and retirements. Our recommended rates for unit property accounts are discussed in Section 4.

RETIREMENT ANALYSIS (MASS PROPERTY ACCOUNTS)

In general, the level of effort required for any depreciation rate study is highly dependent upon the availability of CPR and fixed asset data and the available format and “condition” of this data. If CPR data is sufficiently complete, we use “retirement analysis” or survivor curve analysis as the primary measure of average service life for mass property accounts. In performing retirement analyses, we rely on computerized statistical routines to determine the average service life which best fits historical data using individual generalized survivor curves, typically referred to as “Iowa Curves.” A comparison of the statistical fits of the various Iowa Curves (using the “best fitting” average service life) provides an indication of the average service life of mass properties based on historical retirements.

In this regard, JEA provided original cost account balances by vintage year along with subsequent additions, retirements, and transfers for the period September 2000 to May 2011. Eleven years of retirement history seldom provides sufficient detail to perform reliable retirement analysis. We prefer 30 years of data but can often get reasonable results with less, provided vintage plant balances are reliable and available retirement data is reasonable. We conducted retirement analyses for all electric, water and wastewater mass property accounts. The results of the analyses were generally not statistically robust. For accounts that produced curve fits, we used the resulting average service lives as a directional guide for making our depreciation recommendation.

SIMULATED PLANT BALANCE (MASS PROPERTY ACCOUNTS)

As an alternative to retirement analysis, we normally rely on a method referred to as the simulated plant balance approach. We use the simulated plant balance method when aged retirement data are unavailable or insufficient. In order to estimate average service lives using the simulated plant balance approach, we require a history (preferably at least 30 years) of annual additions and end of year plant balances by account. In the simulated plant balance approach, each of a number of combinations of survivor curves and average service lives is used to compute a series of plant balances at the end of a number of chosen time periods. We test each combination to determine which calculated plant balances most closely simulates the actual book balances.

As discussed earlier, JEA does not have a history of annual additions and end of year plant balances by account. With only eleven years of required data, we are unable to conduct a reasonable simulated plant balance analysis.

COMPARABLE UTILITY ANALYSIS (MASS PROPERTY ACCOUNTS)

Because reliable data does not exist to use survivor curve analysis or the simulated plant balance method for most mass property accounts, we relied on benchmarking as the primary approach to determine average service lives (depreciation rates). In Appendix A, we show depreciation rates that we summarized for surveyed electric, water, wastewater and chilled water utilities. Using this data, we determine the median depreciation rates for each mass property account. We consider these median values to be a preliminary indication of the appropriate depreciation rates. The

results derived from the aforementioned survey activities are summarized below for the electric, water, wastewater, and chilled water systems.

Comparable Electric Utilities

We surveyed depreciation expense rates used by 12 electric utilities across the nation. The complete listing of utilities in our survey can be found in Appendix A. The utilities include Florida investor-owned systems and electric utilities serving approximately the same number of customers as JEA.

In Table 3-1 we summarize the median, mean (average), first quartile (25th percentile), and third quartile (75th percentile) depreciation expense rates from our electric utility survey and compare those to JEA's existing depreciation expense rates for mass property accounts. We provide a median value depreciation expense rate in order to eliminate the effect of outliers. In addition, we show quartiles to demonstrate a more reasonable measure of range rather than simple minimum and maximum values. We also show the number of data points included for each account in Table 3-2. In Appendix A, we present additional detail.

As shown in Table 3-1 for most accounts, JEA's existing depreciation rates fall within the first and third quartiles used by comparable utilities.

Comparable Water and Wastewater Utilities

Similar to the process outlined above for the electric system, we conducted a survey of 17 water and 16 wastewater utilities located in Florida. The complete listing of utilities in our survey can be found in Appendix A. The utilities surveyed ranged in size from nominally less than 1,000 customers to greater than 36,000 customers. Data was gathered from Annual Reports filed before the Florida Public Service Commission.

In Tables 3-2 and 3-3, we summarize the median, first quartile (25th percentile), and third quartile (75th percentile) depreciation expense rates from our water and wastewater utility survey and compare those to JEA's existing depreciation expense rates by NARUC account. The rates listed below for JEA and the comparable utilities are representative of a composite rate considering all functional components of the NARUC system of accounts.

As shown in Tables 3-2 and 3-3, for JEA's water and wastewater utilities, existing depreciation rates for a number of accounts fall outside the range of the first and third quartiles.

Comparable Chilled Water Utilities

Our survey of chilled water utilities resulted in only one similar utility (OUC).

Table 3-1 Depreciation Results of Electric Utility Analysis

ACCT.	DESCRIPTION	MEDIAN	1ST QUART.	3RD QUART.	DATA PTS.	JEA EXISTING
311	Structures & Improvements	2.14%	1.73%	2.58%	6	2.87%
312	Boiler Plant Equipment	2.70%	2.42%	3.62%	6	4.45%
314	Turbogenerator Equipment	2.40%	2.10%	2.56%	6	1.95%

ACCT.	DESCRIPTION	MEDIAN	1ST QUART.	3RD QUART.	DATA PTS.	JEA EXISTING
315	Accessory Electric Equipment	2.80%	2.46%	3.01%	6	1.23%
316	Miscellaneous Plant Equipment	2.81%	2.42%	3.64%	6	3.48%
341	Structures & Improvements	3.49%	2.87%	4.04%	5	4.15%
342	Fuel Holders, Producers/Accessories	3.45%	2.88%	4.04%	5	3.42%
343	Prime Movers	3.45%	3.17%	3.75%	3	2.02%
344	Generators	3.35%	2.59%	3.99%	6	5.52%
345	Accessory Electric Equipment	3.58%	2.88%	4.04%	5	3.08%
346	Miscellaneous Plant Equipment	3.66%	3.35%	3.87%	4	4.14%
352	Structures & Improvements	1.90%	1.71%	2.08%	11	2.24%
353	Station Equipment	2.25%	1.98%	2.63%	12	2.54%
354	Towers & Fixtures	2.20%	1.97%	2.36%	12	2.14%
355	Poles & Fixtures	3.24%	2.81%	3.49%	12	3.27%
356	Overhead Conductors & Devices	2.57%	2.28%	3.02%	12	2.51%
357	Underground Conduit	1.90%	1.70%	2.05%	8	1.81%
358	Underground Conductors & Devices	2.18%	2.05%	2.24%	8	2.11%
359	Roads & Trails	1.83%	1.41%	2.13%	8	1.76%
361	Structures & Improvements	2.20%	1.79%	2.48%	11	2.43%
362	Station Equipment	2.57%	2.14%	2.74%	12	2.20%
364	Poles, Towers & Fixtures	4.20%	3.73%	4.33%	11	3.98%
365	Overhead Conductors & Devices	3.34%	2.75%	3.81%	11	4.67%
366	Underground Conduit	2.00%	1.81%	2.58%	11	2.33%
367	Underground Conductors & Devices	2.90%	2.54%	3.38%	11	2.55%
368	Line Transformers	3.31%	2.84%	3.57%	11	3.67%
369	Services	3.80%	3.18%	3.95%	11	5.37%
370	Meters	3.89%	3.54%	5.08%	11	5.91%
371	Installations on Customers' Premises	4.00%	3.82%	5.77%	9	4.63%
373	Street Lighting & Signal Systems	3.66%	3.24%	5.26%	11	5.27%
390	Structures & Improvements	2.48%	2.26%	2.85%	10	3.07%
391	Office Furniture & Equipment	4.98%	4.23%	14.30%	9	10.35%
391	Computer Equipment	11.41%	10.06%	12.69%	6	0.00%
392	Transportation Equipment	7.51%	6.81%	9.08%	10	7.50%
393	Stores Equipment	3.36%	3.30%	6.02%	8	5.39%
394	Tools, Shop & Garage Equipment	4.67%	3.98%	9.17%	10	6.69%
395	Laboratory Equipment	4.04%	2.74%	6.25%	10	4.00%

ACCT.	DESCRIPTION	MEDIAN	1ST QUART.	3RD QUART.	DATA PTS.	JEA EXISTING
396	Power Operated Equipment	5.88%	5.23%	6.32%	10	6.63%
397	Communications Equipment	5.67%	4.29%	6.66%	10	6.66%
398	Miscellaneous Equipment	5.00%	4.43%	7.99%	9	4.00%
399	Other Tangible Property	0.00%	0.00%	0.00%	0	8.67%

Table 3-2 Depreciation Results of Water Utility Analysis

ACCT.	DESCRIPTION	MEDIAN	1ST QUART.	3RD QUART.	DATA PTS.	JEA EXISTING
304	Structure and Improvements	3.03%	3.03%	3.24%	16	3.03%
305	Collecting and Impounding Reservoirs	2.00%	2.00%	2.79%	3	1.85%
306	Lake, River and Other Intakes	2.50%	2.50%	2.50%	2	2.82%
307	Wells and Springs	3.33%	3.33%	3.70%	17	3.33%
308	Infiltration Galleries and Tunnels	2.50%	2.50%	2.50%	2	2.50%
309	Supply Mains	2.86%	2.86%	3.13%	13	2.88%
310	Power Generation Equipment	5.00%	5.00%	5.22%	12	5.00%
311	Pumping Equipment	5.00%	5.00%	5.00%	17	5.00%
320	Water Treatment Equipment	4.55%	4.55%	5.88%	17	3.78%
330	Distribution Reservoirs and Standpipes	2.70%	2.70%	2.87%	15	3.28%
331	Transmission and Distribution Mains	2.33%	2.33%	2.37%	16	2.32%
333	Services	2.50%	2.50%	2.63%	16	2.50%
334	Meters and Meter Installations	5.00%	5.00%	5.00%	17	3.03%
335	Hydrants	2.22%	2.22%	2.31%	15	2.34%
336	Backflow Prevention Devices	6.67%	6.67%	6.67%	5	10.00%
339	Other Plant / Miscellaneous Equipment	4.00%	4.00%	4.39%	12	5.00%
340	Office Furniture and Equipment	6.67%	6.67%	6.67%	16	10.35%
340	Office Equipment - Computers	16.67%	16.67%	18.34%	3	0.00%
341	Transportation Equipment	16.67%	16.67%	16.67%	14	7.50%
342	Stores Equipment	5.56%	5.28%	5.56%	3	5.39%
343	Tools, Shop and Garage Equipment	6.25%	6.25%	6.67%	13	6.69%
344	Laboratory Equipment	6.67%	6.67%	7.50%	8	4.00%
345	Power Operated Equipment	8.33%	8.33%	8.33%	9	6.63%
346	Communication Equipment	10.00%	10.00%	10.00%	9	6.66%
347	Miscellaneous Equipment	6.67%	6.67%	6.67%	8	4.00%
348	Other Tangible Plant	10.00%	10.00%	10.00%	9	8.67%

Table 3-3 Depreciation Results of Wastewater Utility Analysis

ACCT.	DESCRIPTION	MEDIAN	1ST QUART.	3RD QUART.	DATA PTS.	JEA EXISTING
354	Structures and Improvements	3.13%	3.13%	3.70%	15	3.13%
355	Power Generation Equipment	5.00%	5.00%	5.00%	7	5.00%
360	Collection Sewers - Force	3.33%	3.33%	3.61%	14	3.33%
361	Collection Sewers - Gravity	2.22%	2.22%	2.50%	13	2.23%
362	Special Collecting Structures	2.50%	2.50%	2.70%	9	3.12%
363	Services to Customers	2.63%	2.63%	2.86%	13	2.63%
364	Flow Measuring Devices	20.00%	20.00%	20.00%	9	5.41%
365	Flow Measuring Installations	2.63%	2.63%	2.63%	5	5.96%
366	Reuse Services	2.50%	2.50%	2.50%	5	2.00%
367	Reuse Meters and Meter Installations	5.00%	5.00%	5.00%	4	2.22%
370	Receiving Wells	3.33%	3.33%	4.00%	11	2.50%
371	Pumping Equipment	5.56%	5.56%	5.56%	13	3.43%
374	Reuse Distribution Reservoirs	2.70%	2.70%	2.70%	2	2.70%
375	Reuse Transmission and Dist. System	2.33%	2.33%	2.33%	7	2.22%
380	Treatment and Disposal Equipment	5.56%	5.56%	5.56%	13	3.51%
381	Plant Sewers	2.86%	2.86%	2.86%	5	4.72%
382	Outfall Sewer Lines	3.33%	3.33%	3.33%	7	4.03%
389	Other Plant / Miscellaneous Equipment	5.56%	5.56%	5.73%	12	4.05%
390	Office Furniture and Equipment	6.67%	6.67%	6.67%	11	10.35%
391	Transportation Equipment	16.67%	16.67%	16.67%	9	7.50%
392	Stores Equipment	5.56%	5.56%	5.56%	4	5.39%
393	Tools, Shop and Garage Equipment	6.25%	6.25%	6.25%	9	6.69%
394	Laboratory Equipment	6.67%	6.67%	6.67%	7	4.00%
395	Power Operated Equipment	8.33%	8.33%	8.33%	9	6.63%
396	Communication Equipment	10.00%	10.00%	10.00%	5	6.66%
397	Miscellaneous Equipment	6.67%	6.67%	6.67%	5	4.00%
398	Other Tangible Plant	10.00%	10.00%	10.00%	8	8.67%

Section 4. Unit Property

In Tables 4-1, 4-2, and 4-3, we summarize whole life depreciation accrual rates for the unit properties of the electric, water, wastewater, and chilled water utilities by FERC and NARUC account numbers, as applicable. The whole life accrual rate is defined as the rate which, when applied to annual depreciable plant balances, will result in recovery of the original cost of gross additions, including net salvage, over the entire life of a property. The depreciation accrual rates applicable to unit property developed in this report are based on application of the whole life method

We show summary data regarding the unit property owned by JEA as of May 2011 in Tables 4-3 through 4-5. The retirement dates shown for each of the unit properties are based on our experience and general guidelines regarding the lifespan of utility properties comparable to JEA's. The lifespan values represent reasonable levels based on our experience in a variety of settings, as well as information ascertained from JEA's Master Plan and CIP.

In Table 4-4, we summarize the in-service date, projected retirement date, capacity, unit type and fuel type for each generating unit. JEA solely owns and operates electric generating equipment at five sites. These are identified as J. Dillon Kennedy; Northside; Brandy Branch; Girvin Road; and the recently completed Greenland. The aggregate capacity of JEA's solely owned generation amounts to nominally 2,558 MW in the summer and 2,887 in the winter⁴.

We summarize information regarding JEA's water and wastewater unit properties in Tables 4-5 and 4-6. In these tables we show the in-service date, projected retirement date, and associated capacity of each plant. JEA's water treatment facilities consist of 35 water treatment plants (WTPs) having an aggregate capacity (average daily flow rate) of approximately 299 MGD. Capacities of the WTPs range from 0.1 MGD to 23.1 MGD. JEA's wastewater treatment facilities consist of 15 wastewater treatment plants (WWTPs) having a combined capacity of approximately 124 MGD.

We summarize information regarding JEA's chilled water unit properties in Table 4-7. There are four chilled water plants currently operating in JEA's District Energy Service (DES). These plants have an aggregate capacity of 15,500 tons. DES was established as a separate utility system within JEA in October 2004.

The annual accrual rates we develop will, if applied to annual unit property account balances over the entire life of the various properties from the year of commercial operation to the year of retirement, recover JEA's investment, including consideration for the impact of net salvage. The principal forecasts, for which assumptions are made, that we rely on in the analyses include:

- The retirement date (life span) of the individual facilities.
- The level of interim additions and retirements.
- The level of major plant additions, upgrades, and improvements anticipated for the individual units over the next 10 years.

⁴ In addition to the capacity of this solely owned equipment, JEA jointly owns the St. John's River Power Park and Schereer Unit 4.

- The net salvage values associated with interim and final retirements.

With regard to major plant additions, upgrades, and improvements, we have included only those items identified in the CIP and the Resource Master Plans.

Table 4-1 Depreciation Rate Analysis – Electric Unit Properties

FERC ACCOUNT		DEPRECIATION RATE		NET SALVAGE
No.	Description	Existing	Indicated	
Steam Production				
311	Structures and Improvements	4.45%	3.71%	-5.00%
312	Boiler Plant Equipment	1.95%	3.38%	-5.00%
314	Turbogenerator Units	1.23%	3.43%	-5.00%
315	Accessory Generation Equipment	3.48%	4.14%	-5.00%
316	Miscellaneous Power Plant Equip.	3.48%	3.54%	-5.00%
Other Production				
341	Structures and Improvements	3.42%	4.90%	-5.00%
342	Fuel Holders	2.02%	4.83%	-5.00%
346	Prime Movers	5.52%	4.75%	-5.00%
344	Generators	3.08%	4.02%	5.00%
345	Accessory Electrical Equipment	4.14%	3.90%	-2.00%
346	Miscellaneous Power Plant Equip.	4.69%	4.52%	-2.00%

Table 4-2 Depreciation Rate Analysis – Water and Wastewater Unit Properties

JEA ACCOUNT		DEPRECIATION RATE		NET SALVAGE
No.	Description	Existing	Indicated	
Water Treatment				
804.3	Structures & Improvements	3.03%	4.31%	-10.00%
811.3	Pumping Equipment	5.00%	5.00%	-10.00%
820.3	Water Treatment Equipment	3.78%	3.86%	-10.00%
Wastewater Treatment and Disposal				
854.4	Structures and improvements	3.13%	4.12%	-10.00%
855.4	Power Generation Equipment	5.00%	5.84%	-10.00%
880.4	Treatment & Disposal Equipment	3.51%	3.75%	-10.00%
881.4	Plant Sewer	4.72%	3.10%	-10.00%
882.4	Outfall Sewer Line	4.03%	3.57%	-10.00%
889.4	Other Plant & Misc. Equipment	4.05%	4.03%	-10.00%

Table 4-3 Depreciation Rate Analysis – Chilled Water Unit Properties

JEA ACCOUNT		DEPRECIATION RATE		NET SALVAGE
No.	Description	Existing	Indicated	
362	Station Equip - Chilled Water	4.00%	4.19%	-5.00%
369	Services - Chilled Water	4.00%	3.87%	-5.00%
390	Structures - Chilled Water	4.00%	4.15%	-5.00%

Table 4-4 Summary of Electric Plant Characteristics

PLANT/UNIT	IN-SERVICE DATE	ESTIMATED RETIREMENT DATE	CAPACITY ⁽¹⁾	UNIT TYPE ⁽²⁾	FUEL TYPE ⁽³⁾	ESTIMATED AGE AT RETIREMENT
Kennedy						
Unit 7	2000	2030	191	CT	G/LO	30
Unit 8	2009	2039	191	CT	G/LO	30
Northside						
Unit 1	2003 ⁽⁴⁾	2037	293	ST	PC/C	40
Unit 2	2002 ⁽⁴⁾	2037	293	ST	PC/C	40
Unit 3	1977	2029	524	ST	G/HO	52
Unit 3	1975	2020	62	CT	LO	45
Unit 4	1975	2020	62	CT	LO	45
Unit 5	1974	2020	62	CT	LO	46
Unit 6	1974	2020	62	CT	LO	46
Brandy Branch						
Unit 1	2001	2031	191	CT	G/LO	30
Unit 2	2001	2031	191	CT	G/LO	30
Unit 3	2001	2031	191	CT	G/LO	30
Unit 2-3	2004	2031	223	CC	ST	26
Girvin	1997	2027	1.2	IN	LG	30
Greenland						
Unit 1	2011	2041	175	CT	NG	30
Unit 2	2011	2041	175	CT	NG	30

Source – JEA Resource Master Plan Table R-5

⁽¹⁾Winter capacity shown in megawatts (MW).⁽²⁾CT – Combustion Turbine; ST – Steam Turbine; IC – Internal Combustion Engine; CC – Steam Turbine Component of Combined Cycle.⁽³⁾LO – Light Oil; G – Natural Gas; PC – Pet Coke; C – Coal; HO – Heavy Oil; LG – Landfill Gas.⁽⁴⁾Retrofit boilers. Original install dates: Unit1, 1966; Unit 2, 1972.

Table 4-5 Summary of Water Plant Characteristics

PLANT/UNIT	IN-SERVICE DATE	ESTIMATED RETIREMENT DATE	CAPACITY ⁽¹⁾	ESTIMATED AGE AT RETIREMENT
Main St.	1890	2030	23.1	140
Lakeshore	1950	2025	12.5	75
Fairfax	1950	2025	13.3	75
Norwood	1950	2025	8.9	75
McDuff	1950	2025	16.1	75
A1A North	1965	2030	0.09	65
A1A South	1965	2030	0.09	65
Woodmere	1965	2030	3.5	65
Corona Rd.	1968	2030	2.1	62
Ponte Vedra North	1968	2030	0.9	62
Lovegrove	1971	2030	5.8	59
Royal Lakes	1972	2030	7	58
Marietta	1974	2030	8.3	56
Oakridge	1977	2030	13.2	53
Southwest	1981	2031	18.7	50
Monument	1985	2035	2.5	50
Ponce Deleon	1988	2038	1.2	50
St. Johns North	1988	2038	3.2	50
Lofton Oaks	1989	2039	0.14	50
Arlington	1991	2041	9.4	50
Mayport	1993	2043	0.19	50
Community Hall	1994	2044	13	50
Otter Run	1995	2045	0.4	50
Southeast	1995	2045	5.5	50
Ridenour	1996	2046	22.3	50
Brierwood	1999	2049	18	50
Julington Creek	1999	2049	4.3	50
Highlands	2001	2051	21	50
Hendricks	2001	2051	16.6	50
St. Johns Forest	2002	2052	4.8	50
Westlake	2002	2052	3	50
Cecil Commerce	2004	2054	10.8	50
Beacon Hills	2010	2060	1.8	50
Deerwood 3	1998	2048	22.6	50
Yulee Regional	2010	2060	4.8	50

Source: 2011 Annual Water Resource Master Plan, based on Limiting Capacity, Page 37.

(1)Capacity shown in millions of gallons per day (MGD) on an average daily basis.

Table 4-6 Summary of Wastewater Plant Characteristics

PLANT/UNIT	IN-SERVICE DATE	ESTIMATED RETIREMENT DATE	CAPACITY ⁽¹⁾	ESTIMATED AGE AT RETIREMENT
Jacksonville Heights	1957	2013	2.5	56
Buckman	1961	2030	52.5	69
District 2	1970	2030	10	60
San Jose	1976	2013	2.25	37
Southwest	1976	2030	14	54
Arlington East	1978	2030	20	52
Beacon Hills	1982	2012	0.84	30
Royal Lakes	1988	2012	3.25	24
Nassau Regional	1989	2039	1.365	50
Julington Creek	1993	2019	1	26
Ponce De Leon	1995	2045	0.1	50
Monterey	1996	2046	3.6	50
Mandarin	1998	2048	8.75	50
Blacks Ford	1999	2049	3	50
Ponte Vedra	2004	2054	0.8	50

Source: Current Permit Capacity, 2011 Annual Water Resource Master Plan, Page 115.

(1) Capacity shown in millions of gallons per day (MGD) on an average daily basis.

Table 4-7 Summary of Chilled Water Plant Characteristics

PLANT/UNIT	IN-SERVICE DATE	ESTIMATED RETIREMENT DATE	CAPACITY ⁽¹⁾	ESTIMATED AGE AT RETIREMENT
Springfield	2005	2035	6,100	30
Downtown	2003	2033	4,800	30
Hogan's Creek	2001	2031	4,000	30
San Marco	2007	2037	600	30

Source: DES Executive Business Summary, 4/18/2011.

(1) Capacity shown in tons.

Section 5. Mass Property

For mass property accounts (transmission, distribution, collection, general plant, etc.), we develop base (indicated) depreciation rates based on retirement analyses (where applicable) and the depreciation rates reported by comparable utilities, as previously discussed in Section 3. In this section, we summarize JEA's existing and indicated base accrual rates and the annual change in depreciation expense which results if these indicated rates are applied to the depreciable plant balance.

There are two fundamental approaches (methods) used to develop depreciation rates. These are the whole life approach and the remaining life approach. The basic equation used to determine a whole life depreciation rate is as follows:

$$\text{Whole Life Rate} = \frac{1 - \text{Salvage Ratio}}{\text{Estimated Average Life}}$$

As evident from the above, this equation consists of two elements. The first element reflects recovery of the initial investment. The second element reflects recovery of net salvage. As we previously indicated, the purpose of considering net salvage in determining the accrual rate is to credit salvage and recover cost of removal over the life of the property.

An underlying assumption of the whole life method is that for mass property accounts, as property is retired and new property is installed, the average service life of the group does not change significantly. The whole life method is predicated on homogeneity of the property units included in this group. For mass property accounts that have significant retirement history, where vintage retirement history is available, and where we consider life characteristics in the future to be similar to those observed in the past, we use an actuarial analysis as the principal basis to estimate average service life.

Conversely, the basic equation used to determine a remaining life depreciation rate is as follows:

$$\text{Remaining Life Rate} = \frac{1 - \text{Salvage Ratio} - \text{Reserve Ratio}}{\text{Estimated Average Remaining Life}}$$

As demonstrated above, the whole life and remaining life equations are comparable. The only difference is, as the names imply, that under the whole life approach, investment is recovered equally over the entire life. With the remaining life method, undepreciated investment is recovered over the remaining life. So long as no change in life or other characteristics occur, the whole life and remaining life depreciation rates will be the same.

In order to develop the annual accrual rates for the mass property accounts using the whole life methodology, we determine the expected average service life and the general survivor curve type that reasonably approximates retirement experience. JEA provided available detailed historical data for each mass property account. This data includes additions, retirements and transfers by vintage and transaction year from beginning of Fiscal Year 2000 through the period ending May 2011.

Upon receipt of this data, we verified its reasonableness and accuracy. In addition, we adjusted certain data to eliminate negative vintage year and account balances. We analyze in detail the original cost additions by vintage year along with retirements and adjustments for each year in which data was provided to develop survivor curves based on the life (retirement) history of each mass property account. “Stub survivor curves” are developed since the development of a complete survivor curve is not possible until all properties have been retired. Theoretically, a complete survivor curve can only be developed after a period of time equal to approximately twice the average service life and then only if the number of property units retired is sufficient to produce meaningful results. As we previously discussed, we are able to generate reasonable results for many accounts, however the results of the analyses were generally not statistically robust. Additionally, the actuarial results generally indicate lower depreciation rates than those currently used by JEA as well as those resulting from our survey of comparable utilities. For accounts that produced curve fits, we used the resulting average service lives as a directional guide for making our depreciation recommendation. We have summarized the actuarial results in Table 5-1.

We base our recommendation of indicated depreciation accrual rates on a number of factors. In general, for accounts where the existing depreciation rate is within the bounds of our comparable utility survey, we have left the rate unchanged. For those mass property accounts which fall outside of the bounds of the comparable utilities, we use our actuarial results to provide an indication of whether the lives are trending longer or shorter, and adjusted the depreciation recommendation accordingly. As a result, we shifted the depreciation rates gradually towards the median for several accounts where the actuarial results indicate actual experience is much different from the depreciation rate. In Tables 5-2 through 5-4, we summarize existing and indicated base accrual rates for each mass property account. Although no net salvage ratio is explicitly stated for these accounts, inherent in the results observed for the surveyed utilities is an implicit allowance.

For general plant, we set the depreciation rates applicable to water and wastewater general plant equal to the rates for electric utility. We are unaware of any justification for general plant depreciation rates to differ dramatically between the various utilities. This approach is consistent with JEA’s current practice.

Table 5-1 Depreciation Rate Analysis – Mass Property Accounts Retirement Analysis

ACCT.	DESCRIPTION	ACTUARIAL INDICATED		JEA EXISTING	BENCHMARK SURVEY	
		ASL ⁽¹⁾	Rate ⁽²⁾		Median	3rd Quartile
Electric Mass Property						
352	Structures and Improvements	no fit	na	2.24%	1.90%	2.08%
353	Station Equipment	58	1.72%	2.54%	2.25%	2.63%
354	Towers and Fixtures	no fit	na	2.14%	2.20%	2.36%
355	Poles and Attachments	45	2.22%	3.27%	3.24%	3.49%
356	Overhead Conductor and Devices	65	1.54%	2.51%	2.57%	3.02%
357	Underground Conduit	no fit	na	1.81%	1.90%	2.05%
358	Underground Conductor and Devices	79	1.27%	2.11%	2.18%	2.24%
359	Roads and Trails	no fit	na	1.76%	1.83%	2.13%
361	Structures and Improvements	59	1.69%	2.43%	2.20%	2.48%
362	Station Equipment	48	2.08%	2.20%	2.57%	2.74%
364	Poles, Towers, and Fixtures	42	2.38%	3.98%	4.20%	4.33%
365	Overhead Conductor and Devices	36	2.78%	4.67%	3.34%	3.81%
366	Underground Conduit	58	1.72%	2.33%	2.00%	2.58%
367	Underground Conductor and Devices	51	1.96%	2.55%	2.90%	3.38%
368	Line Transformers	30	3.33%	3.67%	3.31%	3.57%
369	Services	54	1.85%	5.37%	3.80%	3.95%
370	Meters	21	4.76%	5.91%	3.89%	5.08%
371	Installations on Customer Premises	no fit	na	4.63%	4.00%	5.77%
373	Street Light and Signal Systems	30	3.33%	5.27%	3.66%	5.26%
Water Mass Property						
804.2	Structures & Improvements	45	2.22%	3.03%	3.03%	3.24%
805.2	Collecting & Impounding Reservoirs	107	0.93%	1.85%	2.00%	2.79%
806.2	Lake, River & Other Intakes	no fit	na	2.82%	2.50%	2.50%
807.2	Wells & Springs	74	1.35%	3.33%	3.33%	3.70%
808.2	Infiltration Galleries & Tunnels	no fit	na	2.50%	2.50%	2.50%
809.2	Supply Mains	54	1.85%	2.88%	2.86%	3.13%
810.2	Power Generation Equipment	23	4.35%	5.00%	5.00%	5.22%
811.2	Pumping Equipment	52	1.92%	5.00%	5.00%	5.00%
804.4	Structures & Improvements	45	2.22%	3.03%	3.03%	3.24%
811.4	Pumping Equipment	52	1.92%	5.00%	5.00%	5.00%
830.4	Distribution Reservoirs & Standpipes	37	2.70%	3.28%	2.70%	2.87%
831.4	Transmission & Distribution Mains	56	1.79%	2.32%	2.33%	2.37%
833.4	Services	50	2.00%	2.50%	2.50%	2.63%
834.4	Meters & Meter Installations	40	2.50%	3.03%	5.00%	5.00%
835.4	Hydrants	46	2.17%	2.34%	2.22%	2.31%

ACCT.	DESCRIPTION	ACTUARIAL INDICATED		JEA EXISTING	BENCHMARK SURVEY	
		ASL ⁽¹⁾	Rate ⁽²⁾		Median	3rd Quartile
836.4	Backflow Prevention Devices	20	5.00%	10.00%	6.67%	6.67%
839.4	Other Plant & Miscellaneous Equipment	no fit	na	5.00%	4.00%	4.39%
Wastewater Mass Property						
854.2	Structures & Improvements	76	1.32%	3.13%	3.13%	3.70%
855.2	Power Generation Equipment	22	4.55%	5.00%	5.00%	5.00%
860.2	Collection Sewers - Force	43	2.33%	3.33%	3.33%	3.61%
861.2	Collection Sewers - Gravity	55	1.82%	2.23%	2.22%	2.50%
862.2	Special Collecting Sewers	17	5.88%	3.12%	2.50%	2.70%
863.2	Services to Customers	51	1.96%	2.63%	2.63%	2.86%
864.2	Flow Measuring Devices	28	3.57%	5.41%	20.00%	20.00%
865.2	Flow Measuring Installations	no fit	na	5.96%	2.63%	2.63%
889.2	Other Plant & Miscellaneous Equipment	9	11.11%	4.05%	5.56%	5.73%
854.3	Structures & Improvements	76	1.32%	3.13%	3.13%	3.70%
855.3	Power Generation Equipment	22	4.55%	5.00%	5.00%	5.00%
870.3	Receiving Wells	37	2.70%	2.50%	3.33%	4.00%
871.3	Pumping Equipment	59	1.69%	3.43%	5.56%	5.56%
889.3	Other Plant & Miscellaneous Equipment	9	11.11%	4.05%	5.56%	5.73%
854.5	Structures & Improvements	76	1.32%	3.13%	3.13%	3.70%
855.5	Power Generation Equipment	22	4.55%	5.00%	5.00%	5.00%
871.5	Pumping Equipment	59	1.69%	3.43%	5.56%	5.56%
874.5	Reuse Distribution Reservoirs	no fit	na	2.70%	2.70%	2.70%
880.5	Treatment & Disposal Equipment	no fit	na	3.51%	5.56%	5.56%
854.6	Structures & Improvements	76	1.32%	3.13%	3.13%	3.70%
867.6	Reuse Meters & Meter Installations	no fit	na	2.22%	5.00%	5.00%
875.6	Reuse Transmission & Dist.System	no fit	na	2.22%	2.33%	2.33%
Combined General Plant Mass Property						
	Structures and Improvements	33	3.03%	3.07%	2.48%	2.85%
	Office Furniture and Equipment	15	6.67%	4.00%	4.98%	14.30%
	Transportation Equipment	12	8.33%	7.50%	7.51%	9.08%
	Stores Equipment	38	2.63%	5.39%	3.36%	6.02%
	Tools, Shop, and Garage Equipment	24	4.17%	6.69%	4.67%	9.17%
	Laboratory Equipment	17	5.88%	4.00%	4.04%	6.25%
	Mobile Equipment	15	6.67%	6.63%	5.88%	6.32%
	Communications Equipment	27	3.70%	6.66%	5.67%	6.66%
	Miscellaneous Equipment	22	4.55%	4.00%	5.00%	7.99%
	Other Tangible Property	19	5.26%	8.67%	0.00%	0.00%
(1) Average Service Life rounded to full year.						

ACCT.	DESCRIPTION	ACTUARIAL INDICATED		JEA EXISTING	BENCHMARK SURVEY	
		ASL ⁽¹⁾	Rate ⁽²⁾		Median	3rd Quartile
(2) Excludes allowance for net salvage						

Table 5-2 Summary of Existing and Indicated Rates – Electric Utility

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
	FERC		Depreciable	Base Accrual Rate		Difference in Depreciation	
Line	Acct.	Description	Plant ⁽¹⁾	Existing	Indicated ⁽²⁾	Amount	Percent
1		Transmission					
2	350	Land and Land Rights	\$ 31,448,974	0.00%	0.00%	\$ -	0.00%
3	352	Structures and Improvements	27,942,120	2.24%	2.24%	-	0.00%
4	353	Station Equipment	233,062,655	2.54%	2.54%	-	0.00%
5	354	Towers and Fixtures	26,878,398	2.14%	2.14%	-	0.00%
6	355	Poles and Attachments	92,505,428	3.27%	3.24%	(27,752)	-0.92%
7	356	Overhead Conductor and Devices	66,803,715	2.51%	2.51%	-	0.00%
8	357	Underground Conduit	10,750,172	1.81%	1.81%	-	0.00%
9	358	Underground Conductor and Devices	21,590,077	2.11%	2.18%	14,034	3.08%
10	359	Roads and Trails	2,488,057	1.76%	1.76%	-	0.00%
11		Total Transmission	\$ 513,469,596	2.44%	2.43%	\$ (13,718)	-0.11%
12		Distribution					
13	360	Land and Land Rights	\$ 21,190,015	0.00%	0.00%	\$ -	0.00%
14	361	Structures and Improvements	24,336,549	2.43%	2.43%	-	0.00%
15	362	Station Equipment	161,205,839	2.20%	2.57%	588,401	16.59%
16	364	Poles, Towers, and Fixtures	105,225,953	3.98%	4.20%	231,497	5.53%
17	365	Overhead Conductor and Devices	193,364,544	4.67%	4.24%	(831,468)	-9.21%
18	366	Underground Conduit	271,689,791	2.33%	2.33%	-	0.00%
19	367	Underground Conductor and Devices	316,799,079	2.55%	2.90%	1,108,797	13.73%
20	368	Line Transformers	296,583,841	3.67%	3.62%	(155,707)	-1.43%
21	369	Services	120,049,843	5.37%	4.66%	(852,354)	-13.22%
22	370	Meters	106,206,597	5.91%	5.91%	-	0.00%
		AMR/Smart Meter	-	5.91%	6.67%	-	
23	371	Installations on Customer Premises	(863,819)	4.63%	4.00%	5,442	-13.61%
24	373	Street Light and Signal Systems	56,153,461	5.27%	5.27%	-	0.00%
25		Total Distribution	\$ 1,671,941,693	3.49%	3.49%	\$ 94,609	0.16%
26		General Plant					
27	389	Land and Land Rights	\$ 9,131,018	0.00%	0.00%	\$ -	0.00%
28	390	Structures and Improvements	62,381,708	3.07%	3.07%	-	0.00%
29	391	Office Furniture and Equipment	28,527,869	4.00%	4.00%	-	0.00%
30		Computer Equipment	62,056,176	14.29%	20.00%	3,546,067	40.00%
31	392	Transportation Equipment	40,058,852	7.50%	7.50%	-	0.00%
32	393	Stores Equipment	1,304,379	5.39%	5.39%	-	0.00%
33	394	Tools, Shop, and Garage Equipment	9,136,686	6.69%	6.69%	-	0.00%
34	395	Laboratory Equipment	3,325,053	4.00%	4.00%	-	0.00%
35	396	Mobile Equipment	6,322,078	6.63%	6.63%	-	0.00%
36	397	Communications Equipment	94,623,776	6.66%	6.66%	-	0.00%
37	398	Miscellaneous Equipment	3,567,362	4.00%	4.00%	-	0.00%
38	399	Other Tangible Property	292,192	8.67%	8.67%	-	0.00%
39		Total General Plant	\$ 320,727,148	7.06%	8.16%	\$ 3,546,067	15.67%
40		TOTAL MASS PROPERTY	\$ 2,506,138,438	3.73%	3.87%	\$ 3,626,958	3.88%

(1) As of May 2011.

(2) Representative of results derived from retirement analyses and comparable utilities survey.

Table 5-3 Summary of Existing and Indicated Rates – Water Utility

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
	Account			Depreciable	Base Accrual Rate		Difference in Depreciation	
Line	NARUC No.	JEA No.	Description	Plant ⁽¹⁾	Existing	Indicated ⁽²⁾	Amount	Percent
Source of Supply & Pumping Plant								
1	303.2	803.2	Land & Land Rights	\$ 13,732,467	0.00%	0.00%	\$ -	0.00%
2	304.2	804.2	Structures & Improvements	25,918,392	3.03%	3.03%	-	0.00%
3	305.2	805.2	Collecting & Impounding Reservoirs	21,204,097	1.85%	2.00%	31,806	8.11%
4	306.2	806.2	Lake, River & Other Intakes	90,296	2.82%	2.50%	(289)	-11.35%
5	307.2	807.2	Wells & Springs	32,249,700	3.33%	3.33%	-	0.00%
6	308.2	808.2	Infiltration Galleries & Tunnels	-	2.50%	2.50%	-	0.00%
7	309.2	809.2	Supply Mains	24,195,755	2.88%	2.86%	(4,839)	-0.69%
8	310.2	810.2	Power Generation Equipment	7,894,565	5.00%	5.00%	-	0.00%
9	311.2	811.2	Pumping Equipment	28,752,055	5.00%	5.00%	-	0.00%
10			Total Source of Supply & Pumping Plant	\$ 154,037,327	3.11%	3.12%	\$ 26,678	0.56%
Transmission & Distribution Plant								
11	303.4	803.4	Land & Land Rights	\$ 2,053,460	0.00%	0.00%	\$ -	0.00%
12	304.4	804.4	Structures & Improvements	10,113,528	3.03%	3.03%	-	0.00%
13		811.4	Pumping Equipment	1,331,832	5.00%	5.00%	-	0.00%
14	330.4	830.4	Distribution Reservoirs & Standpipes	7,211,915	3.28%	3.07%	(14,965)	-6.33%
15	331.4	831.4	Transmission & Distribution Mains	642,783,017	2.32%	2.33%	64,278	0.43%
16	333.4	833.4	Services	109,194,476	2.50%	2.50%	-	0.00%
17	334.4	834.4	Meters & Meter Installations	203,301,458	3.03%	5.00%	4,005,039	65.02%
			AMR/Smart Meter	-	3.03%	5.00%	-	-
18	335.4	835.4	Hydrants	47,987,773	2.34%	2.22%	(57,585)	-5.13%
19	336.4	836.4	Backflow Prevention Devices	703,301	10.00%	6.67%	(23,420)	-33.30%
20		839.4	Other Plant & Miscellaneous Equipment	384,198	5.00%	4.00%	(3,842)	-20.00%
21			Total Transmission & Distribution Plant	\$ 1,025,064,959	2.50%	2.89%	\$ 3,969,505	15.49%
General Plant								
22		803.5	Land & Land Rights	\$ 3,597,253	0.00%	0.00%	\$ -	0.00%
23		804.5	Structures & Improvements	74,585,126	3.03%	3.03%	-	0.00%
24	340	840.5	Office Furniture & Equipment	4,602,758	4.00%	4.00%	-	0.00%
25	340	840.5	Computer Equipment	19,728,696	14.29%	20.00%	1,127,357	40.00%
25	341	841.5	Transportation Equipment	18,432,427	7.50%	7.50%	-	0.00%
26	342	842.5	Stores Equipment	849,709	5.39%	5.39%	-	0.00%
27	343	843.5	Tools, Shop & Garage Equipment	2,536,216	6.69%	6.69%	-	0.00%
28	344	844.5	Laboratory Equipment	880,323	4.00%	4.00%	-	0.00%
29	345	845.5	Power Operated Equipment	2,935,409	6.63%	6.63%	-	0.00%
30	346	846.5	Communication Equipment	35,636,683	6.66%	6.66%	-	0.00%
31	347	847.5	Miscellaneous Equipment	1,421,599	4.00%	4.00%	-	0.00%
32		848.5	Other Tangible Equipment	31,247,285	8.67%	8.67%	-	0.00%
33			Total General Plant	\$ 196,453,482	6.23%	6.80%	\$ 1,127,357	9.22%
34			TOTAL MASS PROPERTY	\$ 1,375,555,767	3.10%	3.47%	\$ 5,123,540	12.02%

(1) As of May 2011.

(2) Representative of results derived from retirement analyses and comparable utilities survey.

Table 5-4 Summary of Existing and Indicated Rates – Wastewater Utility

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]
			Account	Depreciable	Base Accrual Rate		Difference in Depreciation	
Line	NARUC No.	JEA No.	Description	Plant ⁽¹⁾	Existing	Indicated ⁽²⁾	Amount	Percent
Collection Plant								
1	353.2	853.2	Land & Land Rights	\$ 5,565,131	0.00%	0.00%	\$ -	0.00%
2	354.2	854.2	Structures & Improvements	360,399	3.13%	3.13%	-	0.00%
3	355.2	855.2	Power Generation Equipment	-	5.00%	5.00%	-	0.00%
4	360.2	860.2	Collection Sewers - Force	331,762,121	3.33%	3.33%	-	0.00%
5	361.2	861.2	Collection Sewers - Gravity	903,411,975	2.23%	2.23%	-	0.00%
6	362.2	862.2	Special Collecting Sewers	280,900	3.12%	2.50%	(1,742)	-19.87%
7	363.2	863.2	Services to Customers	73,768,255	2.63%	2.63%	-	0.00%
8	364.2	864.2	Flow Measuring Devices	105,953	5.41%	10.00%	4,863	84.84%
9	365.2	865.2	Flow Measuring Installations	378,030	5.96%	5.96%	-	0.00%
10	389.2	889.2	Other Plant & Miscellaneous Equipment	105,474	4.05%	4.05%	-	0.00%
11			Total Collection Plant	\$ 1,315,738,237	2.52%	2.52%	\$ 3,122	0.01%
System Pumping Plant								
12	353.3	853.3	Land & Land Rights	\$ 4,517,607	0.00%	0.00%	\$ -	0.00%
13	354.3	854.3	Structures & Improvements	124,663,457	3.13%	3.13%	-	0.00%
14	355.3	855.3	Power Generation Equipment	7,856,015	5.00%	5.00%	-	0.00%
15	370.3	870.3	Receiving Wells	8,880,463	2.50%	3.33%	73,708	33.20%
16	371.3	871.3	Pumping Equipment	136,285,993	3.43%	5.00%	2,139,690	45.77%
17	389.3	889.3	Other Plant & Miscellaneous Equipment	606,873	4.05%	4.05%	-	0.00%
18			Total System Pumping Plant	\$ 282,810,408	3.26%	4.04%	\$ 2,213,398	24.02%
Reclaimed Water Plant								
19	353.5	853.5	Land & Land Rights	\$ 1,418,758	0.00%	0.00%	\$ -	0.00%
20	354.5	854.5	Structures & Improvements	28,906,919	3.13%	3.13%	-	0.00%
21	355.5	855.5	Power Generation Equipment	269,247	5.00%	5.00%	-	0.00%
22	371.5	871.5	Pumping Equipment	5,035,956	3.43%	5.00%	79,065	45.77%
23	374.5	874.5	Reuse Distribution Reservoirs	2,891,026	2.70%	2.70%	-	0.00%
24	380.5	880.5	Treatment & Disposal Equipment	14,245,842	3.51%	5.56%	292,040	58.40%
25			Total Reclaimed Water Plant	\$ 52,767,747	3.16%	3.87%	\$ 371,104	22.23%
Reclaimed Water Distribution Plant								
26	353.6	853.6	Land & Land Rights	\$ 2,491,383	0.00%	0.00%	\$ -	0.00%
27	354.6	854.6	Structures & Improvements	179,512	3.13%	3.13%	-	0.00%
28	367.6	867.6	Reuse Meters & Meter Installations	951,729	2.22%	5.00%	26,458	125.23%
29	375.6	875.6	Reuse Transmission & Distribution System	61,753,648	2.22%	2.33%	67,929	4.95%
30			Total Reclaimed Water Distribution Plant	\$ 65,376,273	2.14%	2.28%	\$ 94,387	6.75%
General Plant								
31	353.7	853.7	Land & Land Rights	\$ -	0.00%	0.00%	\$ -	0.00%
32	354.7	854.7	Structures & Improvements	1,962,720	3.13%	3.13%	-	0.00%
33	390.7	890.7	Office Furniture & Equipment	767,174	4.00%	4.00%	-	0.00%
			Computer Equipment	6,601,144	14.29%	20.00%	377,208	40.00%
34	391.7	891.7	Transportation Equipment	4,732,678	7.50%	7.50%	-	0.00%
35	392.7	892.7	Stores Equipment	25,846	5.39%	5.39%	-	0.00%
36	393.7	893.7	Tools, Shop & Garage Equipment	2,513,202	6.69%	6.69%	-	0.00%
37	394.7	894.7	Laboratory Equipment	930,601	4.00%	4.00%	-	0.00%
38	395.7	895.7	Power Operated Equipment	1,813,042	6.63%	6.63%	-	0.00%
39	396.7	896.7	Communication Equipment	6,746,137	6.66%	6.66%	-	0.00%
40	397.7	897.7	Miscellaneous Equipment	1,248,903	4.00%	4.00%	-	0.00%
41	398.7	898.7	Other Tangible Equipment	20,663,400	8.67%	0.00%	(1,791,517)	-100.00%
42			General Plant	\$ 48,004,846	8.35%	5.40%	\$ (1,414,309)	-35.29%
43			TOTAL MASS PROPERTY	\$ 1,764,697,511	2.80%	2.88%	\$ 1,267,702	2.56%

(1) As of May 2011.

(2) Representative of results derived from retirement analyses and comparable utilities survey.

Table 5-5 Summary of Existing and Indicated Rates – Chilled Water Utility

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]
Line	JEA No.	Description	Depreciable	Base Accrual Rate		Difference in Depreciation	
			Plant ⁽¹⁾	Existing	Indicated ⁽²⁾	Amount	Percent
		Chilled Water					
1	303	CW Intangible Software - DES	\$ 250,024	14.29%	14.29%	\$ -	0.00%
2	361	CW Structures and Improvements	23,363	4.00%	4.00%	-	0.00%
3	365	CW Overhead Conductor and Devices	6,233	4.00%	4.00%	-	0.00%
4	366	CW UG Conduit	431,670	4.00%	4.00%	-	0.00%
5	370	CW Meters	169,165	4.00%	5.00%	1,692	25.00%
6		Total Distribution	\$ 880,454	6.92%	7.11%	\$ 1,692	2.78%
		General Plant					
7	389	CW Land and Land Rights	3,050,776	0.00%	0.00%	-	
8	391	CW Office Furniture and Equipment	20,000	4.00%	4.00%	-	0.00%
9		CW Computer Equipment	493,987	4.00%	20.00%	79,038	400.00%
10	394	CW Tools, Shop, and Garage Equipment	9,729	4.00%	6.69%	262	67.25%
11	396	CW Mobile Equipment	46,917	4.00%	6.63%	1,234	65.75%
12	397	CW Communications Equipment	2,506	4.00%	6.66%	67	66.50%
13		Total General Plant	\$ 3,623,916	0.63%	2.86%	\$ 80,600	351.57%
14		TOTAL MASS PROPERTY	\$ 4,504,370	1.86%	3.69%	\$ 82,292	98.12%

(1) As of May 2011.

(2) Representative of results derived from retirement analyses and comparable utilities survey.

Section 6. Depreciation Reserve

In Sections 4 and 5, we develop indicated depreciation expense rates for unit and mass property accounts, respectively. As the final step in developing recommended depreciation rates, we consider our experience, the adequacy of JEA's depreciation reserve levels, and other appropriate factors. In Tables 6-1 through 6-4, we summarize the development of our recommended rates.

As we describe in Section 5, for those mass property accounts for which we were unable to conduct retirement analyses, we rely on the depreciation rates charged by comparable utilities. We use the experience of other utilities in the expectation that the service lives and other considerations, which should go into the development of JEA's depreciation rates, are similar to those of these other utilities. While we do not have a great deal of detailed data for JEA, based on analysis of existing depreciation reserve balances, we can draw some conclusions. The ratio of depreciation reserve to plant in service represents the reserve ratio. We do not expect this ratio, which provides a relative measure of the reserve, to exceed 50 percent (absent consideration for net salvage) for mature systems such as JEA.

Our recommended depreciation rates are set forth in Column R of Tables 6-1, 6-2, 6-3, and 6-4 for the electric, water, wastewater and chilled water utilities, respectively. In developing the recommended rates, we evaluate their reasonableness on several levels

For unit properties, our recommended rates are the indicated rates set forth in Tables 4-1, 4-2 and 4-3 adjusted to reflect the amortization of any reserve surplus or deficiency over the remaining life of the property. By so adjusting, future depreciation accruals plus existing reserve will equal total investment cost, including net salvage.

For both unit and mass properties, we recommend that reserves be transferred between accounts in the amounts shown in Column M of Tables 6-1, 6-2, 6-3, and 6-4. For unit properties, the transfers are generally recommended so that the number of years to depreciate the various accounts is comparable. For mass properties, the transfers are intended to generally reduce the reserve ratio to about 50 to 60 percent.

With regard to mass property, due to the lack of detailed data, we are unable to develop our final recommended depreciation rates as we normally prefer. In developing the recommended rates shown in Column R, we are guided by several considerations. These considerations include the reasonableness of the reserve ratio and based on the recommended rate, the number of years to fully depreciate investment (including net salvage).

As an initial step, to the extent practical, we transfer reserves (in \$100,000 increments) between accounts within the same category (i.e. steam production) so that the maximum reserve ratio does not exceed 50 percent. By this recommended transfer, we reduce the reserve associated with highly depreciated accounts which, in turn, increases the reserve to accounts less depreciated.

For the electric utility, we are able to adjust all accounts to below 50 percent reserve ratio with the exception of computer equipment. We did not adjust the reserve for computer equipment because a large number of retirements have occurred or are expected to occur since the date of our study data. JEA had suspended their computer change out schedule for budgetary purposes and is now

resuming the procedure. Therefore the computers account was highly depreciated, but with the impending retirements, much of the reserve will be retired away. For this reason we believe it is not appropriate to adjustment the reserve for the computers accounts at this time.

For the water and waste water utilities, we are able to adjust all accounts to below 50 percent reserve ratio with the exception of Other Tangible Equipment. This account contains miscellaneous entries related to the various acquisitions made by JEA and it is not anticipated to have any future additions. For the wastewater utility, this account is fully depreciated and we recommend setting the depreciation rate to zero. For the water utility, we believe that this account should continue to be depreciated until it too is fully depreciated at which point the depreciation rate should be set to zero as well. We believe this is appropriate because of the nature of the property in this account and the fact that no additional plant will be added.

For the chilled water utility, we recommend no transfer of reserves.

Table 6-1 Recommended Depreciation Rates – Electric Utility

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]
Account			Plant	Net	Total Cost	Base Accrual Rate		Depreciation	Expense		Depreciation Reserve		Adjusted		Adjusted	Recc.	Recc.	Incr/(Decr)
Line	No.	Description	Balance	Salvage	To Recover	Existing	Indicated	Difference	Amount	Ratio	Depreciate	Transfer	Reserve	Ratio	Depreciate	Depreciate	Rate	Expense
Production Plant																		
Steam Production																		
1	310	Land and Land Rights	\$ 25,407,642		\$ 25,407,642	0.00%	0.00%	\$ -	\$ -	0.00%		\$ -	\$ -	0.00%				\$ -
2	311	Structures and Improvements	125,088,558		125,088,558	2.87%	3.51%	802,393	52,902,764	42.29%	16.4	(1,000,000)	51,902,764	41.49%	16.7	16.7	3.51%	802,393
3	312	Boiler Plant Equipment	787,680,374		787,680,374	4.45%	3.71%	(5,828,936)	308,781,539	39.20%	16.4	(6,000,000)	302,781,539	38.44%	16.6	16.6	3.71%	(5,828,936)
4	314	Turbogenerator Units	336,612,417		336,612,417	1.95%	3.38%	4,817,721	130,629,053	38.81%	18.1	(3,000,000)	127,629,053	37.92%	18.4	18.4	3.38%	4,817,721
5	315	Accessory Generation Equipment	39,063,344		39,063,344	1.23%	3.43%	858,129	6,764,245	17.32%	24.1	-	6,764,245	17.32%	24.1	24.1	3.43%	858,129
6	316	Miscellaneous Power Plant Equipment	22,465,209		22,465,209	3.48%	4.14%	148,173	(1,830,450)	-8.15%	26.1	10,000,000	8,169,550	36.37%	15.4	15.4	4.14%	148,173
7		Total Steam Production	\$ 1,336,317,546	0.00%	\$ 1,336,317,544	3.48%	3.54%	\$ 797,480	\$ 497,247,151	37.21%	17.8	\$ -	\$ 497,247,151	37.21%	17.8	17.8	3.54%	\$ 797,480
Other Production																		
8	340	Land and Land Rights	\$ 1,968,810		\$ 1,968,810	0.00%	0.00%	\$ -	\$ -	0.00%		\$ -	\$ -	0.00%				\$ -
9	341	Structures and Improvements	211,812,950		211,812,950	4.15%	4.10%	(116,497)	21,647,244	10.22%	21.9	-	21,647,244	10.22%	21.9	21.9	4.10%	(116,497)
10	342	Fuel Holders	49,480,605		49,480,605	3.42%	4.90%	732,947	8,751,654	17.69%	16.8	-	8,751,654	17.69%	16.8	16.8	4.90%	732,947
11	343	Prime Movers	32,224,777		32,224,777	2.02%	4.83%	904,986	15,010,666	46.58%	11.1	-	15,010,666	46.58%	11.1	11.1	4.83%	904,986
12	344	Generators	375,673,168		375,673,168	5.52%	4.75%	(2,883,292)	140,284,181	37.34%	13.2	-	140,284,181	37.34%	13.2	13.2	4.75%	(2,883,292)
13	345	Accessory Electrical Equipment	21,987,291		21,987,291	3.08%	4.02%	207,442	1,984,030	9.02%	22.6	-	1,984,030	9.02%	22.6	22.6	4.02%	207,442
14	346	Miscellaneous Power Plant Equipment	5,892,932		5,892,932	4.14%	3.90%	(14,190)	998,082	16.94%	21.3	-	998,082	16.94%	21.3	21.3	3.90%	(14,190)
15		Total Other Production	\$ 699,040,534	0.00%	\$ 699,040,533	4.69%	4.52%	\$ (1,168,604)	\$ 188,675,857	26.99%	16.1	\$ -	\$ 188,675,857	26.99%	16.1	16.1	4.52%	\$ (1,168,604)
16		TOTAL PRODUCTION	\$ 2,035,358,080	0.00%	\$ 2,035,358,077	3.89%	3.88%	\$ (371,124)	\$ 685,923,007	33.70%	17.1	\$ -	\$ 685,923,007	33.70%	17.1	17.1	3.87%	\$ (371,124)
Transmission																		
17	350	Land and Land Rights	\$ 31,448,974	0.00%	\$ 31,448,974	0.00%	0.00%	\$ -	\$ -	0.00%		\$ -	\$ -	0.00%				\$ -
18	352	Structures and Improvements	27,942,120	0.00%	27,942,120	2.24%	2.24%	-	3,930,872	14.07%	38.4	-	3,930,872	14.07%	38.4	38.4	2.24%	-
19	353	Station Equipment	233,062,655	0.00%	233,062,655	2.54%	2.54%	-	72,355,691	31.05%	27.1	5,700,000	78,055,691	33.49%	26.2	26.2	2.54%	-
20	354	Towers and Fixtures	26,878,398	0.00%	26,878,398	2.14%	2.14%	-	14,640,478	54.47%	21.3	(1,300,000)	13,340,478	49.63%	23.5	23.5	2.14%	-
21	355	Poles and Attachments	92,505,428	0.00%	92,505,428	3.27%	3.24%	(27,752)	48,017,933	51.91%	14.8	(1,800,000)	46,217,933	49.96%	15.4	15.4	3.24%	(27,752)
22	356	Overhead Conductor and Devices	66,803,715	0.00%	66,803,715	2.51%	2.51%	-	32,617,612	48.83%	20.4	-	32,617,612	48.83%	20.4	20.4	2.51%	-
23	357	Underground Conduit	10,750,172	0.00%	10,750,172	1.81%	1.81%	-	7,959,341	74.04%	14.3	(2,600,000)	5,359,341	49.85%	27.7	27.7	1.81%	-
24	358	Underground Conductor and Devices	21,590,077	0.00%	21,590,077	2.11%	2.18%	14,034	8,652,566	40.08%	27.6	-	8,652,566	40.08%	27.6	27.6	2.18%	14,034
25	359	Roads and Trails	2,488,057	0.00%	2,488,057	1.76%	1.76%	-	744,151	29.91%	39.8	-	744,151	29.91%	39.8	39.8	1.76%	-
26		Total Transmission	\$ 513,469,596	0.00%	\$ 513,469,596	2.44%	2.43%	\$ (13,718)	\$ 188,918,642	36.79%	26.0	\$ -	\$ 188,918,642	36.79%	26.0	26.0	2.43%	\$ (13,718)
Distribution																		
27	360	Land and Land Rights	\$ 21,190,015	0.00%	\$ 21,190,015	0.00%	0.00%	\$ -	\$ -	0.00%		\$ -	\$ -	0.00%				\$ -
28	361	Structures and Improvements	24,336,549	0.00%	24,336,549	2.43%	2.43%	-	9,219,773	37.88%	25.6	-	9,219,773	37.88%	25.6	25.6	2.43%	-
29	362	Station Equipment	161,205,839	0.00%	161,205,839	2.20%	2.57%	588,401	76,359,880	47.37%	20.5	-	76,359,880	47.37%	20.5	20.5	2.57%	588,401
30	364	Poles, Towers, and Fixtures	105,225,953	0.00%	105,225,953	3.98%	4.20%	231,497	49,059,990	46.62%	12.7	-	49,059,990	46.62%	12.7	12.7	4.20%	231,497
31	365	Overhead Conductor and Devices	193,364,544	0.00%	193,364,544	4.67%	4.24%	(831,468)	80,954,932	41.87%	13.7	-	80,954,932	41.87%	13.7	13.7	4.24%	(831,468)
32	366	Underground Conduit	271,689,791	0.00%	271,689,791	2.33%	2.33%	-	92,005,519	33.86%	28.4	-	92,005,519	33.86%	28.4	28.4	2.33%	-
33	367	Underground Conductor and Devices	316,799,079	0.00%	316,799,079	2.55%	2.90%	1,108,797	81,807,370	25.82%	25.6	20,000,000	101,807,370	32.14%	23.4	23.4	2.90%	1,108,797
34	368	Line Transformers	296,583,841	0.00%	296,583,841	3.67%	3.62%	(155,707)	106,985,594	36.07%	17.7	-	106,985,594	36.07%	17.7	17.7	3.62%	(155,707)
35	369	Services	120,049,843	0.00%	120,049,843	5.37%	4.66%	(852,354)	79,479,704	66.21%	7.3	(20,000,000)	59,479,704	49.55%	10.8	10.8	4.66%	(852,354)
36	370	Meters	106,206,597	0.00%	106,206,597	5.91%	5.91%	-	39,378,810	37.08%	10.6	-	39,378,810	37.08%	10.6	10.6	5.91%	-
37		AMR/Smart Meter		0.00%		5.91%	6.67%	-	-			-	-		0.0			-
38	371	Installations on Customer Premises	(863,819)	0.00%	(863,819)	4.63%	4.00%	5,442	(29,183)	3.38%	24.2	-	(29,183)	3.38%	24.2	24.2	4.00%	5,442
39	373	Street Light and Signal Systems	56,153,461	0.00%	56,153,461	5.27%	5.27%	-	33,956,272	60.47%	7.5	-	33,956,272	60.47%	7.5	7.5	5.27%	-
40		Total Distribution	\$ 1,671,941,693	0.00%	\$ 1,671,941,693	3.49%	3.49%	\$ 94,608	\$ 649,178,662	38.83%	17.5	\$ -	\$ 649,178,662	38.83%	17.5	17.5	3.49%	\$ 94,608
General Plant																		
41	389	Land and Land Rights	\$ 9,131,018	0.00%	\$ 9,131,018	0.00%	0.00%	\$ -	\$ -	0.00%		\$ -	\$ -	0.00%				\$ -
42	390	Structures and Improvements	62,381,708	4.00%	59,886,440	3.07%	3.07%	-	13,073,315	20.96%	24.4	11,600,000	24,673,315	39.55%	18.4	18.4	3.07%	-
43	391	Office Furniture and Equipment	28,527,869	0.00%	28,527,869	4.00%	4.00%	-	24,839,650	87.07%	3.2	(10,600,000)	14,239,650	49.91%	12.5	12.5	4.00%	-
44		Computer Equipment	62,056,176	0.00%	62,056,176	14.29%	20.00%	3,546,067	52,209,456	84.13%	0.8	-	52,209,456	84.13%	0.8	0.8	20.00%	3,546,067
45	392	Transportation Equipment	40,058,852	25.00%	30,044,139	7.50%	7.50%	-	24,314,932	60.70%	1.9	(4,300,000)	20,014,932	49.96%	3.3	3.3	7.50%	-
46	393	Stores Equipment	1,304,379	0.00%	1,304,379	5.39%	5.39%	-	1,304,379	100.00%	0.0	(700,000)	604,379	46.33%	10.0	10.0	5.39%	-
47	394	Tools, Shop, and Garage Equipment	9,136,686	5.00%	8,679,852	6.69%	6.69%	-	2,351,910	25.74%	10.4	2,200,000	4,551,910	49.82%	6.8	6.8	6.69%	-
48	395	Laboratory Equipment	3,325,053	0.00%	3,325,053	4.00%	4.00%	-	(969,004)	-29.14%	32.3	2,500,000	1,530,996	46.04%	13.5	13.5	4.00%	-
49	396	Mobile Equipment	6,322,078	10.00%	5,689,871	6.63%	6.63%	-	1,597,612	25.27%	9.8	1,500,000	3,097,612	49.00%	6.2	6.2	6.63%	-
50	397	Communications Equipment	94,623,776	4.00%	90,838,825	6.66%	6.66%	-	48,758,721	51.53%	6.7	(1,500,000)	47,258,721	49.94%	6.9	6.9	6.66%	-
51	398	Miscellaneous Equipment	3,567,362	5.00%	3,388,994	4.00%	4.00%	-	3,119,393	87.44%	1.9	(1,400,000)	1,719,393	48.20%	11.7	11.7	4.00%	-
52	399	Other Tangible Property	292,192	0.00%	292,192	8.67%	8.67%	-	(626,513)	-214.42%	36.3	700,000	73,487	25.15%	8.6	8.6	8.67%	-
53		Total General Plant	\$ 320,727,148	5.48%	\$ 303,164,808	7.06%	8.16%	\$ 3,546,067	\$ 169,973,850	53.00%	5.1	\$ -	\$ 169,973,850	53.00%	5.1	5.1	8.16%	\$ 3,546,067
54		TOTAL MASS PROPERTY	\$ 2,506,138,438	0.70%	\$ 2,488,576,097	3.73%	3.87%	\$ 3,626,957	\$ 1,008,071,154	40.22%	15.3	\$ -	\$ 1,008,071,154	40.22%	15.3	15.3	3.87%	\$ 3,626,957
55		GRAND TOTAL	\$ 4,541,496,518	0.39%	\$ 4,523,934,174	3.80%	3.88%	\$ 3,255,833	\$ 1,693,994,161	37.30%	16.1	\$ -	\$ 1,693,994,161	37.30%	16.1	16.1	3.87%	\$ 3,255,833

Table 6-2 Recommended Depreciation Rates – Water Utility

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]
Line	Account	Plant	Net	Total Cost	Base Accrual Rate	Expense	Existing Reserve	Yrs. To	Adjusted	Adjusted	Cal. Yrs. To	Recc. Yrs. To	Recc. Accrual Rate	Incr/(Decr)				
No.	No.	Description	Balance	Salvage	To Recover	Existing	Indicated	Difference	Amount	Ratio	Depreciate	Transfer	Reserve	Ratio	Depreciate	Depreciate	Rate	Expense
Source of Supply & Pumping Plant																		
1	803.2	Land & Land Rights	\$ 13,732,467	0.00%	\$ 13,732,467	0.00%	0.00%	\$ -	\$ 4,455	0.03%	\$ -	\$ 4,455	0.03%	21.7	21.7	3.03%	\$ -	
2	804.2	Structures & Improvements	25,918,392	0.00%	25,918,392	3.03%	3.03%	-	8,846,930	34.13%	21.7	-	8,846,930	34.13%	35.5	35.5	2.00%	31,806
3	805.2	Collecting & Impounding Reservoirs	21,204,097	0.00%	21,204,097	1.85%	2.00%	31,806	6,145,691	28.98%	35.5	-	6,145,691	28.98%	26.8	26.8	2.50%	(289)
4	806.2	Lake, River & Other Intakes	90,296	0.00%	90,296	2.82%	2.50%	(289)	29,711	32.90%	26.8	-	29,711	32.90%	21.5	21.5	3.33%	-
5	807.2	Wells & Springs	32,249,700	-8.00%	34,829,676	3.33%	3.33%	-	11,717,992	36.34%	21.5	-	11,717,992	36.34%	27.3	27.3	2.86%	(4,839)
6	808.2	Infiltration Galleries & Tunnels	-	0.00%	-	2.50%	2.50%	-	-	-	-	-	-	-	13.7	13.7	5.00%	-
7	809.2	Supply Mains	24,195,755	0.00%	24,195,755	2.88%	2.86%	(4,839)	5,291,294	21.87%	27.3	-	5,291,294	21.87%	11.4	11.4	5.00%	-
8	810.2	Power Generation Equipment	7,894,565	0.00%	7,894,565	5.00%	5.00%	-	2,471,297	31.30%	13.7	-	2,471,297	31.30%	22.8	22.8	3.12%	\$ 26,678
9	811.2	Pumping Equipment	28,752,055	0.00%	28,752,055	5.00%	5.00%	-	12,345,547	42.94%	11.4	-	12,345,547	42.94%	16.2	16.2	4.31%	733,422
10	Total Source of Supply & Pumping Plant		\$ 154,037,327	-1.67%	\$ 156,617,303	3.11%	3.12%	\$ 26,678	\$ 46,852,916	30.42%	22.8	\$ -	\$ 46,852,916	30.42%	22.8	22.8	3.12%	\$ 26,678
Water Treatment Plant																		
11	803.3	Land & Land Rights	\$ 7,223,490	0.00%	\$ 7,223,490	0.00%	0.00%	\$ -	\$ 2,353	0.03%	\$ -	\$ 2,353	0.03%	16.2	16.2	4.31%	\$ 733,422	
12	804.3	Structures & Improvements	57,211,548	0.00%	57,211,548	3.03%	4.31%	733,422	17,252,087	30.15%	16.2	-	17,252,087	30.15%	10.6	10.6	5.00%	-
13	811.3	Pumping Equipment	4,891,324	-7.00%	4,891,324	5.00%	5.00%	-	2,291,145	46.84%	10.6	-	2,291,145	46.84%	15.8	15.8	3.86%	19,250
14	820.3	Water Treatment Equipment	24,786,317	0.00%	24,786,317	3.78%	3.86%	19,250	9,683,058	39.07%	15.8	-	9,683,058	39.07%	25.0	25.0	4.00%	(403)
15	839.3	Other Plant & Miscellaneous Equipment	40,264	0.00%	40,264	5.00%	4.00%	(403)	-	0.00%	-	-	-	0.00%	17.7	17.7	3.90%	\$ 752,269
16	Total Water Treatment Plant		\$ 94,152,943	0.00%	\$ 94,152,943	3.10%	3.90%	\$ 752,269	\$ 29,228,643	31.04%	17.7	\$ -	\$ 29,228,643	31.04%	17.7	17.7	3.90%	\$ 752,269
Transmission & Distribution Plant																		
17	803.4	Land & Land Rights	\$ 2,053,460	0.00%	\$ 2,053,460	0.00%	0.00%	\$ -	\$ 15,335	0.75%	\$ -	\$ 15,335	0.75%	23.2	23.2	3.03%	\$ -	
18	804.4	Structures & Improvements	10,113,528	0.00%	10,113,528	3.03%	3.03%	-	2,991,546	29.58%	23.2	-	2,991,546	29.58%	18.0	18.0	5.00%	-
19	811.4	Pumping Equipment	1,331,832	-7.00%	1,425,060	5.00%	5.00%	-	227,660	17.09%	18.0	-	227,660	17.09%	23.3	23.3	3.07%	(14,965)
20	830.4	Distribution Reservoirs & Standpipes	7,211,915	0.00%	7,211,915	3.28%	3.07%	(14,965)	2,040,281	28.29%	23.3	-	2,040,281	28.29%	34.6	34.6	2.33%	64,278
21	831.4	Transmission & Distribution Mains	642,783,017	0.00%	642,783,017	2.32%	2.33%	64,278	123,906,943	19.28%	34.6	-	123,906,943	19.28%	28.6	28.6	2.50%	-
22	833.4	Services	109,194,476	0.00%	109,194,476	2.50%	2.50%	-	31,245,646	28.61%	28.6	-	31,245,646	28.61%	15.7	15.7	5.00%	4,005,039
23	834.4	Meters & Meter Installations	203,301,458	0.00%	203,301,458	3.03%	5.00%	4,005,039	43,908,768	21.60%	15.7	-	43,908,768	21.60%	37.2	37.2	2.22%	(57,585)
24	834.4	AMR/Smart Meter	-	0.00%	-	3.03%	5.00%	(57,585)	8,407,957	17.52%	37.2	-	8,407,957	17.52%	8.9	8.9	6.67%	(23,420)
25	835.4	Hydrants	47,987,773	0.00%	47,987,773	2.34%	2.22%	(23,420)	286,391	40.72%	8.9	-	286,391	40.72%	22.6	22.6	4.00%	(3,842)
26	839.4	Other Plant & Miscellaneous Equipment	384,198	0.00%	384,198	5.00%	4.00%	(3,842)	36,246	9.43%	22.6	-	36,246	9.43%	27.4	27.4	2.89%	\$ 3,969,505
27	Total Transmission & Distribution Plant		\$ 1,025,064,959	-0.01%	\$ 1,025,158,186	2.50%	2.89%	\$ 3,969,505	\$ 213,066,771	20.79%	27.4	\$ -	\$ 213,066,771	20.79%	27.4	27.4	2.89%	\$ 3,969,505
General Plant																		
28	803.5	Land & Land Rights	\$ 3,597,253	0.00%	\$ 3,597,253	0.00%	0.00%	\$ -	\$ 1,350,149	37.53%	\$ -	\$ 1,350,149	37.53%	22.9	22.9	3.03%	\$ -	
29	804.5	Structures & Improvements	74,585,126	0.00%	74,585,126	3.03%	3.03%	-	22,899,053	30.70%	22.9	-	22,899,053	30.70%	12.7	12.7	4.00%	-
30	840.5	Office Furniture & Equipment	4,602,758	0.00%	4,602,758	4.00%	4.00%	-	2,259,186	49.08%	12.7	-	2,259,186	49.08%	7.5	7.5	7.50%	-
31	840.5	Computer Equipment	19,728,696	0.00%	19,728,696	14.29%	20.00%	1,127,357	4,628,544	23.46%	3.8	-	4,628,544	23.46%	9.4	9.4	5.39%	-
32	841.5	Transportation Equipment	18,432,427	0.00%	18,432,427	7.50%	7.50%	-	8,106,967	43.98%	7.5	-	8,106,967	43.98%	7.5	7.5	7.50%	-
33	842.5	Stores Equipment	849,709	0.00%	849,709	5.39%	5.39%	-	768,382	90.43%	1.8	(350,000)	418,382	49.24%	9.4	9.4	5.39%	-
34	843.5	Tools, Shop & Garage Equipment	2,536,216	0.00%	2,536,216	6.69%	6.69%	-	1,152,948	45.46%	8.2	-	1,152,948	45.46%	8.2	8.2	6.69%	-
35	844.5	Laboratory Equipment	880,323	0.00%	880,323	4.00%	4.00%	-	184,238	20.93%	19.8	200,000	384,238	43.65%	14.1	14.1	4.00%	-
36	845.5	Power Operated Equipment	2,935,409	0.00%	2,935,409	6.63%	6.63%	-	1,326,445	45.19%	8.3	-	1,326,445	45.19%	8.3	8.3	6.63%	-
37	846.5	Communication Equipment	35,636,683	0.00%	35,636,683	6.66%	6.66%	-	16,992,962	47.68%	7.9	-	16,992,962	47.68%	7.9	7.9	6.66%	-
38	847.5	Miscellaneous Equipment	1,421,599	0.00%	1,421,599	4.00%	4.00%	-	492,653	34.65%	16.3	150,000	642,653	45.21%	13.7	13.7	4.00%	-
39	848.5	Other Tangible Equipment	31,247,285	0.00%	31,247,285	8.67%	8.67%	-	25,488,672	81.57%	2.1	-	25,488,672	81.57%	2.1	2.1	8.67%	-
39	Total General Plant		\$ 196,453,482	0.00%	\$ 196,453,484	6.23%	6.80%	\$ 1,127,357	\$ 85,650,200	43.60%	8.3	\$ -	\$ 85,650,200	43.60%	21.3	21.3	3.50%	\$ 5,875,809
40	GRAND TOTAL		\$ 1,469,708,710	-0.18%	\$ 1,472,381,916	3.10%	3.50%	\$ 5,875,809	\$ 374,798,531	25.50%	21.3	\$ -	\$ 374,798,531	25.50%	21.3	21.3	3.50%	\$ 5,875,809

(1) As of May 2011.

(2) Representative of results derived from retirement analyses and comparable utilities survey.

Table 6-3 Recommended Depreciation Rates – Wastewater Utility

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I] Depreciation		[J]	[K]	[L] Depreciation Reserve		[M]	[N]	[O]	[P] Adjusted	[Q] Recc.	[R] Recc.	[S] Incr/(Decr)
Account			Plant	Net	Total Cost	Base Accrual Rate		Expense	Existing Reserve		Yrs. To		Adjusted Reserve		Adjusted	Calc. Yrs. To	Yrs. To	Accrual	Depreciation	
Line	No.	Description	Balance	Salvage	To Recover	Existing	Indicated	Difference	Amount	Ratio	Depreciate	Transfer	Reserve	Ratio	Depreciate	Depreciate	Rate	Expense		
Collection Plant																				
1	853.2	Land & Land Rights	\$ 5,565,131	0.00%	\$ 5,565,131	0.00%	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%					\$ -		
2	854.2	Structures & Improvements	360,399	0.00%	360,399	3.13%	3.13%	-	211,868	58.79%	13.2	-	211,868	58.79%	13.2	13.2	3.13%	-		
3	855.2	Power Generation Equipment	-	0.00%	-	-	5.00%	-	-	-	-	-	-	-	-	-	-	-		
4	860.2	Collection Sewers - Force	331,762,121	0.00%	331,762,121	3.33%	3.33%	-	81,914,611	24.69%	22.6	-	81,914,611	24.69%	22.6	22.6	3.33%	-		
5	861.2	Collection Sewers - Gravity	903,411,975	0.00%	903,411,975	2.23%	2.23%	-	227,714,359	25.21%	33.5	-	227,714,359	25.21%	33.5	33.5	2.23%	-		
6	862.2	Special Collecting Sewers	280,900	0.00%	280,900	3.12%	2.50%	(1,742)	135,237	48.14%	20.7	-	135,237	48.14%	20.7	20.7	2.50%	(1,742)		
7	863.2	Services to Customers	73,768,255	0.00%	73,768,255	2.63%	2.63%	-	11,742,282	15.92%	32.0	200,000	11,942,282	16.19%	31.9	31.9	2.63%	-		
8	864.2	Flow Measuring Devices	105,953	0.00%	105,953	5.41%	10.00%	4,863	15,722	14.84%	8.5	-	15,722	14.84%	8.5	8.5	10.00%	4,863		
9	865.2	Flow Measuring Installations	378,030	0.00%	378,030	5.96%	5.96%	-	89,543	23.69%	12.8	-	89,543	23.69%	12.8	12.8	5.96%	0		
10	889.2	Other Plant & Miscellaneous Equipment	105,474	0.00%	105,474	4.05%	4.05%	-	268,241	254.32%	-38.1	(200,000)	68,241	64.70%	8.7	8.7	4.05%	0		
11		Total Source of Supply & Pumping Plant	\$ 1,315,738,237	0.00%	\$ 1,315,738,238	2.52%	2.52%	\$ 3,121	\$ 322,091,864	24.48%	29.9	\$ -	\$ 322,091,864	24.48%	29.9	29.9	2.52%	\$ 3,122		
System Pumping Plant																				
12	853.3	Land & Land Rights	\$ 4,517,607	0.00%	\$ 4,517,607	0.00%	0.00%	\$ -	\$ 4,954	0.11%	\$ -	\$ -	4,954	0.11%				\$ -		
13	854.3	Structures & Improvements	124,663,457	-6.00%	132,143,265	3.13%	3.13%	-	43,037,134	34.52%	22.8	-	43,037,134	34.52%	22.8	22.8	3.13%	-		
14	855.3	Power Generation Equipment	7,856,015	0.00%	7,856,015	5.00%	5.00%	-	1,820,864	23.18%	15.4	-	1,820,864	23.18%	15.4	15.4	5.00%	-		
15	870.3	Receiving Wells	8,880,463	0.00%	8,880,463	2.50%	3.33%	73,708	1,916,097	21.58%	23.6	-	1,916,097	21.58%	23.6	23.6	3.33%	73,708		
16	871.3	Pumping Equipment	136,285,993	0.00%	136,285,993	3.43%	5.00%	2,139,690	45,762,668	33.58%	13.3	-	45,762,668	33.58%	13.3	13.3	5.00%	2,139,690		
17	889.3	Other Plant & Miscellaneous Equipment	606,873	0.00%	606,873	4.05%	4.05%	-	191,696	31.59%	16.9	-	191,696	31.59%	16.9	16.9	4.05%	-		
18		Total System Pumping Plant	\$ 282,810,408	-2.64%	\$ 290,290,216	3.26%	4.04%	\$ 2,213,398	\$ 92,733,414	32.79%	17.3	\$ -	\$ 92,733,414	32.79%	17.3	17.3	4.04%	\$ 2,213,398		
Treatment & Disposal Plant																				
19	853.4	Land & Land Rights	\$ 4,517,607	0.00%	\$ 4,517,607	0.00%	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	-	0.00%				\$ -		
20	854.4	Structures & Improvements	181,647,245	0.00%	181,647,245	3.13%	4.12%	1,795,581	72,702,872	40.02%	14.6	-	72,702,872	40.02%	14.6	14.6	4.12%	1,795,581		
21	855.4	Power Generation Equipment	2,422,534	0.00%	2,422,534	5.00%	5.84%	20,423	477,189	19.70%	13.7	-	477,189	19.70%	13.7	13.7	5.84%	20,423		
22	880.4	Treatment & Disposal Equipment	237,241,390	0.00%	237,241,390	3.51%	3.75%	565,197	104,867,079	44.20%	14.9	-	104,867,079	44.20%	14.9	14.9	3.75%	565,197		
23	881.4	Plant Sewers	484,000	0.00%	484,000	4.72%	3.10%	(7,833)	232,842	48.11%	16.7	-	232,842	48.11%	16.7	16.7	3.10%	(7,833)		
24	882.4	Outfall Sewer Lines	9,982,663	0.00%	9,982,663	4.03%	3.57%	(46,276)	2,691,197	26.96%	20.5	-	2,691,197	26.96%	20.5	20.5	3.57%	(46,276)		
25	889.4	Other Plant & Miscellaneous Equipment	2,816,441	0.00%	2,816,441	4.05%	4.03%	(681)	362,912	12.89%	21.6	-	362,912	12.89%	21.6	21.6	4.03%	(681)		
26		Total Treatment & Disposal Plant	\$ 439,111,879	0.00%	\$ 439,111,880	3.34%	3.87%	\$ 2,326,411	\$ 181,334,091	41.30%	15.2	\$ -	\$ 181,334,091	41.30%	15.2	15.2	3.87%	\$ 2,326,412		
Reclaimed Water Plant																				
27	853.5	Land & Land Rights	\$ 1,418,758	0.00%	\$ 1,418,758	0.00%	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	-	0.00%				\$ -		
28	854.5	Structures & Improvements	28,906,919	0.00%	28,906,919	3.13%	3.13%	-	5,323,388	18.42%	26.1	-	5,323,388	18.42%	26.1	26.1	3.13%	-		
29	855.5	Power Generation Equipment	269,247	0.00%	269,247	5.00%	5.00%	-	130,817	48.59%	10.3	-	130,817	48.59%	10.3	10.3	5.00%	-		
30	871.5	Pumping Equipment	5,035,956	0.00%	5,035,956	3.43%	5.00%	79,065	780,666	15.50%	16.9	-	780,666	15.50%	16.9	16.9	5.00%	79,065		
31	874.5	Reuse Distribution Reservoirs	2,891,026	0.00%	2,891,026	2.70%	2.70%	-	240,340	8.31%	34.0	-	240,340	8.31%	34.0	34.0	2.70%	-		
32	880.5	Treatment & Disposal Equipment	14,245,842	0.00%	14,245,842	3.51%	5.56%	292,040	3,762,742	26.41%	13.2	-	3,762,742	26.41%	13.2	13.2	5.56%	292,040		
33		Total Reclaimed Water Plant	\$ 52,767,747	0.00%	\$ 52,767,748	3.16%	3.87%	\$ 371,105	\$ 10,237,952	19.40%	20.8	\$ -	\$ 10,237,952	19.40%	20.8	20.8	3.87%	\$ 371,104		
Reclaimed Water Distribution Plant																				
34	853.6	Land & Land Rights	\$ 2,491,383	0.00%	\$ 2,491,383	0.00%	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	-	0.00%				\$ -		
35	854.6	Structures & Improvements	179,512	0.00%	179,512	3.13%	3.13%	-	51,341	28.60%	22.8	-	51,341	28.60%	22.8	22.8	3.13%	-		
36	867.6	Reuse Meters & Meter Installations	951,729	0.00%	951,729	2.22%	5.00%	26,458	60,165	6.32%	18.7	-	60,165	6.32%	18.7	18.7	5.00%	26,458		
37	875.6	Reuse Transmission & Distribution System	61,753,648	0.00%	61,753,648	2.22%	2.33%	67,929	6,436,562	10.42%	38.4	-	6,436,562	10.42%	38.4	38.4	2.33%	67,929		
38		Total Reclaimed Water Distribution Plant	\$ 65,376,273	0.00%	\$ 65,376,272	2.14%	2.28%	\$ 94,387	\$ 6,548,068	10.02%	39.4	\$ -	\$ 6,548,068	10.02%	39.4	39.4	2.28%	\$ 94,387		
General Plant																				
39	853.7	Land & Land Rights	\$ -	0.00%	\$ -	0.00%	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	-	0.00%				\$ -		
40	854.7	Structures & Improvements	1,962,720	0.00%	1,962,720	3.13%	3.13%	-	152,648	7.78%	29.5	700,000	852,648	43.44%	18.1	18.1	3.13%	(0)		
41	890.7	Office Furniture & Equipment	767,174	0.00%	767,174	4.00%	4.00%	-	394,169	51.38%	12.2	-	394,169	51.38%	12.2	12.2	4.00%	-		
42	890.7	Computer Equipment	6,601,144	2.00%	6,469,121	14.29%	20.00%	377,208	4,201,121	63.64%	1.7	-	4,201,121	63.64%	1.7	1.7	20.00%	377,208		
43	891.7	Transportation Equipment	4,732,678	2.00%	4,638,024	7.50%	7.50%	-	1,766,284	37.32%	8.1	-	1,766,284	37.32%	8.1	8.1	7.50%	-		
44	892.7	Stores Equipment	25,846	0.00%	25,846	5.39%	5.39%	-	2,390	9.25%	16.8	-	2,390	9.25%	16.8	16.8	5.39%	0		
45	893.7	Tools, Shop & Garage Equipment	2,513,202	0.00%	2,513,202	6.69%	6.69%	-	1,157,780	46.07%	8.1	-	1,157,780	46.07%	8.1	8.1	6.69%	-		
46	894.7	Laboratory Equipment	930,601	0.00%	930,601	4.00%	4.00%	-	226,035	24.29%	18.9	-	226,035	24.29%	18.9	18.9	4.00%	0		
47	895.7	Power Operated Equipment	1,813,042	2.00%	1,776,781	6.63%	6.63%	-	1,551,638	85.58%	1.9	(700,000)	851,638	46.97%	7.7	7.7	6.63%	-		
48	896.7	Communication Equipment	6,746,137	0.00%	6,746,137	6.66%	6.66%	-	2,785,609	41.29%	8.8	-	2,785,609	41.29%	8.8	8.8	6.66%	0		
49	897.7	Miscellaneous Equipment	1,248,903	0.00%	1,248,903	4.00%	4.00%	-	558,033	44.68%	13.8	-	558,033	44.68%	13.8	13.8	4.00%	-		
50	898.7	Other Tangible Equipment	20,663,400	0.00%	20,663,400	8.67%	0.00%	(1,791,517)	20,663,400	100.00%		-	20,663,400	100.00%	0.0	0.0		(1,791,517)		
51		Total General Plant	\$ 48,004,846	0.55%	\$ 47,741,909	8.35%	5.40%	\$ (1,414,309)	\$ 33,459,105	69.70%	5.5	\$ -	\$ 33,459,105	69.70%	5.5	5.5	5.40%	\$ (1,414,309)		
52		GRAND TOTAL	\$ 2,203,809,390	-0.33%	\$ 2,211,026,263	2.91%	3.07%	\$ 3,594,113	\$ 646,404,493	29.33%	23.1	\$ -	\$ 646,404,493	29.33%	23.1	23.1	3.07%	\$ 3,594,111		

(1) As of May 2011.

(2) Representative of results derived from retirement analyses and comparable utilities survey.

Table 6-4 Recommended Depreciation Rates – Chilled Water Utility

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	[P]	[Q]	[R]	[S]
		Account	Plant	Net	Total Cost	Base Accrual Rate		Depreciation	Existing Reserve		Depreciation Reserve		Adjusted	Adjusted	Adjusted	Recc.	Recc.	Incr/(Decr)
Line	No.	Description	Balance	Salvage	To Recover	Existing	Indicated	Expense	Amount	Ratio	Yrs. To Depreciate	Transfer	Reserve	Ratio	Yrs. To Depreciate	Yrs. To Depreciate	Rate	Expense
		Source of Supply & Pumping Plant																
1	303	CW Intangible Software - DES	\$ 250,024		\$ 250,024	14.29%	14.29%	\$ -	\$ 92,427	36.97%	4.4	\$ -	\$ 92,427	36.97%	4.4	4.4	14.29%	\$ 8
2	361	CW Structures and Improvements	23,363		23,363	4.00%	4.00%	-	2,025	8.67%	22.8	-	2,025	8.67%	22.8	22.8	4.00%	-
3	362	CW Station Equipment	9,309,497		9,309,497	4.00%	4.19%	17,619	1,808,022	19.42%	19.2	-	1,808,022	19.42%	19.2	19.2	4.19%	17,619
4	365	CW Overhead Conductor and Devices	6,233		6,233	4.00%	4.00%	-	958	15.38%	21.2	-	958	15.38%	21.2	21.2	4.00%	-
5	366	CW UG Conduit	431,670		431,670	4.00%	4.00%	-	88,864	20.59%	19.9	-	88,864	20.59%	19.9	19.9	4.00%	-
6	369	CW Services	20,495,834		20,495,834	4.00%	3.87%	(26,520)	4,188,003			-	4,188,003	20.43%	20.6	20.6	3.87%	(26,520)
7	370	CW Meters	169,165		169,165	4.00%	5.00%	1,692	28,720	16.98%	16.6	-	28,720	16.98%	16.6	16.6	5.00%	1,692
8		Total Distribution	\$ 30,685,785		\$ 30,685,786	4.08%	4.06%	(7,209)	6,209,020	20.23%	19.6	-	6,209,020	20.23%	19.6	19.6	4.06%	(7,201)
9		General Plant																
10	389	CW Land and Land Rights	\$ 3,050,776		\$ 3,050,776	0.00%	0.00%	\$ -	\$ -	0.00%		\$ -	\$ -	0.00%				\$ -
11	390	CW Structures and Improvements	18,162,603		18,162,603	4.00%	4.15%	28,120	3,952,278	21.76%	18.8	-	3,952,278	21.76%	18.8	18.8	4.15%	28,120
12	391	CW Office Furniture and Equipment	20,000		20,000	4.00%	4.00%	-	3,039	15.19%	21.2	-	3,039	15.19%	21.2	21.2	4.00%	-
13		CW Computer Equipment	493,987		493,987	4.00%	20.00%	79,038	75,054	15.19%	4.2	-	75,054	15.19%	4.2	4.2	20.00%	79,038
14	394	CW Tools, Shop, and Garage Equipment	9,729		9,729	4.00%	6.69%	262	519	5.33%	14.2	-	519	5.33%	14.2	14.2	6.69%	262
15	396	CW Mobile Equipment	46,917		46,917	4.00%	6.63%	1,234	16,690	35.57%	9.7	-	16,690	35.57%	9.7	9.7	6.63%	1,234
16	397	CW Communications Equipment	2,506		2,506	4.00%	6.66%	67	611	24.37%	11.4	-	611	24.37%	11.4	11.4	6.66%	67
17		Total General Plant	21,786,519		21,786,518	3.44%	3.94%	\$ 108,721	\$ 4,048,190			-	\$ 4,048,190	18.58%	20.7	20.7	3.94%	108,721
18		GRAND TOTAL	\$ 52,472,304	0.00%	\$ 52,472,304	3.82%	4.01%	\$ 101,512	\$ 10,257,210	19.55%	20.1	\$ -	\$ 10,257,210	19.55%	20.1	20.1	4.01%	\$ 101,520

(1) As of May 2011.

(2) Representative of results derived from retirement analyses and comparable utilities survey.

Appendix A – Results of Comparable Utility Survey

Table A-1 – Electric Utility Depreciation Rate Survey Findings

FERC Account Number	Account Name	Florida Power & Light	Florida Public Utilities	Orlando Utilities Commission (OUC)	Progress Energy	Union Electric Company	Empire District Electric Company	Kansas City Power & Light	Kansas City, KS Board of Public Utilities	Santee Cooper	SMECO	Cheyenne Light, Fuel and Power Company	Georgia Transmission Corporation	JEA (Existing)	Median	Average	1st Quartile	3rd Quartile	Count
303	Miscellaneous Intangible Plant			5.15%						5.08%					5.12%	5.12%	5.10%	5.13%	2
310	Land & Land Rights																		0
311	Structures & Improvements			2.64%		1.89%	1.10%	3.37%	1.67%	2.39%				2.87%	2.14%	2.18%	1.73%	2.58%	6
312	Boiler Plant Equipment			2.90%		2.90%	5.14%	1.91%	3.86%	2.50%	2.39%			4.45%	2.70%	3.12%	2.42%	3.62%	6
313	Engines & Engine Driven Generators			3.40%					2.20%	2.39%					2.39%	2.66%	2.30%	2.90%	3
314	Turbogenerator Equipment			2.61%		2.40%	1.63%	2.77%	2.00%	2.39%				1.95%	2.40%	2.30%	2.10%	2.56%	6
315	Accessory Electric Equipment			2.68%		2.91%	1.81%	3.04%	4.00%	2.39%				1.23%	2.80%	2.81%	2.46%	3.01%	6
316	Miscellaneous Plant Equipment			3.11%		4.39%	1.96%	3.81%	2.50%	2.39%				3.48%	2.81%	3.03%	2.42%	3.64%	6
321	Structures & Improvements			2.68%		1.39%		1.55%		1.69%					1.62%	1.83%	1.51%	1.94%	4
322	Reactor Plant Equipment			2.61%		2.56%		1.73%		1.69%					2.15%	2.15%	1.72%	2.57%	4
323	Turbogenerator Equipment			2.63%		2.05%		1.96%		1.69%					2.01%	2.08%	1.89%	2.20%	4
324	Accessory Electric Equipment			2.88%		1.28%		1.73%		1.69%					1.71%	1.90%	1.59%	2.02%	4
325	Miscellaneous Plant Equipment			2.83%		2.95%		2.36%		1.69%					2.60%	2.46%	2.19%	2.86%	4
331	Structures & Improvements					2.52%	1.67%			2.28%					2.28%	2.16%	1.98%	2.40%	3
332	Reservoirs, Dams & Waterways					1.84%	1.68%			2.28%					1.84%	1.93%	1.76%	2.06%	3
333	Water Wheels, Turbines & Generators					3.05%	1.47%			2.28%					2.28%	2.27%	1.88%	2.67%	3
334	Accessory Electric Equipment					2.10%	1.45%			2.28%					2.10%	1.94%	1.78%	2.19%	3
335	Miscellaneous Plant Equipment					2.46%	2.43%			2.28%					2.43%	2.39%	2.36%	2.45%	3
336	Roads, Railways & Bridges					2.00%				2.28%					2.14%	2.14%	2.07%	2.21%	2
341	Structures & Improvements			3.49%		2.31%	2.87%	4.06%		4.04%				4.15%	3.49%	3.35%	2.87%	4.04%	5
342	Fuel Holders, Producers & Accessories			3.45%		2.53%	2.88%	4.06%		4.04%				3.42%	3.45%	3.39%	2.88%	4.04%	5
343	Prime Movers			3.45%			2.88%			4.04%				2.02%	3.45%	3.46%	3.17%	3.75%	3
344	Generators			3.82%		1.85%	2.87%	4.06%		4.04%			2.50%	5.52%	3.35%	3.19%	2.59%	3.99%	6
345	Accessory Electric Equipment			3.58%		2.59%	2.88%	4.06%		4.04%				3.08%	3.58%	3.43%	2.88%	4.04%	5
346	Miscellaneous Plant Equipment			3.50%		3.81%	2.88%			4.04%				4.14%	3.66%	3.56%	3.35%	3.87%	4
350	Land & Land Rights	1.30%	2.20%		1.20%							2.49%			1.75%	1.80%	1.28%	2.27%	4
352	Structures & Improvements	1.90%	2.00%	2.83%	1.40%	1.64%	2.01%	1.81%	1.67%	1.74%		2.15%	2.20%	2.24%	1.90%	1.94%	1.71%	2.08%	11
353	Station Equipment	2.60%	2.30%	3.63%	1.80%	1.75%	2.19%	2.70%	2.50%	2.07%	3.84%	1.92%	2.00%	2.54%	2.25%	2.44%	1.98%	2.63%	12
354	Towers & Fixtures	2.20%	2.20%	3.11%	1.30%	1.34%	1.86%	2.35%	2.00%	2.07%	2.19%	2.98%	2.40%	2.14%	2.20%	2.17%	1.97%	2.36%	12
355	Poles & Fixtures	3.40%	3.80%	3.33%	3.30%	3.90%	3.18%	3.74%	2.86%	2.04%	2.65%	2.29%	3.11%	3.27%	3.24%	3.13%	2.81%	3.49%	12
356	Overhead Conductors & Devices	3.20%	3.20%	2.61%	1.50%	2.49%	2.06%	3.12%	2.00%	2.52%	2.61%	2.35%	2.99%	2.51%	2.57%	2.55%	2.28%	3.02%	12
357	Underground Conduit	1.70%		2.16%	1.20%			1.68%	2.00%	2.30%	2.01%		1.80%	1.81%	1.90%	1.86%	1.70%	2.05%	8
358	Underground Conductors & Devices	1.80%		2.15%	2.00%			2.20%	4.00%	2.07%	2.27%		2.23%	2.11%	2.18%	2.34%	2.05%	2.24%	8
359	Roads & Trails	1.70%	3.90%	2.50%	0.90%	2.00%				1.41%		1.40%	1.95%	1.76%	1.83%	1.97%	1.41%	2.13%	8
360	Land & Land Rights		1.90%		1.40%							1.62%			1.62%	1.64%	1.51%	1.76%	3
361	Structures & Improvements	1.90%	2.20%	2.50%	1.40%	1.68%	2.07%	2.65%	1.67%	2.20%		2.54%	2.45%	2.43%	2.20%	2.11%	1.79%	2.48%	11
362	Station Equipment	2.60%	3.00%	3.25%	1.80%	1.82%	1.91%	2.21%	2.50%	2.55%	3.08%	2.65%	2.58%	2.20%	2.57%	2.50%	2.14%	2.74%	12
364	Poles, Towers & Fixtures	4.10%	4.20%	3.63%	4.20%	5.48%	4.25%	3.83%	2.86%	4.68%	4.40%	2.79%		3.98%	4.20%	4.04%	3.73%	4.33%	11
365	Overhead Conductors & Devices	3.90%	3.80%	3.82%	2.70%	3.17%	3.69%	2.37%	2.50%	4.22%	3.34%	2.80%		4.67%	3.34%	3.30%	2.75%	3.81%	11
366	Underground Conduit	1.50%	2.00%	2.46%	1.60%	1.94%	3.86%	1.68%	2.00%	2.72%	2.38%	2.69%		2.33%	2.00%	2.26%	1.81%	2.58%	11
367	Underground Conductors & Devices	2.60%	2.90%	2.47%	3.00%	2.32%	3.61%	2.22%	4.00%	3.55%	3.20%	2.69%		2.55%	2.90%	2.96%	2.54%	3.38%	11
368	Line Transformers	3.80%	4.20%	3.87%	2.90%	2.49%	2.76%	3.31%	3.33%	3.08%	3.33%	2.77%		3.67%	3.31%	3.26%	2.84%	3.57%	11
369	Services	3.90%	3.80%	4.00%	4.00%	3.02%	4.93%	3.01%	3.33%	3.72%	3.83%	2.64%		5.37%	3.80%	3.65%	3.18%	3.95%	11
370	Meters	3.60%	3.60%	9.92%	6.00%	4.16%	2.27%	3.89%	6.67%	2.93%		4.01%	3.47%	5.91%	3.89%	4.59%	3.54%	5.08%	11
371	Installations on Customers' Premises	4.00%	6.10%		3.60%	2.26%	5.77%	10.09%	4.00%		5.07%	3.82%		4.63%	4.00%	4.97%	3.82%	5.77%	9
372	Leased Property									4.22%					4.22%	4.22%	4.22%	4.22%	1
373	Street Lighting & Signal Systems	4.00%	5.60%	5.04%	3.10%	3.66%	3.09%	3.37%	6.67%	5.47%	3.66%	2.80%		5.27%	3.66%	4.22%	3.24%	5.26%	11
389	Land & Land Rights																		0
390	Structures & Improvements	2.10%	2.00%	4.03%	3.70%	2.51%	2.86%	2.25%	2.27%	2.44%	2.82%			3.07%	2.48%	2.70%	2.26%	2.85%	10
391	Office Furniture & Equipment			17.14%	14.30%	6.67%	4.98%	4.33%	3.85%	14.70%	3.99%		4.23%	10.35%	4.98%	8.24%	4.23%	14.30%	9
391	Computer Equipment					20.00%	10.25%	4.33%	10.00%		12.57%		12.73%		11.41%	11.65%	10.06%	12.69%	6
392	Transportation Equipment		9.20%	15.58%	8.70%	7.75%	7.09%	6.51%	10.00%	7.27%	6.72%		5.86%	7.50%	7.51%	8.47%	6.81%	9.08%	10
393	Stores Equipment			3.33%	14.30%	5.00%	3.20%	3.39%	3.33%	9.09%	2.76%			5.39%	3.36%	5.55%	3.30%	6.02%	8
394	Tools, Shop & Garage Equipment			18.18%	14.30%	5.00%	4.34%	3.03%	6.67%	10.00%	3.97%	4.00%	3.39%	6.69%	4.67%	7.29%	3.98%	9.17%	10
395	Laboratory Equipment			3.67%	14.30%	5.00%	2.61%	3.14%	6.67%	8.33%	2.60%	2.27%	4.41%	4.00%	4.04%	5.30%	2.74%	6.25%	10
396	Power Operated Equipment		6.30%	12.77%	5.80%	5.96%	6.33%	5.45%	5.00%	6.33%	5.15%		5.11%	6.03%	5.88%	6.42%	5.23%	6.32%	10
397	Communications Equipment			10.26%	14.30%	6.67%	4.08%	3.04%	5.00%	6.62%	6.34%	2.27%	4.91%	6.66%	5.67%	6.35%	4.29%	6.66%	10
398	Miscellaneous Equipment			10.00%	14.30%	5.00%	4.47%	4.28%	4.17%	7.99%	6.19%		4.43%	4.00%	5.00%	6.76%	4.43%	7.99%	9
399	Other Tangible Property													8.67%					0

Table A-2 – Water Utility Depreciation Rate Survey Findings

JEA Account Number	NARUC Account Number	Account Name	Continental Utility Inc.	Lake Utility Services Inc. - FL	Lighthouse Utilities Company, Inc.	Marion Utilities, Inc. - FL	North Beach Utilities, Inc.	Orlando Utilities Commission (OUC)	Parkland Utilities, Inc.	Plantation Bay Utility Company	Royal Utility Company	Sanlando Utilities Corporation	Southlake Utilities, Inc.	Sunshine Utilities of Central Florida, Inc.	Tradewinds Utilities, Inc.	Utilities, Inc. of Florida	Utilities, Inc. of Pennbrooke	Water Management Services, Inc.	Windstream Utilities	JEA (Existing)	Median	Average	1st Quartile	3rd Quartile	Count
	301	Organization		2.50%					2.50%	2.50%							2.50%				2.50%	2.50%	2.50%	2.50%	4
	302	Franchises	5.00%	2.50%							3.03%						2.50%				2.77%	3.26%	2.50%	3.52%	4
	304	Structure and Improvements	3.57%	3.13%	3.03%	3.03%	3.57%	2.08%	3.70%	3.03%	3.03%	3.03%	3.03%	3.03%		3.13%	3.13%	3.03%	3.57%	3.03%	3.03%	3.13%	3.03%	3.24%	16
	305	Collecting and Impounding Reservoirs		2.00%													2.00%		3.57%	1.85%	2.00%	2.52%	2.00%	2.79%	3
	306	Lake, River and Other Intakes		2.50%													2.50%			2.82%	2.50%	2.50%	2.50%	2.50%	2
	307	Wells and Springs	3.33%	3.33%	10.00%	3.33%	3.70%	3.64%	3.70%	3.33%	5.00%	3.33%	3.33%	3.33%	6.67%	3.33%	3.33%	3.33%	3.70%	3.33%	3.33%	4.10%	3.33%	3.70%	17
	308	Infiltration Galleries and Tunnels		2.50%													2.50%			2.50%	2.50%	2.50%	2.50%	2.50%	2
	309	Supply Mains		2.86%	2.86%		3.13%	3.33%	5.88%	2.86%	2.86%			2.86%	3.13%	2.86%	2.86%	2.86%	2.86%	2.88%	2.86%	3.17%	2.86%	3.13%	13
	310	Power Generation Equipment	5.00%	5.00%			5.88%			5.00%	5.00%		5.00%	6.67%	6.67%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.35%	5.00%	5.22%	12
	311	Pumping Equipment	5.00%	5.00%	5.00%	5.00%	5.88%	3.33%	6.67%	5.00%	5.00%	5.00%	5.00%	5.00%	6.67%	5.00%	5.00%	5.00%	5.88%	5.00%	5.00%	5.20%	5.00%	5.00%	17
	312	Collecting Reservoirs																							0
	313	Lake or River Intake																							0
	314	Drilled & Cased Well																							0
	316	Supply Mains																							0
	320	Water Treatment Equipment	10.00%	4.55%	4.55%	4.55%	5.88%	3.03%	5.88%	4.55%	4.55%	4.55%	4.55%	4.55%	14.29%	4.55%	4.55%	4.55%	14.29%	3.78%	4.55%	6.08%	4.55%	5.88%	17
	330	Distribution Reservoirs and Standpipes	2.50%	2.70%	2.70%	2.70%	3.03%			2.70%	2.70%	2.70%	2.70%	4.55%	3.33%	2.70%	2.70%	2.70%	3.03%	3.28%	2.70%	2.90%	2.70%	2.87%	15
	331	Transmission and Distribution Mains	2.33%	2.33%		2.33%	2.63%	1.72%	2.63%	2.33%	2.22%	2.33%	2.33%	2.33%	2.50%	2.33%	2.33%	2.33%	2.63%	2.32%	2.33%	2.35%	2.33%	2.37%	16
	333	Services		2.50%	2.50%	2.50%	2.86%	2.55%	2.86%	2.50%	2.50%	2.50%	2.50%	2.33%	2.86%	2.50%	2.50%	2.50%	2.86%	2.50%	2.50%	2.58%	2.50%	2.63%	16
	334	Meters and Meter Installations	5.00%	5.00%	5.00%	5.00%	5.88%	4.00%	5.88%	5.00%	5.00%	5.00%	5.00%	5.00%	5.88%	5.00%	5.00%	5.00%	5.88%	3.03%	5.00%	5.15%	5.00%	5.00%	17
	335	Hydrants	2.22%	2.22%			2.50%	2.40%	2.50%	2.22%	2.22%	2.22%	2.22%	2.22%	5.00%	2.22%	2.22%	2.22%	2.22%	2.34%	2.22%	2.45%	2.22%	2.31%	15
	336	Backflow Prevention Devices		6.67%						10.00%						6.67%	6.67%		6.67%	10.00%	6.67%	7.34%	6.67%	6.67%	5
	337	Meter Installations																							0
	339	Other Plant / Miscellaneous Equipment	10.00%	4.00%				6.90%	4.00%	4.00%	4.00%		4.00%	4.00%		5.56%	4.00%	4.00%	4.00%	5.00%	4.00%	4.87%	4.00%	4.39%	12
	340	Office Furniture and Equipment		6.67%	16.67%	6.67%	6.67%	7.02%	6.67%	6.67%	6.67%	6.67%	6.67%	6.67%	16.67%	6.67%	6.67%	6.67%	6.67%	10.35%	6.67%	7.94%	6.67%	6.67%	16
	340	Office Furniture and Equipment - Computers		16.67%				20.00%									16.67%				16.67%	17.78%	16.67%	18.34%	3
	341	Transportation Equipment		16.67%	16.67%	16.67%	16.67%	16.22%	16.67%		16.67%	16.67%		16.67%	16.67%	10.00%	16.67%	16.67%	16.67%	7.50%	16.67%	16.16%	16.67%	16.67%	14
	342	Stores Equipment		5.56%										5.00%			5.56%		5.39%	5.56%	5.37%	5.28%	5.56%	3	
	343	Tools, Shop and Garage Equipment		6.25%		6.25%	7.14%	28.57%	6.25%		6.25%	6.25%	6.25%	6.25%	6.67%	6.25%	6.25%	6.25%	6.67%	6.69%	6.25%	8.10%	6.25%	6.67%	13
	344	Laboratory Equipment		6.67%				10.00%		6.67%	6.67%			10.00%		6.67%	6.67%		4.00%	6.67%	7.50%	6.67%	7.50%	8	
	345	Power Operated Equipment		8.33%			10.00%	17.91%					8.33%	8.33%		8.33%	8.33%	8.33%	8.33%	6.63%	8.33%	9.58%	8.33%	8.33%	9
	346	Communication Equipment		10.00%		10.00%		6.06%		10.00%		10.00%		10.00%		10.00%	10.00%		10.00%	6.66%	10.00%	9.56%	10.00%	10.00%	9
	347	Miscellaneous Equipment		6.67%						6.67%	6.67%			6.67%		2.00%	6.67%	6.67%		10.00%	4.00%	6.67%	6.50%	6.67%	8
	348	Other Tangible Plant		10.00%		10.00%	10.00%				6.67%	10.00%	10.00%			10.00%	10.00%		10.00%	8.67%	10.00%	9.63%	10.00%	10.00%	9

*Data from the Florida Public Service Commission Website 2010 Annual Reports

Table A-3 – Wastewater Utility Depreciation Rate Survey Findings

JEA Account Number	NARUC Account Number	Account Name	Continental Utility, Inc.	Forest Utilities, Inc.	Lake Utility Services Inc	Marion Utilities, Inc.	Mid County Services Inc	North Beach Utilities, Inc.	North Peninsula Utility Corporation	Orlando Utilities Commission (OUC)	Parkland Utilities, Inc.	Plantation Bay Utility Company	Royal Utility Company	Sanlando Utilities Corporation	Southlake Utilities, Inc.	Tradewinds Utilities, Inc.	Utilities, Inc. of Florida	Utilities, Inc. of Pennbrooke	JEA (Existing)	Median	Average	1st Quartile	3rd Quartile	Count
	351	Organization			2.50%		2.50%				2.50%	2.50%		2.50%		3.45%				2.50%	2.66%	2.50%	2.50%	6
	352	Franchises	5.00%	2.50%	2.50%		2.50%							2.50%		33.33%				2.50%	8.06%	2.50%	4.38%	6
854	354	Structures and Improvements	3.30%	2.86%	3.13%	3.03%	3.13%	3.70%	3.70%		3.70%	3.13%	2.86%	3.13%	3.13%	3.70%	4.00%	3.13%	3.13%	3.13%	3.31%	3.13%	3.70%	15
855	355	Power Generation Equipment		5.00%	5.00%		5.00%						5.00%	5.00%			5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	7
860.2	360	Collection Sewers - Force		3.33%	3.33%	3.33%	3.33%	3.70%	3.70%		3.70%	3.33%	3.33%	3.33%	3.33%	3.70%	3.33%	3.33%	3.33%	3.33%	3.44%	3.33%	3.61%	14
861.2	361	Collection Sewers - Gravity	2.23%	2.86%	2.22%		2.22%		2.50%		2.50%	2.22%	2.22%	2.22%	2.22%	2.50%	2.22%	2.22%	2.23%	2.22%	2.23%	2.22%	2.50%	13
862.2	362	Special Collecting Structures		4.00%	2.50%	2.70%	2.50%				4.00%			2.50%	2.50%	2.70%		2.50%	3.12%	2.50%	2.88%	2.50%	2.70%	9
863.2	363	Services to Customers		2.63%	2.63%	2.63%	2.63%	2.86%	2.86%		2.86%	2.63%		2.63%	2.63%	2.86%	2.63%	2.63%	2.63%	2.63%	2.70%	2.63%	2.86%	13
864.2	364	Flow Measuring Devices		20.00%	20.00%		20.00%				20.00%	20.00%	20.00%	20.00%		5.88%		20.00%	5.41%	20.00%	18.43%	20.00%	20.00%	9
865.2	365	Flow Measuring Installations			2.63%		2.63%							2.63%			1.50%	2.63%	5.96%	2.63%	2.40%	2.63%	2.63%	5
	366	Reuse Services			2.50%		2.50%							2.50%			5.88%	2.50%	2.00%	2.50%	3.18%	2.50%	2.50%	5
	367	Reuse Meters and Meter Installations			5.00%		5.00%							5.00%			5.00%	2.22%	5.00%	5.00%	5.00%	5.00%	5.00%	4
	370	Receiving Wells	4.00%		3.33%	3.33%	3.33%	4.00%	4.00%		5.56%			3.33%		5.56%	2.86%	3.33%	2.50%	3.33%	3.88%	3.33%	4.00%	11
871	371	Pumping Equipment	4.00%	5.56%	5.56%	5.00%	5.56%	6.67%	5.88%			5.56%	5.56%	5.56%	4.00%		5.56%	5.56%	3.43%	5.56%	5.39%	5.56%	5.56%	13
874.5	374	Reuse Distribution Reservoirs		2.70%								2.70%							2.70%	2.70%	2.70%	2.70%	2.70%	2
875.6	375	Reuse Transmission and Distribution System		4.55%	2.33%		2.33%					2.33%		2.33%			2.33%	2.33%	2.22%	2.33%	2.65%	2.33%	2.33%	7
880.4	380	Treatment and Disposal Equipment	5.56%	3.70%	5.56%	5.56%	5.56%	6.67%	6.67%			5.56%		5.56%	5.56%	6.67%	5.56%	5.56%	3.51%	5.56%	5.67%	5.56%	5.56%	13
881.4	381	Plant Sewers			2.86%		2.86%					2.86%		2.86%			2.86%	4.72%	2.86%	2.86%	2.86%	2.86%	2.86%	5
882.4	382	Outfall Sewer Lines			3.33%	3.33%	3.33%					3.33%		3.33%		6.67%		3.33%	4.03%	3.33%	3.81%	3.33%	3.33%	7
889	389	Other Plant / Miscellaneous Equipment	6.25%		5.56%	5.56%	5.56%	10.00%			6.67%		5.56%	5.56%	5.56%	2.86%	5.56%	5.56%	4.05%	5.56%	5.86%	5.56%	5.73%	12
890.7	390	Office Furniture and Equipment		16.67%	6.67%		6.67%	6.67%				6.67%	6.67%	6.67%	6.67%	16.67%	6.67%	6.67%	10.35%	6.67%	8.49%	6.67%	6.67%	11
891.7	391	Transportation Equipment		16.67%	16.67%		16.67%	16.67%			16.67%			16.67%	16.67%		10.00%	16.67%	7.50%	16.67%	15.93%	16.67%	16.67%	9
892.7	392	Stores Equipment			5.56%		5.56%							5.56%				5.56%	5.39%	5.56%	5.56%	5.56%	5.56%	4
893.7	393	Tools, Shop and Garage Equipment			6.25%		6.25%	7.14%			6.25%		6.25%	6.25%		6.67%	6.25%	6.69%	6.25%	6.40%	6.25%	6.25%	6.25%	9
894.7	394	Laboratory Equipment		6.67%	6.67%		6.67%						6.67%	6.67%			6.67%	6.67%	4.00%	6.67%	6.67%	6.67%	6.67%	7
895.7	395	Power Operated Equipment		6.67%	8.33%		8.33%	10.00%						8.33%	8.33%	10.00%	8.33%	8.33%	6.63%	8.33%	8.52%	8.33%	8.33%	9
896.7	396	Communication Equipment			10.00%		10.00%							10.00%			10.00%	10.00%	6.66%	10.00%	10.00%	10.00%	10.00%	5
897.7	397	Miscellaneous Equipment			6.67%		6.67%							6.67%			2.00%	6.67%	4.00%	6.67%	5.74%	6.67%	6.67%	5
898.7	398	Other Tangible Plant			10.00%	3.03%	10.00%						10.00%	10.00%	10.00%		10.00%	10.00%	8.67%	10.00%	9.13%	10.00%	10.00%	8

*Data from the Florida Public Service Commission Website 2010 Annual Reports

Table A-4 – Chilled Water Utility Depreciation Rate Survey Findings

Account Number	JEA Account Number	Account Name	Orlando Utilities Commission	JEA (Existing)
303	303	Miscellaneous Intangible Plant	20.00%	14.29%
390	665	Gen Plant Structures and Improvements	4.62%	4.00%
391	391	Office Furniture and Equipment	14.29%	4.00%
392		Gen Plant Transportation Equipment	20.00%	
396	396	General Equipment	33.33%	4.00%
665	390	Building	2.84%	4.00%
670	362	Chiller	5.00%	4.00%
675	391	Comp Equip Software	20.00%	4.00%
680	366	Controls	7.69%	4.00%
685		Cooling Tower	5.00%	
690	370	EDS & BTU Meters	5.00%	4.00%
695		HVAC	5.00%	
700	369	Pipeline	2.61%	4.00%
705		Electric Gear	5.00%	
710		Plant Pipe	2.64%	
715		Pumps & Auxillary	3.33%	
730		Heat Exchanger	5.00%	