

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Mid Mo)
Sanitation, LLC for a Small Company Rate)
Increase)

Case No. SR-2010-0095

**NOTICE OF COMPANY/STAFF AGREEMENT REGARDING DISPOSITION
OF SMALL SEWER COMPANY REVENUE INCREASE REQUEST**

COMES NOW, the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and requests that the Missouri Public Service Commission (Commission) enter an Order adopting the terms agreed upon by Staff and Mid Mo Sanitation, LLC (Mid Mo or Company) from the attached *Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request*. In support of this request, Staff states the following:

1. Pursuant to negotiations conducted after the receipt by the Company and OPC of the above-referenced information and recommendations, Staff and Mid Mo were able to reach an agreement (Disposition Agreement) regarding the resolution of the Company's revenue increase request.

2. Included in Appendix A, attached hereto, is a copy of the Disposition Agreement, as well as various attachments related to the Disposition Agreement and Staff's investigation of the revenue increase request. Additionally, Appendix A contains affidavits from Staff members that participated in the investigation.

3. The Disposition Agreement reflects an agreed-upon annualized operating revenue increase in the amount of \$3,721.00.

4. Pursuant to Rule 4 CSR 240-3.050, governing disposition agreements executed between Staff and small utility companies utilizing the small utility rate case procedure, Mid Mo will file tariff sheets seeking to implement the terms of the Disposition Agreement. The tariff sheets will be filed on April 14, 2010, and as required will bear the minimum 45-day effective date of June 1, 2010.

5. Mid Mo is current on its payment of Commission assessments and on its filings of annual report and statements of revenue. Mid Mo has no other cases pending before the Commission at this time.

WHEREFORE, the Staff respectfully submits this Agreement Notice and the attached Appendix for the Commission's information and consideration in this case and requests that the Commission enter an Order adopting the terms agreed upon by Staff and the Company.

Respectfully submitted,

/s/ Samuel D. Ritchie

Sam Ritchie
Legal Counsel
Missouri Bar No. 61167

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-4140 (Telephone)
(573) 751-9285 (Fax)
samuel.ritchie@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Agreement Notice and the attached Appendix A has been provided, either by first-class mail, by electronic mail, by facsimile transmission or by hand-delivery, to each attorney and/or party of record for this case on this 9th day of April, 2010.

/s/ Samuel D. Ritchie

APPENDIX A

STAFF PARTICIPANT AFFIDAVITS AND COMPANY/STAFF AGREEMENT & ATTACHMENTS

CASE NO. SR-2010-0095

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Staff Participant Affidavits

James M. Russo – Water & Sewer Department

Keith Foster – Auditing Department

Arthur Rice – Engineering & Management Services Department

Gary Bangert – Engineering & Management Services Department

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

AFFIDAVIT OF JAMES M. RUSSO


STATE OF MISSOURI)

) SS

CASE NO. SR-2010-0095

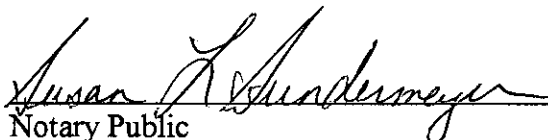
COUNTY OF COLE)

COMES NOW James M. Russo, being of lawful age, and on his oath states the following: (1) that he is the Rate and Tariff Examination Supervisor of the Missouri Public Service Commission's Water & Sewer Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he was responsible for the preparation of the following *Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request ("Disposition Agreement")*; (4) that he was responsible for the preparation of Attachments A, B, D, E, and H to the Disposition Agreement; (5) that he has knowledge of the matters set forth in the Disposition Agreement and the above-referenced attachments thereto; and (6) that the matters set forth in the Disposition Agreement and the above-referenced attachments thereto are true and correct to the best of his knowledge, information and belief.



James M. Russo
Rate & Tariff Examination Supervisor
Water and Sewer Department

Subscribed and sworn to before me this 7th day of April, 2010.



Notary Public



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #00842086

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF KEITH D. FOSTER

STATE OF MISSOURI

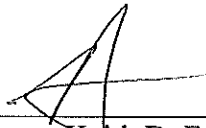
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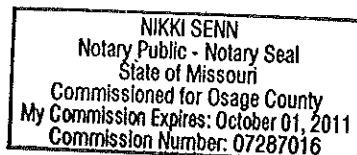
Case No. SR-2010-0095

COMES NOW Keith D. Foster, being of lawful age, and on his oath states the following: (1) that he is an Utility Regulatory Auditor III in the Missouri Public Service Commission's Auditing Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the following *Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachment C to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment C to the Disposition Agreement; and (6) that the matters set forth in Attachment C to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.



Keith D. Foster
Utility Regulatory Auditor III
Auditing Department

Subscribed and sworn to before me this 7th day of April, 2010.



Nikki Senn
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF ARTHUR W. RICE, PE

STATE OF MISSOURI

ss.

COUNTY OF COLE

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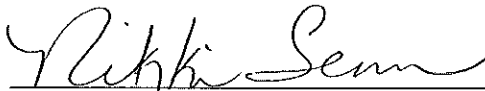
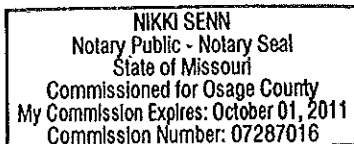
Case No. SR-2010-0095

COMES NOW Arthur W. Rice, being of lawful age, and on his oath states the following: (1) that he is a(n) Utility Regulatory Engineer in the Missouri Public Service Commission's Engineering & Management Services Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing *Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachment F to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment F to the Disposition Agreement; and (6) that the matters set forth in Attachment F to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.



Arthur W. Rice
Utility Regulatory Engineer
Engineering & Management
Services Department

Subscribed and sworn to before me this 7th day of April, 2010.



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF GARY R. BANGERT

STATE OF MISSOURI

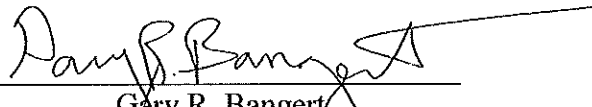
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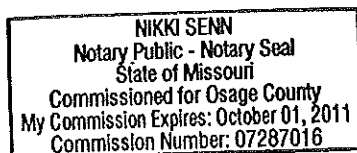
Case No. SR-2010-0095


COMES NOW Gary R. Bangert, being of lawful age, and on his oath states the following: (1) that he is a(n) Utility Management Analyst III in the Missouri Public Service Commission's Engineering & Management Services Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing *Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachment G to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment G to the Disposition Agreement; and (6) that the matters set forth in Attachment G to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.



Gary R. Bangert
Utility Management Analyst III
Engineering & Management
Services Department

Subscribed and sworn to before me this 7th day of April, 2010.





Notary Public

Company/Staff Disposition Agreement

COMPANY/STAFF AGREEMENT REGARDING DISPOSITION
OF SMALL SEWER COMPANY REVENUE INCREASE REQUEST

MID MO SANITATION, LLC

MO PSC CASE NO SR-2010-0095

BACKGROUND

Mid MO Sanitation, LLC ("Company") initiated the small company revenue increase request ("Request") for sewer service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") Case Number by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-3.050, Small Utility Rate Case Procedure ("Small Company Procedure"). In its request letter, which was received at the Commission's offices on September 11, 2009, the Company set forth its request for an increase of \$1 in its total annual sewer service operating revenues. In its request letter, the Company also acknowledged that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions would be reviewed during the Commission Staff's ("Staff") review of the revenue increase request, and could thus be the subject of Staff recommendations. The Company provides service to 28 customers, the vast majority of which are residential customers.

Pursuant to the provisions of the Small Company Procedure and related internal operating procedures, Staff initiated an audit of the Company's books and records, a review of the Company's customer service and general business practices, a review of the Company's existing tariff, an inspection of the Company's facilities and a review of the Company's operation of its facilities. (Hereafter, these activities are collectively referred to as Staff's "investigation" of the Company's Request.)

Upon completion of Staff's investigation of the Company's Request, Staff provided the Company and the Office of the Public Counsel ("OPC") with the results of the investigation, with Staff's initial recommendations for the resolution of the Company's Request, and with other information regarding Staff's investigation.

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

Pursuant to negotiations held subsequent to the Company's and OPC's receipt of the above-referenced information regarding Staff's investigation of the Company's Request, Staff and the Company hereby state the following agreements.

- (1) That for the purpose of implementing the agreements set out herein, the Company will file proposed tariff revisions with the Commission containing the rates, charges and language set out in the example tariff sheet attached hereto as Attachment A and incorporated herein, with those proposed tariff revisions bearing an effective date of June 1, 2010.
- (2) That except as otherwise noted in the agreements below, the ratemaking income statement attached hereto as Attachment B and incorporated herein, accurately reflects the Company's annualized revenues generated by its current customer rates, the agreed-upon total annualized cost of service for the Company, and the resulting agreed-upon annualized operating revenue increase of \$3,721 is just and reasonable to recover the Company's cost of service.
- (3) That the audit workpapers attached hereto as Attachment C and incorporated herein, which include consideration of a capital structure of 100.00% equity for the Company and a return on that equity of 9.50%, accurately reflect the agreed-upon total annualized cost of service for the Company and provide the basis for the ratemaking income statement referenced in item (2) above.
- (4) That the rates set out in the attached example tariff sheet, the development of which is shown on the rate design worksheet attached hereto as Attachment D and incorporated herein, are designed to generate revenues sufficient to recover the agreed-upon total annualized cost of service for the Company.
- (5) That the rates included in the attached example tariff sheet will result in the residential customer impacts shown on the billing comparison worksheet attached hereto as Attachment E and incorporated herein.
- (6) That the rates included in the attached example tariff sheet are just and reasonable, and that the provisions of the attached example tariff sheet also properly reflect all other agreements set out herein, where necessary.
- (7) That the schedule of depreciation rates attached hereto as Attachment F and incorporated herein, which includes the depreciation rates used by Staff in its revenue requirement analysis, should be the prescribed schedule of sewer plant depreciation rates for the Company.
- (8) Within 30 (thirty) days of the effective date of an order approving this Disposition Agreement, the Company will implement the recommendations contained in the Engineering & Management Services Department ("EMSD") Report

attached hereto as Attachment G and incorporated herein. These recommendations include the following:

- a. Develop and distribute to all current and future customers a written document containing information that specifies the rights and responsibilities of the Company and its customers.
 - b. Incorporate the due date on customers' bills and clearly state on each bill when customers are subject to the 5% late payment fee. In addition, incorporate the Company contact telephone number on customer bills.
 - c. Prepare a written notice that could be used to notify customers when scheduling disconnections of service due to nonpayment.
 - d. Develop and implement a process to ensure all customer complaints received by Company personnel are documented and maintained. Documentation shall include the customer name, address, nature of the complaint, date of occurrence, as well as an explanation of what the Company has done to address the complaint.
- (9) The Company shall mail its customers a final written notice of the rates and charges included in its proposed tariff revisions prior to or with its next billing cycle after issuance of the Commission Order approving the terms of this Company/Staff Disposition Agreement. The notice will include a summary of the impact of the proposed rates on an average residential customer's bill. When the Company mails the notice to its customers, it will also send a copy to Staff Case Coordinator who will file a copy in the subject case file.
- (10) That Staff may conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Disposition Agreement.
- (11) That Staff may file a formal complaint against it, if the Company does not comply with the provisions of this Disposition Agreement.
- (12) That the Company agrees that it has read the foregoing Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request; that upon the Company's best knowledge and belief the facts stated therein are true; that the foregoing conditions accurately reflect the agreement reached between the Company and Staff; and that the Company freely and voluntarily enters into this agreement.
- (13) That the above agreements satisfactorily resolve all issues identified by the Staff and the Company regarding the Company's Request, except as otherwise specifically stated herein.

ADDITIONAL MATTERS

Other than the specific conditions agreed upon and expressly set out herein, the terms of this Company/Staff Disposition Agreement reflect compromises between Staff and the Company. In arriving at the amount of the annual operating revenue increase specified herein neither party has agreed to any particular ratemaking principle.

The Company and Staff acknowledge that they have previously agreed to an extension of the normal "Day-150" date by which an agreement regarding the resolution of a small company revenue increase request is to be reached for the following reason: (1) The Company was waiting for an operating permit from the Department of Natural Resources (DNR) listing DNR's requirements for the facility and the items the Company would need to include in any contract with a certified operator. A copy of the extension agreement can be found in the above-referenced EFIS Tracking File for the Request.

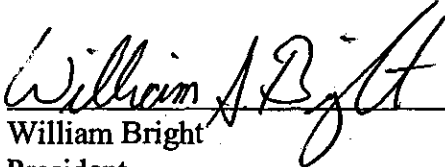
Staff has completed a Summary of Case Events and has included that summary as Attachment H to this Company/Staff Disposition Agreement.

The Company acknowledges that the Staff will be filing this Company/Staff Disposition Agreement and the attachments hereto, in the existing case after the Company files the proposed tariff revisions mandated by this agreement. The Company also acknowledges that Staff may make other filings in this case.

Additionally, the Company agrees that Staff shall have the right to provide whatever oral explanation the Commission may request regarding this Company/Staff Disposition Agreement at any agenda meeting at which that case is noticed to be considered by the Commission. Staff will be available to answer Commission questions regarding this Company/Staff Disposition Agreement. To the extent reasonably practicable, Staff shall provide the Company with advanced notice of any such agenda meeting so that they may have the opportunity to also be represented at the meeting.

SIGNATURES

Agreement Signed and Dated:

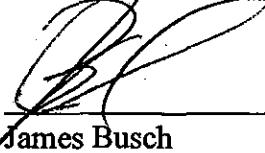


William Bright

President

Mid MO Sanitation, LLC

4-7-2010
Date



James Busch

Manager

Water & Sewer Department

Missouri Public Service Commission Staff

4/8/10
Date

List of Attachments

Attachment A – Example Tariff Sheets

Attachment B – Ratemaking Income Statement

Attachment C – Audit Workpapers

Attachment D – Rate Design Worksheet

Attachment E – Billing Comparison Worksheet

Attachment F – Schedule of Depreciation Rates

Attachment G – EMSD Report

Attachment H – Summary of Events

Agreement Attachment A

Example Tariff Sheets

P.S.C. MO No. 1

1st Revised Sheet No. 6

Cancelling Original Sheet No. 6

Mid MO Sanitation LLC
Name of Issuing Company

For: Callaway County
Certificated Service Area

**Rules & Regulations Governing
the Rendering of Sewer Service**

Schedule of Rates

The following monthly sewer service charge will be in effect for Customers of Mid MO Sanitation LLC:

Residential Flat Rate - \$75.35 per unit/per month – available for residential dwellings occupied, or designed for occupation, by single families and producing domestic sewage only.

Commercial Flat Rate - \$113.01 per unit/per month

This rate does not include any municipal, state or federal taxes computed on either billing or consumption bases. Any such taxes applicable shall be added as separate items in rendering each bill.

Issue Date: April 14, 2010
Month/Day/Year

Effective Date: June 1, 2010
Month/Day/Year

Issued By: William Bright, Manager
Name & Title of Issuing Officer

1101 Sioux Drive, Fulton, MO 65251
Company Mailing Address

Agreement Attachment B

Ratemaking Income Statement

MID MO SANITATION LLC

Rate Making Income Statement-Sewer

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	22,502
2	Other Operating Revenues *	\$	-
3	Total Operating Revenues	\$	22,502
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount
1 Operators Salary	\$ 5,133
2 Management Salary	\$ 3,000
3 Electricity-Pumping	\$ 1,426
4 Sewer Treatment -Chemicals	\$ 85
5 Sewer Treatment -Testing/Laboratory Fees	\$ -
6 Maintenance Expense-Parts/Equipment	\$ 321
7 Maintenance Expense-Outside Labor	\$ 1,690
8 Permit Fees	\$ 375
9 Billing & Collections	\$ 2,454
10 Accounting Fees	\$ 2,690
11 Telephone & Internet Expense	\$ 65
12 Transportation Expense	\$ -
13 Property & Liability Insurance	\$ 515
14 Rent Expense	\$ 600
15 Rate Case Expense	\$ -
16 Office Supplies	\$ 494
17 Postage Expense	\$ 148
18 Bookkeeping	\$ -
19 Employee Pensions & Benefits	\$ -
20 Regulatory Commission Expense	\$ 2,526
21 Miscellaneous General Expenses	\$ 115
22 Sub-Total Operating Expenses	\$ 21,637
23 Property Taxes	\$ 20
24 MO Franchise Taxes	\$ -
25 Employer FICA Taxes	\$ -
26 Federal Unemployment Taxes	\$ -
27 State Unemployment Taxes	\$ -
28 State & Federal Income Taxes	\$ 518
29 Sub-Total Taxes	\$ 538
30 Depreciation Expense	\$ 1,970
31 Amortization of Utility Plant	\$ -
32 Sub-Total Depreciation/Amortization	\$ 1,970
33 Return on Rate Base	\$ 2,078
34 Total Cost of Service	\$ 26,223
35 Overall Revenue Increase Needed	\$ 3,721

Agreement Attachment C

Audit Workpapers

Exhibit No.: 12345667
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staff
Case No: SR-2010-0095
Date Prepared: April 6, 2010



MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

STAFF ACCOUNTING SCHEDULES

MID-MO SANITATION, LLC

CASE NO. SR-2010-0095

Jefferson City, Missouri

April 2010

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Expense Schedule - Sewer

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		OPERATIONS EXPENSES					
2		Management Salary	\$1,250	S-2	\$1,750	100.00%	\$3,000
3		Operators Salary / Contractor Services	\$58	S-3	\$5,075	100.00%	\$5,133
4		Electricity - Pumping Treatment	\$1,145	S-4	\$281	100.00%	\$1,426
5		Chemicals	\$170	S-5	-\$85	100.00%	\$85
6		Sludge Removal	\$0			100.00%	\$0
7		TOTAL OPERATIONS EXPENSE	\$2,623		\$7,021		\$9,644
8		MAINTENANCE EXPENSES					
9		Outside Services Employed	\$990	S-9	\$700	100.00%	\$1,690
10		System Repairs and Maintenance	\$221	S-10	\$100	100.00%	\$321
11		Supplies Expense	\$0			100.00%	\$0
12		TOTAL MAINTENANCE EXPENSE	\$1,211		\$800		\$2,011
13		CUSTOMER ACCOUNT EXPENSE					
14		Accounting Fees	\$1,290	S-14	\$1,400	100.00%	\$2,690
15		Billing & Collections	\$1,000	S-15	\$1,454	100.00%	\$2,454
16		Office Supplies	\$494			100.00%	\$494
17		Postage Expense	\$193	S-17	-\$45	100.00%	\$148
18		Uncollectible Accounts	\$0			100.00%	\$0
19		TOTAL CUSTOMER ACCOUNT EXPENSE	\$2,977		\$2,809		\$5,786
20		ADMINISTRATIVE & GENERAL EXPENSES					
21		Administration & General Salaries	\$0			100.00%	\$0
22		Telephone & Pagers	\$0	S-22	\$65	100.00%	\$65
23		Office Utilities	\$0			100.00%	\$0
24		Vehicle Expense	\$0			100.00%	\$0
25		Vehicle Insurance	\$0			100.00%	\$0
26		Medical Insurance	\$0			100.00%	\$0
27		Property & Liability Insurance	\$515			100.00%	\$515
28		Rent	\$250	S-28	\$350	100.00%	\$600
29		Other Misc. Expenses	\$2,027	S-29	-\$1,912	100.00%	\$115
30		TOTAL ADMINISTRATIVE AND GENERAL	\$2,792		-\$1,497		\$1,295
31		OTHER OPERATING EXPENSES					
32		MO DNR Fees	\$375			100.00%	\$375
33		PSC Assessment	\$0	S-33	\$2,526	100.00%	\$2,526
34		Corporate Registration	\$0			100.00%	\$0
35		Amortization Expense	\$0			100.00%	\$0
36		Depreciation	\$0	S-36	\$1,970	100.00%	\$1,970
37		TOTAL OTHER OPERATING EXPENSES	\$375		\$4,496		\$4,871
38		TAXES OTHER THAN INCOME					
39		Real & Personal Property Taxes	\$20			100.00%	\$20
40		Payroll Taxes	\$0			100.00%	\$0
41		TOTAL TAXES OTHER THAN INCOME	\$20		\$0		\$20
42		TOTAL OPERATING EXPENSES	\$9,998		\$13,629		\$23,627

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Expense Adjustment Schedule - Sewer

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
S-2	Management Salary			\$1,750
	1. To Annualize Management Salary		\$1,750	
S-3	Operators Salary / Contractor Services			\$5,075
	1. To Annualize Class D Operator Expense		\$3,600	
	1. To Annualize Monthly Samples and Lab Expense		\$1,475	
S-4	Electricity - Pumping Treatment			\$281
	1. To Annualize Electricity Expense		\$281	
S-5	Chemicals			-\$85
	1. To Remove Double Payment		-\$85	
S-9	Outside Services Employed			\$700
	1. To Annualize Cleaning of UV Disinfection System		\$700	
S-10	System Repairs and Maintenance			\$100
	1. To Annualize UV Lamp Replacement		\$100	
S-14	Accounting Fees			\$1,400
	1. To Annualize Accounting/Bookkeeping Services		\$1,400	
S-15	Billing & Collections			\$1,454
	1. To Annualize Billing and Collection Services		\$1,400	
	2. To Annualize PO Box Rental for collections		\$54	

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Expense Adjustment Schedule - Sewer

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
S-17	Postage Expense			-\$45
	1. To Annualize Postage Expense		-\$45	
S-22	Telephone & Pagers			\$65
	1. To Annualize Mid-MO portion of cellphone cost		\$65	
S-28	Rent			\$350
	1. To Annualize Office Rent		\$350	
S-29	Other Misc. Expenses			-\$1,912
	1. To Remove All Legal Expenses		-\$2,027	
	2. To Normalize Rate Case Expense Legal Fees		\$115	
S-33	PSC Assessment			\$2,526
	1. To Annualize Estimated PSC Assessment		\$2,526	
S-36	Depreciation			\$1,970
	1. To Annualize Depreciation		\$1,970	
	Total Expense Adjustments			\$13,629

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Revenue Schedule - Sewer

Line Number	A Account Number (Optional)	B Revenue Description	C Company/ Test Year Amount	D Adjustment Number	E Jurisdictional Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$12,831	Rev-2	\$9,671	100.00%	\$22,502
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$0	100.00%	\$0
Rev-4		TOTAL ANNUALIZED REVENUES	\$12,831		\$9,671		\$22,502

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Revenue Adjustment Schedule - Sewer

<u>A</u> Revenue Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
Rev-2	Annualized Rate Revenues			\$9,671
	1. To Annualize Rate Revenues		\$9,671	
	2. Description		\$0	
	3. Description		\$0	
Rev-3	Miscellaneous Revenues			\$0
	1. To Annualize Miscellaneous Revenues		\$0	
	2. Description		\$0	
	Total Revenue Adjustments			\$9,671

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Revenue Summary Schedule - Sewer

Line Number	A Description	Residential 5/8"		Commercial 2"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	26		2	
3	Bills Per Year	12		12	
4	Customer Bills Per year	312		24	
5	Current Customer Charge	\$64.66		\$96.98	
6	Annualized Customer Charge Revenues		\$20,174		\$2,328
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	0		0	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	0		0	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	\$0.00		\$0.00	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Total Annualized Sewer Rate Revenues		\$20,174		\$2,328

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Revenue Summary Schedule - Sewer

Line Number	A Description	Total	
		F Amount	G Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	28	
3	Bills Per Year		
4	Customer Bills Per year	336	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$22,502
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	0	
9	Less: Base Gallons Included In Customer Charge	0	
10	Commodity Gallons	0	
11	Block 1, Commodity Gallons per Block		
12	Block 1, Number of Commodity Gallons per Unit		
13	Block 1, Commodity Billing Units		
14	Block 1, Existing Commodity Charge		
15	Block 1, Annualized Commodity Charge Rev.		\$0
16	<u>Total Annualized Sewer Rate Revenues</u>		<u>\$22,502</u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Mid-MO Sanitation, LLC
Informal Rate Case
Tracking Number SR-2010-0095
Test Year May 1, 2009 to December 31, 2009 (Revision 2)
Miscellaneous Revenues Feeder - Sewer

Line Number	A Description	B Amount
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3	Total Miscellaneous Revenues	<u>\$0</u>
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Mid-MO Sanitation, LLC
Informal Rate Case
Tracking Number SR-2010-0095
Test Year May 1, 2009 to December 31, 2009 (Revision 2)
Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues	(1)	\$22,502			
Rev-3	Miscellaneous Revenues	(1)	\$0			
Rev-4	TOTAL ANNUALIZED REVENUES		\$22,502			
1	OPERATIONS EXPENSES	(2)				
2	Management Salary		\$3,000	\$0	\$3,000	0.00%
3	Operators Salary / Contractor Services		\$5,133	\$0	\$5,133	0.00%
4	Electricity - Pumping Treatment		\$1,426	\$0	\$1,426	0.00%
5	Chemicals		\$85	\$0	\$85	0.00%
6	Sludge Removal		\$0	\$0	\$0	0.00%
7	TOTAL OPERATIONS EXPENSE		\$9,644	\$0	\$9,644	
8	MAINTENANCE EXPENSES					
9	Outside Services Employed		\$1,690	\$0	\$1,690	0.00%
10	System Repairs and Maintenance		\$321	\$0	\$321	0.00%
11	Supplies Expense		\$0	\$0	\$0	0.00%
12	TOTAL MAINTENANCE EXPENSE		\$2,011	\$0	\$2,011	
13	CUSTOMER ACCOUNT EXPENSE					
14	Accounting Fees		\$2,690	\$0	\$2,690	0.00%
15	Billing & Collections		\$2,454	\$0	\$2,454	0.00%
16	Office Supplies		\$494	\$0	\$494	0.00%
17	Postage Expense		\$148	\$0	\$148	0.00%
18	Uncollectible Accounts		\$0	\$0	\$0	0.00%
19	TOTAL CUSTOMER ACCOUNT EXPENSE		\$5,786	\$0	\$5,786	
20	ADMINISTRATIVE & GENERAL EXPENSES					
21	Administration & General Salaries		\$0	\$0	\$0	0.00%
22	Telephone & Pagers		\$65	\$0	\$65	0.00%
23	Office Utilities		\$0	\$0	\$0	0.00%
24	Vehicle Expense		\$0	\$0	\$0	0.00%
25	Vehicle Insurance		\$0	\$0	\$0	0.00%
26	Medical Insurance		\$0	\$0	\$0	0.00%
27	Property & Liability Insurance		\$515	\$0	\$515	0.00%
28	Rent		\$600	\$0	\$600	0.00%
29	Other Misc. Expenses		\$115	\$0	\$115	0.00%
30	TOTAL ADMINISTRATIVE AND GENERAL		\$1,295	\$0	\$1,295	
31	OTHER OPERATING EXPENSES					
32	MO DNR Fees		\$375	\$0	\$375	0.00%
33	PSC Assessment		\$2,526	\$0	\$2,526	0.00%
34	Corporate Registration		\$0	\$0	\$0	0.00%
35	Amortization Expense		\$0	\$0	\$0	0.00%
36	Depreciation		\$1,970	\$0	\$1,970	0.00%
37	TOTAL OTHER OPERATING EXPENSES		\$4,871	\$0	\$4,871	
38	TAXES OTHER THAN INCOME					
39	Real & Personal Property Taxes		\$20	\$0	\$20	0.00%
40	Payroll Taxes		\$0	\$0	\$0	0.00%
41	TOTAL TAXES OTHER THAN INCOME		\$20	\$0	\$20	
42	TOTAL OPERATING EXPENSES		\$23,627	\$0	\$23,627	
43	Interest Expense	(3)	\$0	\$0	\$0	0.00%
44	Return on Equity	(3)	\$2,078	\$0	\$2,078	0.00%
45	Income Taxes	(3)	\$518	\$0	\$518	0.00%
46	TOTAL INTEREST RETURN & TAXES		\$2,596	\$0	\$2,596	

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Rate Design Schedule - Sewer

Line Number	Description	Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
47	TOTAL COST OF SERVICE		\$26,223	\$0	\$26,223	
48	Less: Miscellaneous Revenues		\$0	\$0	\$0	0.00%
49	COST TO RECOVER IN RATES		\$26,223	\$0	\$26,223	
50	INCREMENTAL INCREASE IN RATE REVENUES		<u>\$3,721</u>			
51	PERCENTAGE OF INCREASE		<u>16.54%</u>			
52	REQUESTED INCREASE IN REVENUES		\$1			

- (1) From Revenue Schedule
 (2) From Expense Schedule
 (3) From PreTax Rate of Return Schedule, Rate Base & Return Schedule

Mid-MO Sanitation, LLC
Informal Rate Case
Tracking Number SR-2010-0095
Test Year May 1, 2009 to December 31, 2009 (Revision 2)
Rate of Return Including Income Tax - Sewer

	A	B	formulas
1 State Income Tax Rate Statutory / Effective	6.25% (2)	5.81%	$(1 - (B2 \times .5)) \times A1$
2 Federal Income Tax Rate Statutory / Effective	15.01% (1) & (2)	14.14%	$(1 - B1) \times A2$
3 Composite Effective Income Tax Rate		19.95%	$B1 + B2$
4 Equity Tax Factor		1.2492	$1 / (1 - B3)$
5 Recommended Weighted Rate of Return on Equity - Common and Preferred		9.50%	From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax		11.87%	$B4 \times B5$
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		0.00%	From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax		11.87%	$B6 + B7$

To Rate Base Schedule

(1) If Sub-Chapter S Corporation, Enter Y:

N

Equity Income Required \$2,445
& Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$2,445	\$367
\$50,001	\$75,000	25.00%	\$0	\$0
\$75,001	\$100,000	34.00%	\$0	\$0
\$100,001	\$335,000	39.00%	\$0	\$0
\$335,001	\$9,999,999,999	34.00%	\$0	\$0
			\$2,445	\$367
			Consolidated Tax Rate:	
			Average Tax Rate:	0.1501

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Rate Base Required Return on Investment Schedule - Sewer

Line Number	A Rate Base Description	B Dollar Amount
1	Plant In Service	\$62,771 From Plant Schedule
2	Less Accumulated Depreciation Reserve	<u>\$9,979</u> From Depreciation Reserve Schedule
3	Net Plant In Service	\$52,792
4	Other Rate Base Items:	\$0
	Contributions in Aid of Construction	-\$32,000
	CIAC Depreciation Offset	\$1,082
5	Total Rate Base	<u>\$21,874</u>
6	Total Weighted Rate of Return Including Income Tax	<u>11.87%</u> From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	<u><u>\$2,596</u></u>

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Capital Structure Schedule - Sewer

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital
1	Common Stock	\$11,307	100.00%	9.50%	9.500%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$0	0.00%	0.00%	0.000%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	TOTAL CAPITALIZATION	\$11,307	100.00%		9.500%

To PreTax Return Rate Schedule

Mid-MO Sanitation, LLC
Informal Rate Case
Tracking Number SR-2010-0095
Test Year May 1, 2009 to December 31, 2009 (Revision 2)
Plant In Service - Sewer

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization (Certificate Case Legal Fees per USOA)	\$3,988	P-2	\$0	100.00%	\$3,988
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$3,988		\$0		\$3,988
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights	\$0			100.00%	\$0
8	311.000	Structures & Improvements	\$0			100.00%	\$0
9		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0		\$0
10		COLLECTION PLANT					
11	352.100	Collection Sewers - Force	\$32,000			100.00%	\$32,000
12	352.200	Collection Sewers - Gravity	\$0			100.00%	\$0
13	353.000	Other Collection Plant Facilities	\$0			100.00%	\$0
14	354.000	Services to Customers	\$0			100.00%	\$0
15	355.000	Flow Measuring Devices	\$0			100.00%	\$0
16		TOTAL COLLECTION PLANT	\$32,000		\$0		\$32,000
17		PUMPING PLANT					
18	362.000	Receiving Wells and Pump Pits	\$900			100.00%	\$900
19	363.000	Pumping Equipment (Elec., Diesel, other)	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$900		\$0		\$900
21		TREATMENT & DISPOSAL PLANT					
22	372.000	Oxidation Lagoon	\$0			100.00%	\$0
23	373.000	Treatment and Disposal Equipment	\$25,883			100.00%	\$25,883
24	374.000	Plant Sewers	\$0			100.00%	\$0
25	375.000	Outfall Sewer Lines	\$0			100.00%	\$0
26	376.000	Other Treatment & Disposal Plant Equip.	\$0			100.00%	\$0
27		TOTAL TREATMENT & DISPOSAL PLANT	\$25,883		\$0		\$25,883
28		GENERAL PLANT					
29	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
30		Office Computer Equipment	\$0			100.00%	\$0
31	392.000	Transportation Equipment	\$0			100.00%	\$0
32	393.000	Other General Equipment, includes stores, tools shop & garage, lab, power operated, communication, and other tangible equipment.	\$0			100.00%	\$0
33		TOTAL GENERAL PLANT	\$0		\$0		\$0
34		TOTAL PLANT IN SERVICE	\$62,771		\$0		\$62,771

To Rate Base & Depreciation Schedules

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Schedule of Adjustments for Plant in Service - Sewer

A	B	C	D	E
Plant Adjustment Number	Plant In Service Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
P-2	Organization (Certificate Case Legal Fees per USOA)	301.000		\$0
	Description		\$0	
Total Plant Adjustments				\$0

Mid-MO Sanitation, LLC
Informal Rate Case
Tracking Number SR-2010-0095
Test Year May 1, 2009 to December 31, 2009 (Revision 2)
Accumulated Depreciation Reserve - Sewer

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization (Certificate Case Legal Fees per USOA)	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights	\$0			100.00%	\$0
8	311.000	Structures & Improvements	\$0			100.00%	\$0
9		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0		\$0
10		COLLECTION PLANT					
11	352.100	Collection Sewers - Force	\$8,767			100.00%	\$8,767
12	352.200	Collection Sewers - Gravity	\$0			100.00%	\$0
13	353.000	Other Collection Plant Facilities	\$0			100.00%	\$0
14	354.000	Services to Customers	\$0			100.00%	\$0
15	355.000	Flow Measuring Devices	\$0			100.00%	\$0
16		TOTAL COLLECTION PLANT	\$8,767		\$0		\$8,767
17		PUMPING PLANT					
18	362.000	Receiving Wells and Pump Pits	\$0			100.00%	\$0
19	363.000	Pumping Equipment (Elec., Diesel, other)	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$0		\$0		\$0
21		TREATMENT & DISPOSAL PLANT					
22	372.000	Oxidation Lagoon	\$0			100.00%	\$0
23	373.000	Treatment and Disposal Equipment	\$1,212			100.00%	\$1,212
24	374.000	Plant Sewers	\$0			100.00%	\$0
25	375.000	Outfall Sewer Lines	\$0			100.00%	\$0
26	376.000	Other Treatment & Disposal Plant Equip.	\$0			100.00%	\$0
27		TOTAL TREATMENT & DISPOSAL PLANT	\$1,212		\$0		\$1,212
28		GENERAL PLANT					
29	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
30		Office Computer Equipment	\$0			100.00%	\$0
31	392.000	Transportation Equipment	\$0			100.00%	\$0
32	393.000	Other General Equipment, includes stores, tools shop & garage, lab, power operated, communication, and other tangible equipment.	\$0			100.00%	\$0
33		TOTAL GENERAL PLANT	\$0		\$0		\$0
34		TOTAL DEPRECIATION RESERVE	\$9,979		\$0		\$9,979

To Rate Base Schedule

Mid-MO Sanitation, LLC
Informal Rate Case
Tracking Number SR-2010-0095
Test Year May 1, 2009 to December 31, 2009 (Revision 2)
Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Reserve	Accumulated Depreciation Reserve	Account	Adjustment	Total
Adjustment	Adjustments Description	Number	Amount	Adjustment
Number				Amount
Total Reserve Adjustments				\$0

Mid-MO Sanitation, LLC
 Informal Rate Case
 Tracking Number SR-2010-0095
 Test Year May 1, 2009 to December 31, 2009 (Revision 2)
 Depreciation Expense - Sewer

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2	301.000	Organization (Certificate Case Legal Fees per USOA)	\$3,988	0.00%	\$0
3	302.000	Franchises	\$0	0.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	0.00%	\$0
5		TOTAL INTANGIBLE PLANT	<u>\$3,988</u>		<u>\$0</u>
6		SOURCE OF SUPPLY PLANT			
7	310.000	Land & Land Rights	\$0	0.00%	\$0
8	311.000	Structures & Improvements	\$0	2.50%	\$0
9		TOTAL SOURCE OF SUPPLY PLANT	<u>\$0</u>		<u>\$0</u>
10		COLLECTION PLANT			
11	352.100	Collection Sewers - Force	\$32,000	2.00%	\$640
12	352.200	Collection Sewers - Gravity	\$0	0.00%	\$0
13	353.000	Other Collection Plant Facilities	\$0	2.00%	\$0
14	354.000	Services to Customers	\$0	0.00%	\$0
15	355.000	Flow Measuring Devices	\$0	0.00%	\$0
16		TOTAL COLLECTION PLANT	<u>\$32,000</u>		<u>\$640</u>
17		PUMPING PLANT			
18	362.000	Receiving Wells and Pump Pits	\$900	4.00%	\$36
19	363.000	Pumping Equipment (Elec., Diesel, other)	\$0	0.00%	\$0
20		TOTAL PUMPING PLANT	<u>\$900</u>		<u>\$36</u>
21		TREATMENT & DISPOSAL PLANT			
22	372.000	Oxidation Lagoon	\$0	2.50%	\$0
23	373.000	Treatment and Disposal Equipment	\$25,883	5.00%	\$1,294
24	374.000	Plant Sewers	\$0	2.00%	\$0
25	375.000	Outfall Sewer Lines	\$0	10.00%	\$0
26	376.000	Other Treatment & Disposal Plant Equip.	\$0	0.00%	\$0
27		TOTAL TREATMENT & DISPOSAL PLANT	<u>\$25,883</u>		<u>\$1,294</u>
28		GENERAL PLANT			
29	391.000	Office Furniture & Equipment	\$0	2.50%	\$0
30		Office Computer Equipment	\$0	5.00%	\$0
31	392.000	Transportation Equipment	\$0	0.00%	\$0
32	393.000	Other General Equipment, includes stores, tools shop & garage, lab, power operated, communication, and other tangible equipment.	\$0	20.00%	\$0
33		TOTAL GENERAL PLANT	<u>\$0</u>		<u>\$0</u>
34		Total Depreciation	<u>\$62,771</u>		<u>\$1,970</u>

Agreement Attachment D

Rate Design Worksheet

MID MO SANITATION LLC

Development of Tariffed Rates-Sewer

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 22,502
Agreed-Upon Overall Revenue Increase	\$ 3,721
Percentage Increase Needed	16.534%

Metered Customer Rates

Customer Type	Current Service Charge	Proposed Service Charge
Residential	\$ 64.66	\$ 75.35
Commercial	\$ 96.98	\$ 113.01

Agreement Attachment E

Billing Comparison Worksheet

MID MO SANITATION LLC

Residential Customer Bill Comparison-Sewer

Rates for Residential Customer

<u>Current Base</u>	<u>Proposed Base</u>
<u>Customer Charge</u>	<u>Customer Charge</u>
\$64.66	\$75.35

current service charge is monthly charge

MONTHLY BILL COMPARISON

Current Rates

Customer Charge	\$	64.66
Usage Charge	\$	-
Total Bill	\$	64.66

Proposed Rates

Customer Charge	\$	75.35
Usage Charge	\$	-
Total Bill	\$	75.35

INCREASES

Customer Charge

\$ Increase	\$10.69
% Increase	16.53%

Total Bill

\$ Increase	\$10.69
% Increase	16.53%

Agreement Attachment F

Schedule of Depreciation Rates

Mid MO Sanitation LLC

DEPRECIATION RATES

(SEWER)

SR-2010-0095

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
311	Structures & Improvements	3.0%	33	0%
352.1	Collection Sewers (Force)	2.0%	50	0%
355	Flow Measurement Devices	3.3%	30	0%
362	Receiving Wells (UV Pit)	4.0%	25	0%
372	Oxidation Lagoons	4.0%	25	0%
373	Treatment & Disposal Facilities (UV and aeration equipment)	5.0%	20	0%
391.1	Office Computer Equipment	20.0%	5	0%

File UpDate 3/8/2010

Agreement Attachment G

EMSD Report

REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW

Engineering and Management Services Department

Small Company Rate Increase Request

Case No: SR-2010-0095

Mid MO Sanitation, LLC

Mid MO Sanitation, LLC, (Mid MO or Company) filed a rate increase request on September 11, 2009, for sewer service provided in its certificated service area, Lake Breeze Subdivision, near Fulton, Missouri. The Engineering and Management Services Department (EMSD) staff initiated an informal review of the Company's customer service processes, procedures, and practices on October 1, 2009. The EMSD staff's review included an examination of Company tariffs, Missouri Public Service Commission (Commission) complaint records, and other documentation related to the Company's customer service operations.

The purpose of the Engineering and Management Services Department is to promote and encourage efficient and effective utility management. This purpose contributes to the Commission's overall mission to ensure that customers receive safe and adequate service at a reasonable cost, while providing utilities the opportunity to earn a fair return on their investment.

The objectives of this review were to document and analyze the management control processes, procedures, and practices used by the Company to ensure that its customers' service needs are met and to make recommendations, where appropriate, by which the Company may improve the quality of services provided to its customers. The findings of this review also provide the Commission with information regarding the Company's customer service operations.

The scope of this review focused on processes, procedures, and practices related to:

- Customer Billing
- Credit and Collections
- Complaints and Inquiries
- Customer Communication

This report contains the results of the EMSD staff's review.

Overview

Mid MO Sanitation, LLC, was certificated to provide sewer service on July 1, 2009. The Company serves 26 residential and 2 commercial customers. The Company has no official business office although all records are kept at the home of the owner's son and daughter-in-law at Lake Breeze Subdivision near Fulton, MO. Customers have 24-hour, 7-day access to Mid MO personnel by calling the telephone number provided on the customer application for service. The customer's bill does not include a contact telephone number.

There are no Company employees; therefore, Mid MO has contracted responsibility for Company operations to outside contractors. The Company's owner stated that he checks the sewer facilities on a regular basis. Business office functions are performed by the owner's daughter-in-law. These responsibilities include taking new service applications, preparing and mailing customer bills, maintaining customer account records, posting customer bill payments, making bank deposits, and paying bills. The owner's daughter-in-law also responds to customer inquiries and complaints received by telephone. Mid MO uses contract labor for construction and routine maintenance and repair work.

The Company's owner sent all existing customers a letter subsequent to the Commission's approval of the Company's application for certification. This letter included basic information about sewer service and contact information. The letter also encouraged customers to call the Company for answers to questions about rules and procedures associated with the provision of sewer service. Comprehensive documentation of Company and customer rights and responsibilities has not been prepared for distribution to new and existing customers. All customers complete a written application for sewer service prior to the establishment of new service.

Customer Billing

The Company uses Quickbooks Pro to calculate and print customers' bills. The accuracy of bills is verified through visual inspection when the bills are produced. Company personnel stated that bills are always mailed by the 1st of the month and are considered due on the 21st of the month. A sample bill provided to the EMSD staff included the Company's mailing address, invoice date, and amount due for sewer service. The sample bill did not include the due date or the Company's telephone number.

Customer rates for water and sewer service are provided in the Company's tariffs. Residential sewer customers pay a flat fee of \$64.66 per month and commercial customers pay a flat fee of \$96.98 per month.

Credit and Collections

Most customers mail their payments to the Company's address provided on the bill. Customer payments are not taken in the field. Company personnel stated that customer payments are kept secure and deposited in a local bank at least weekly.

The Company does not collect deposits from customers, although the Company's tariff permits the collection of several other fees for specific purposes. The Company may charge a late payment fee of 5% of the bill, a returned check fee of \$20.00, a disconnection fee of \$40.00, and a \$40.00 reconnection fee during normal business hours or \$80.00 outside of normal business hours.

The Company's owner stated that an average of two or three customers pays their bill late each month, but no customers have been disconnected. A customer disconnect notice has not been developed that would be used in the event of a planned disconnection. The Company has had no returned checks. Valves have been installed on the sewer system that would enable the Company to shut off sewer service if necessary. The Company's owner stated that there have been no uncollectible debts.

Complaints and Inquiries

Customers with questions or concerns may call the Company's contact number. The contact number is the owner's cell telephone # and customers may either speak with the owner or leave a message at any time. The owner stated that although customers contact the Company infrequently, customer complaints and inquiries are not documented. Commission complaint/inquiry records indicate no customer contacts since July 1, 2009, when the Company became certificated to provide sewer service.

Customer Communication

Outside of monthly billings, the Company rarely communicates with its customers. Letters are used to notify customers about rate case activity. The Company also uses bill inserts to provide information to customers, and the owner attends homeowner's association meetings to

convey information and talk to customers. The owner stated that e-statements consisting of bills sent via e-mail were now available to customers who wanted them instead of receiving a paper bill.

Findings, Conclusions, and Recommendations

The following discussion presents a summary of the findings, conclusions, and recommendations pertaining to the Company's customer service operations. The information presented in this section focuses on the following issues that require Company management's attention:

- Customer Rights and Responsibilities Documentation
- Customer Bill Format
- Delinquent Account Notification
- Complaint and Inquiry Documentation

Customer Rights and Responsibilities Documentation

The Company has not prepared comprehensive, written information documenting the rights and responsibilities of the Company and its customers. Subsequent to the Commission's approval of the Company's application for certification, the Company's owner sent all existing customers a letter on July 1, 2009. This letter included basic information about sewer service and contact information. In the EMSD staff's opinion, new and existing customers would benefit if they were provided more comprehensive information regarding the rights and responsibilities of the Company and its customers. The availability of written information would provide useful facts relating to billing procedures, payment requirements, discontinuance of service, inquiries and complaints, and access to the Company, Commission, and the Office of the Public Counsel.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and distribute to all current and future customers a written document containing information that specifies the rights and responsibilities of the Company and its customers.

Customer Bill Format

Customer bills do not state the due date for when payment is owed to the Company. The Company's Tariff Sheet No. 24, Rule 9(F), states, "Bills shall have the due date indicated on the

bill.” The Company’s tariff also states that all bills are delinquent after the due date stated on the bill and there is a provision for a late payment fee of 5% of the bill on delinquent bills. Company management stated that customers are assessed the late payment fee on the delinquent date, one day after the due date. The provision of a due date on customers’ bills would enable the Company to comply with its tariff. In addition, the inclusion of a due date would inform customers of the date they must pay their bill in order to avoid the late payment fee. Also, the Company’s bill includes an address with no contact telephone number. The inclusion of the Company’s telephone number on customers’ bills would give customers convenient contact information in the event of an emergency or if there are questions.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Incorporate the due date on customers' bills and clearly state on each bill when customers are subject to the 5% late payment fee. In addition, incorporate the Company contact telephone number on customer bills. This recommendation must be completed within thirty (30) days of the Commission order approving the disposition agreement in Case No. SR-2010-0095.

Delinquent Account Notification

Company management has not prepared a written notice that could be used in the event of a planned discontinuance of service. Company management stated that while an average of two or three customers pay late each month, service has never been discontinued. The Company’s tariff requires a written notice to be sent to customers that have not paid their bill at least 30 days before service is discontinued. The availability of a well-prepared written notice would enable Company management to provide the required notification in a timely manner if a disconnection is planned.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Prepare a written notice that could be used to notify customers when scheduling disconnections of service due to nonpayment.

Complaint and Inquiry Documentation

The Company does not keep a record of customer contacts involving complaints it receives. This practice violates Commission rules conveying customer contact documentation requirements that are applicable to sewer companies contained in Commission Rule 4 CSR 240-60.010(4) applicable to sewer companies which states:

The utility shall maintain a file of customer complaints received on the service it provides. The file shall include the name and address, as well as the nature of the complaint and date of occurrence. A detailed explanation of what the utility did to correct the trouble which originated the complaint shall be recorded.

The availability of documented customer contact information would enable Company management to evaluate why customers contact the Company, determine if any corrective measures could be taken to reduce customer contacts, and improve customer satisfaction. The availability of documentation regarding customer contacts would also help to show the Company's responsiveness in addressing customer issues.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and implement a process to ensure all customer complaints received by Company personnel are documented and maintained. Documentation shall include the customer name, address, nature of the complaint, date of occurrence, as well as an explanation of what the Company has done to address the complaint. This recommendation must be completed within thirty (30) days of the Commission order approving the disposition agreement in Case No. SR-2010-0095.

Follow-Up

The EMSD staff will conduct a follow-up review of all of the EMSD recommendations at a date which is no later than the deadline set out for each EMSD recommendation in the disposition agreement in Case No. SR-2010-0095.

Agreement Attachment H

Summary of Case Events

Mid MO Sanitation LLC
Case SR-2010-0095
Summary of Case Events

Date Filed	September 11, 2009
Day 150	February 8, 2009
Extension?	Extended to April 9, 2010
If yes, why?	Yes
	Waited for DNR to issue sewer permit
Amount Requested	\$ 1
Amount Agreed Upon	\$ 3,721
Number of Customers	28
Rate of Return	11.86%
Return on Equity	9.50%
Assessments Current	Yes
Annual Reports Filed	Yes
Statement of Revenue Filed	Yes
Other Open Cases before Commission	N/A
Status with Secretary of State	Current
DNR Violations	None
Significant Service/Quality Issues	None