

APPENDIX A

CASE No. SR-2013-0053

STAFF/COMPANY DISPOSITION AGREEMENT WITH ATTACHMENTS AND STAFF AFFIDAVITS

Table of Contents

Company/Staff Disposition Agreement

Agreement Attachment A:	Ratemaking Income Statement
Agreement Attachment B:	EMS Run
Agreement Attachment C:	Rate Base Worksheet
Agreement Attachment D:	Schedule of Depreciation Rates
Agreement Attachment E:	Example Tariff Sheets
Agreement Attachment F:	Billing Comparison Worksheet
Agreement Attachment G:	Water & Sewer Unit Memorandum
Agreement Attachment H:	Auditing Unit Recommendation Memorandum
Agreement Attachment I:	EMSU Report
Agreement Attachment J:	Summary of Case Events

Staff Participant Affidavits

Note: To browse through this document by item, click on the "Bookmark" tab at the top of the menu bar to the left of the screen and then click on the item that you want to see.

Company/Staff Disposition Agreement

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

W.P.C. SEWER COMPANY

MO PSC FILE NO. SR-2013-0053

BACKGROUND

W.P.C. Sewer Company ("WPC" or "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") File 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 August 14, 2012, the Company set forth its request for an increase of \$14,483 in its total annual sewer service operating revenues. 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 sewer service to approximately 68 residential customers located in Sedalia, Missouri.

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. (These activities are collectively referred to hereinafter as "Staff's investigation of the Company's Request" or "Staff's investigation.")

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

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

Pursuant to negotiations held subsequent to the Company's and Public Counsel'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) The agreed upon revenue requirement increase of \$10,670 (52.2% increase) added to the level of previous revenues of \$20,433 results in overall revenues of \$31,103. This revenue requirement is just and reasonable and designed to recover the Company's cost of service. These amounts are shown on the ratemaking income statement found in Attachment A, incorporated by reference herein;
- (2) The Auditing Unit conducted a full and complete audit of the Company's books and records using the 12-month period ending December 31, 2011, updated to September 30, 2012, as the basis for the revenue requirement determined above. The audit findings can be found in Attachment B, incorporated by reference herein;
- (3) The agreed upon net rate base is \$31,698. The development of this amount is shown on the rate base worksheet that is found in Attachment C, incorporated by reference herein. This amount is included in the audit workpapers in the ultimate determination of the revenue requirement shown in (1) above;
- (4) Included in Attachment B is the agreed upon capital structure which includes 25.00 % equity for the Company and a return on that equity of 12.09%;
- (5) The schedule of depreciation rates in Attachment D, incorporated by reference herein, includes the depreciation rates used by Staff in its revenue requirement analysis, shall be the prescribed schedule of sewer plant depreciation rates for the Company;
- (6) To allow the Company the opportunity to collect the revenue requirement agreed to in (1) above, the rates as shown on Attachment E, incorporated by reference herein are just and reasonable rates that the Company will be allowed to charge its customers. The impact of these rates will be as shown on Attachment F, also attached and incorporated by reference herein;
- (7) For the purposes of implementing the agreements set out in this disposition agreement, the Company will file with the Commission proposed tariff revisions containing the rates, charges, and language set out in the example tariff sheet(s) attached as Attachment E. The proposed tariff revisions will bear an effective date of March 4, 2013;
- (8) The current PSC MO Number 1 tariff will be cancelled and replaced by PSC MO Number 2 which is included in the example tariff described above;
- (9) Within thirty (30) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the

recommendation contained in the Auditing Unit Report attached hereto as Attachment H and incorporated by reference herein and provide proof of implementing the recommendations to the Manager of the Commission's Auditing Unit:

- (a) The Company will implement use of continuing property records (CPRs) to track additions to and retirement of utility plant;

(10) Within thirty (30) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendations contained in the Engineering & Management Services Unit ("EMSU") Report attached hereto as Attachment I and incorporated by reference herein, and provide proof of implementing the recommendation to the Manager of the Commission's EMSU Unit:

- (a) The Company will develop and initiate a system for documenting customer contacts in compliance with Commission Rule 4 CSR 240-60.010 (4) & (5);

(11) Within forty-five (45) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendations contained in the Water & Sewer Unit Memorandum attached hereto as Attachment G and incorporated by reference herein, and provide proof of implementing the recommendation to the Manager of the Commission's Water & Sewer Unit:

- (a) The Company will update its safety program that is on file with the Commission as required by 4 CSR 240-60.040; and

- (b) The Company will create a manhole inspection program as required by 4 CSR 240-60.020(8);

(12) Within ninety (90) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendations contained in the EMSU Report attached hereto as Attachment I and incorporated by reference herein, and provide proof of implementing the recommendations to the Manager of the Commission's EMSU Unit:

- (a) The Company will develop and utilize time sheets to record work assignments and the time associated with each work assignment;
- (b) The Company will develop and utilize a written vehicle log to maintain information regarding vehicle usage. The log should include information regarding the vehicle type, date, description and location of the task, and the miles attributable to the task;
- (c) The Company will develop and execute written contracts with contractors who provide outside services;

- (d) The Company will state clearly on each bill the date the customers are subject to the late payment fee; and
 - (e) The Company will develop and distribute to all current and future customers written information specifying the rights and responsibilities of the Company and its customers;
- (13) Within ninety (90) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendations contained in the Auditing Unit Report attached hereto as Attachment H and incorporated by reference herein and provide proof of implementing the recommendations to the Manager of the Commission's Auditing Unit:
- (a) The Company will develop and utilize time sheets to record work assignments and the time associated with each work assignment; and
 - (b) The Company will correct its books and records to reflect the adjusted plant, depreciation reserve, and contributions in aid of construction balances reflected in Staff Accounting Schedules, Appendix B attached herein;
- (14) 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 shall 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 shall also send a copy to Staff Case Coordinator who will file a copy in this case;
- (15) Staff or Public Counsel may conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Company/Staff Disposition Agreement;
- (16) Staff or Public Counsel may file a formal complaint against the Company, if the Company does not comply with the provisions of this Company/Staff Disposition Agreement;
- (17) The Company, Staff and Public Counsel agree that they have read the foregoing Company/Staff Disposition Agreement; that facts stated therein are true and accurate to the best of the Company's knowledge and belief; that the foregoing conditions accurately reflect the agreement reached between the Company and Staff; and that the Company freely and voluntarily enters into this Disposition Agreement; and
- (18) The above agreements satisfactorily resolve all issues identified by Staff, Public Counsel 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.

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

The Company acknowledges that the Staff will be filing this Company/Staff Disposition Agreement and the attachments hereto. The Company also acknowledges that Staff may make other filings in this case.

Additionally, the Company agrees that subject to the rules governing practice before the Commission 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 this case is noticed to be considered by the Commission. Subject to the rules governing practice before 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 advance notice of any such agenda meeting so that they may have the opportunity to be present and/or represented at the meeting.

SIGNATURES


Agreement Signed and Dated:



Anthony B. Monsces
President
W.P.C. Sewer Company

1-4-13

Date



James Busch
Manager
Water & Sewer Unit
Missouri Public Service Commission Staff

1-7-13

Date

List of Attachments

- Attachment A – Ratemaking Income Statement
- Attachment B – EMS Run
- Attachment C – Rate Base Worksheet
- Attachment D – Schedule of Depreciation Rates
- Attachment E – Example Tariff Sheets
- Attachment F – Billing Comparison Worksheet
- Attachment G – Water & Sewer Unit Memorandum
- Attachment H – Auditing Unit Recommendation Memorandum
- Attachment I – EMSU Report
- Attachment J – Summary of Events

Agreement Attachment A

Ratemaking Income Statement

W.P.C. SEWER COMPANY

Rate Making Income Statement-Sewer

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	20,433
2	Other Operating Revenues *	\$	-
3	Total Operating Revenues	\$	20,433
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount
1 Contract Labor	\$ 5,700
2 MO One Call	\$ 91
3 Electricity-Pumping	\$ 2,288
4 Waste Removal	\$ 2,869
5 Plant Maintenance	\$ 34
6 Ground Maintenance	\$ 600
7 Sewer Treatment -Testing/Laboratory Fees	\$ 1,603
8 Sludge Removal	\$ -
9 Maintenance Expense-Parts/Equipment	\$ -
10 Bank Service Charges	\$ 169
11 DNR Permit Fees	\$ 375
12 Management Fees	\$ 6,899
13 Telephone & Internet Expense	\$ -
14 Transportation Expense	\$ -
15 Property & Liability Insurance	\$ -
16 Rent Expense	\$ 2,636
17 Rate Case Expense	\$ -
18 Office Supplies	\$ 958
19 Postage Expense-Water Testing Samples	\$ 143
20 Professional Fees-Accounting	\$ 656
21 Employee Pensions & Benefits	\$ -
22 Regulatory Commission Expense	\$ 1,507
23 Miscellaneous General Expenses	\$ -
24 Sub-Total Operating Expenses	\$ 26,528
25 Property Taxes	\$ 366
26 MO Franchise Taxes	\$ -
27 Employer FICA Taxes	\$ -
28 Federal Unemployment Taxes	\$ -
29 State Unemployment Taxes	\$ -
30 State & Federal Income Taxes	\$ 239
31 Sub-Total Taxes	\$ 605
32 Depreciation Expense	\$ 1,585
33 Interest Expense	\$ -
34 Amortization of Utility Plant	\$ -
35 Sub-Total Depreciation/Interest/Amortization	\$ 1,585
36 Return on Rate Base	\$ 2,385
37 Total Cost of Service	\$ 31,103
38 Overall Revenue Increase Needed	\$ 10,670

Agreement Attachment B

EMS Run



MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

STAFF ACCOUNTING SCHEDULES

WPC SEWER COMPANY

Test Year December 31, 2011

Updated through September 30, 2012

CASE NO. SR-2013-0053

Jefferson City, Missouri

November 2012

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Revenue Requirement

Line Number	<u>A</u> Description	<u>B</u> 7.52% Return	<u>C</u> 7.52% Return	<u>D</u> 7.52% Return
1	Net Orig Cost Rate Base	\$31,698	\$31,698	\$31,698
2	Rate of Return	7.52%	7.52%	7.52%
3	Net Operating Income Requirement	\$2,385	\$2,385	\$2,385
4	Net Income Available	-\$8,046	-\$8,046	-\$8,046
5	Additional Net Income Required	\$10,431	\$10,431	\$10,431
6	Income Tax Requirement			
7	Required Current Income Tax	\$239	\$239	\$239
8	Current Income Tax Available	\$0	\$0	\$0
9	Additional Current Tax Required	\$239	\$239	\$239
10	Revenue Requirement	\$10,670	\$10,670	\$10,670
11	Allowance for Known and Measureable Changes/True-Up Estimate	\$0	\$0	\$0
12	Gross Revenue Requirement	\$10,670	\$10,670	\$10,670

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
RATE BASE SCHEDULE

Line Number	A Rate Base Description	B Percentage Rate	C Dollar Amount
1	Plant In Service		\$81,855
2	Less Accumulated Depreciation Reserve		\$20,259
3	Net Plant In Service		\$61,596
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		\$0
6	Contributions in Aid of Construction(CIAC)		-\$29,898
7	CIAC Amortization		\$0
8	Meter Rerouting Project		\$0
9	TOTAL ADD TO NET PLANT IN SERVICE		-\$29,898
10	SUBTRACT FROM NET PLANT		
11	Federal Tax Offset	0.0000%	\$0
12	State Tax Offset	0.0000%	\$0
13	City Tax Offset	0.0000%	\$0
14	Interest Expense Offset	0.0000%	\$0
15	Contribution In Aid of Construction		\$0
16	Customer Advances		\$0
17	Customer Deposits		\$0
18	Deferred Income Taxes		\$0
19	Accrued Pension Liability		\$0
20	TOTAL SUBTRACT FROM NET PLANT		\$0
21	Total Rate Base		\$31,698

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Plant In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjust. Number	E Adjustments	F As Adjusted Plant	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	351.100	Organization - IP	\$0	P-2	\$0	\$0	100.00%	\$0	\$0
3	352.100	Franchises - IP	\$0	P-3	\$0	\$0	100.00%	\$0	\$0
4	389.100	Other Plant & Misc. Equipment - IP	\$0	P-4	\$0	\$0	100.00%	\$0	\$0
5		TOTAL PLANT INTANGIBLE	\$0		\$0	\$0		\$0	\$0
6		COLLECTION PLANT							
7	353.200	Land and Land Rights - CP	\$0	P-7	\$0	\$0	100.00%	\$0	\$0
8	311.000	Structures and Improvements	\$2,243	P-8	\$0	\$2,243	100.00%	\$0	\$2,243
9	352.200	Collection Sewers, Gravity	\$38,547	P-9	\$0	\$38,547	100.00%	\$0	\$38,547
10		TOTAL COLLECTION PLANT	\$40,790		\$0	\$40,790		\$0	\$40,790
11		SYSTEM PUMPING PLANT							
12	354.300	Structures and Improvements - SPP	\$0	P-12	\$0	\$0	100.00%	\$0	\$0
13	354.000	Services	\$613	P-13	\$0	\$613	100.00%	\$0	\$613
14		TOTAL SYSTEM PUMPING PLANT	\$613		\$0	\$613		\$0	\$613
15		TREATMENT & DISPOSAL PLANT							
16	373.000	Treatment and Disposal Equipment	\$0	P-16	\$31,698	\$31,698	100.00%	\$0	\$31,698
17	374.000	Plant Sewers - TDP	\$8,679	P-17	\$0	\$8,679	100.00%	\$0	\$8,679
18	375.000	Outfall Sewer Lines - TDP	\$75	P-18	\$0	\$75	100.00%	\$0	\$75
19	389.400	Other Plant & Misc. Equipment - TDP	\$0	P-19	\$0	\$0	100.00%	\$0	\$0
20		TOTAL TREATMENT & DISPOSAL PLANT	\$8,754		\$31,698	\$40,452		\$0	\$40,452
21		GENERAL PLANT							
22		TOTAL GENERAL PLANT	\$0		\$0	\$0		\$0	\$0
23		TOTAL PLANT IN SERVICE	\$50,157		\$31,698	\$81,855		\$0	\$81,855

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Adjustments to Plant in Service

A Plant Adj. Number	B Plant In Service Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount	F Jurisdictional Adjustments	G Total Jurisdictional Adjustments
P-16	Treatment and Disposal Equipment	373.000		\$31,698		\$0
	1. To include the addition an Ultra Violet System used and useful as of November 2012		\$31,698		\$0	
Total Plant Adjustments				\$31,698		\$0

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Depreciation Expense

Line Number	A Account Number	B Plant Account Description	C MO Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2	351.100	Organization - IP	\$0	0.00%	\$0
3	352.100	Franchises - IP	\$0	0.00%	\$0
4	389.100	Other Plant & Misc. Equipment - IP	\$0	0.00%	\$0
5		TOTAL PLANT INTANGIBLE	\$0		\$0
6		COLLECTION PLANT			
7	353.200	Land and Land Rights - CP	\$0	0.00%	\$0
8	311.000	Structures and Improvements	\$2,243	0.00%	\$0
9	352.200	Collection Sewers, Gravity	\$38,547	0.00%	\$0
10		TOTAL COLLECTION PLANT	\$40,790		\$0
11		SYSTEM PUMPING PLANT			
12	354.300	Structures and Improvements - SPP	\$0	0.00%	\$0
13	354.000	Services	\$613	0.00%	\$0
14		TOTAL SYSTEM PUMPING PLANT	\$613		\$0
15		TREATMENT & DISPOSAL PLANT			
16	373.000	Treatment and Disposal Equipment	\$31,698	5.00%	\$1,585
17	374.000	Plant Sewers - TDP	\$8,679	0.00%	\$0
18	375.000	Outfall Sewer Lines - TDP	\$75	0.00%	\$0
19	389.400	Other Plant & Misc. Equipment - TDP	\$0	0.00%	\$0
20		TOTAL TREATMENT & DISPOSAL PLANT	\$40,452		\$1,585
21		GENERAL PLANT			
22		TOTAL GENERAL PLANT	\$0		\$0
23		Total Depreciation	\$81,855		\$1,585

WPC Sewer Company
Case No. SR-2013-0063
WPC Sewer Company
Test Year Ending December 2011
Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjust. Number	E Adjustments	F As Adjusted Reserve	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	351.100	Organization - IP	\$0	R-2	\$0	\$0	100.00%	\$0	\$0
3	352.100	Franchises - IP	\$0	R-3	\$0	\$0	100.00%	\$0	\$0
4	389.100	Other Plant & Misc. Equipment - IP	\$0	R-4	\$0	\$0	100.00%	\$0	\$0
5		TOTAL PLANT INTANGIBLE	\$0		\$0	\$0		\$0	\$0
6		COLLECTION PLANT							
7	353.200	Land and Land Rights - CP	\$0	R-7	\$0	\$0	100.00%	\$0	\$0
8	311.000	Structures and Improvements	\$645	R-8	\$0	\$645	100.00%	\$0	\$645
9	352.200	Collection Sewers, Gravity	\$17,110	R-9	\$0	\$17,110	100.00%	\$0	\$17,110
10		TOTAL COLLECTION PLANT	\$17,755		\$0	\$17,755		\$0	\$17,755
11		SYSTEM PUMPING PLANT							
12	354.300	Structures and Improvements - SPP	\$0	R-12	\$0	\$0	100.00%	\$0	\$0
13	354.000	Services	\$138	R-13	\$0	\$138	100.00%	\$0	\$138
14		TOTAL SYSTEM PUMPING PLANT	\$138		\$0	\$138		\$0	\$138
15		TREATMENT & DISPOSAL PLANT							
16	373.000	Treatment and Disposal Equipment	\$0	R-16	\$0	\$0	100.00%	\$0	\$0
17	374.000	Plant Sewers - TDP	\$2,350	R-17	\$0	\$2,350	100.00%	\$0	\$2,350
18	375.000	Outfall Sewer Lines - TDP	\$16	R-18	\$0	\$16	100.00%	\$0	\$16
19	389.400	Other Plant & Misc. Equipment - TDP	\$0	R-19	\$0	\$0	100.00%	\$0	\$0
20		TOTAL TREATMENT & DISPOSAL PLANT	\$2,366		\$0	\$2,366		\$0	\$2,366
21		GENERAL PLANT							
22		TOTAL GENERAL PLANT	\$0		\$0	\$0		\$0	\$0
23		TOTAL DEPRECIATION RESERVE	\$20,259		\$0	\$20,259		\$0	\$20,259

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Adjustments for Depreciation Reserve

A	B	C	D	E	F	G
Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount	Jurisdictional Adjustments	Total Jurisdictional Adjustments
	Total Reserve Adjustments			\$0		\$0

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Cash Working Capital

Line Number	A Description	B Test Year Adj. Expenses	C Revenue Lag	D Expense Lag	E Net Lag C - D	F Factor (Col E / 365)	G CWC Req B x F
1	OPERATION AND MAINT. EXPENSE						
2	Base Payroll	\$0	0.00	0.00	0.00	0.000000	\$0
3	Tax Withholding	\$0	0.00	0.00	0.00	0.000000	\$0
4	Pensions and Employee Benefits	\$0	0.00	0.00	0.00	0.000000	\$0
5	Electric	\$0	0.00	0.00	0.00	0.000000	\$0
6	Telephone	\$0	0.00	0.00	0.00	0.000000	\$0
7	Office Rents	\$0	0.00	0.00	0.00	0.000000	\$0
8	Intercompany Billing	\$0	0.00	0.00	0.00	0.000000	\$0
9	Uncollectible Accounts	\$0	0.00	0.00	0.00	0.000000	\$0
10	PSC Assessment	\$0	0.00	0.00	0.00	0.000000	\$0
11	Expense Allocations	\$0	0.00	0.00	0.00	0.000000	\$0
12	Cash Vouchers	\$26,528	0.00	0.00	0.00	0.000000	\$0
13	TOTAL OPERATION AND MAINT. EXPENSE	\$26,528					\$0
14	TAXES						
15	FICA - Employer Portion	\$0	0.00	0.00	0.00	0.000000	\$0
16	Unemployment	\$0	0.00	0.00	0.00	0.000000	\$0
17	Property Tax	\$0	0.00	0.00	0.00	0.000000	\$0
18	Gross Receipts Tax	\$0	0.00	0.00	0.00	0.000000	\$0
19	Corporate Franchise	\$0	0.00	0.00	0.00	0.000000	\$0
20	Sales Tax	\$0	0.00	0.00	0.00	0.000000	\$0
21	TOTAL TAXES	\$0					\$0
22	CWC REQ'D BEFORE RATE BASE OFFSETS						\$0
23	TAX OFFSET FROM RATE BASE						
24	Federal Tax Offset	\$169	0.00	0.00	0.00	0.000000	\$0
25	State Tax Offset	\$70	0.00	0.00	0.00	0.000000	\$0
26	City Tax Offset	\$0	0.00	0.00	0.00	0.000000	\$0
27	Interest Expense Offset	\$1,426	0.00	0.00	0.00	0.000000	\$0
28	TOTAL OFFSET FROM RATE BASE	\$1,665					\$0
29	TOTAL CASH WORKING CAPITAL REQUIRED						\$0

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Income Statement

Line Number	A Category Description	B Total Test Year	C Test Year Labor	D Test Year Non Labor	E Adjustments	F Total Company Adjusted	G Jurisdictional Adjustments	H MO Final Adj Jurisdictional	I MO Juris. Labor	J MO Juris. Non Labor
1	TOTAL OPERATING REVENUES	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	\$20,433	\$20,433	See Note (1)	See Note (1)
2	TOTAL COLLECTION OPERATIONS EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	TOTAL COLLECTION MAINT. EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	TOTAL PUMPING OPERATIONS EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	TOTAL PUMPING MAINTENANCE EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	TOTAL TREAT. & DISP. OPER. EXPENSE	\$6,171	\$3,825	\$2,346	\$1,908	\$8,079	\$0	\$8,079	\$5,700	\$2,379
7	TOTAL TREAT. & DISP. MAINT. EXPENSES	\$3,997	\$0	\$3,997	\$1,109	\$5,106	\$0	\$5,106	\$0	\$5,106
8	TOTAL CUSTOMER ACCOUNTS EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL ADMIN. & GENERAL EXPENSES	\$23,761	\$350	\$23,411	-\$10,418	\$13,343	\$0	\$13,343	\$6,899	\$6,444
10	TOTAL DEPRECIATION EXPENSE	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	\$1,585	\$1,585	See Note (1)	See Note (1)
11	TOTAL AMORTIZATION EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	TOTAL OTHER OPERATING EXPENSE	\$366	\$0	\$366	\$0	\$366	\$0	\$366	\$0	\$366
13	TOTAL OPERATING EXPENSE	\$34,295	\$4,175	\$30,120	-\$7,401	\$26,894	\$1,585	\$28,479	\$12,599	\$14,295
14	NET INCOME BEFORE TAXES	-\$34,295	\$0	\$0	\$0	-\$26,894	\$18,848	-\$8,046	\$0	\$0
15	TOTAL INCOME TAXES	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	\$0	\$0	See Note (1)	See Note (1)
16	TOTAL DEFERRED INCOME TAXES	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	\$0	\$0	See Note (1)	See Note (1)
17	NET OPERATING INCOME	-\$34,295	\$0	\$0	\$0	-\$26,894	\$18,848	-\$8,046	\$0	\$0

(1) Labor and Non Labor Detail not applicable to Revenue & Taxes

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H+I)+J	L MO Adj. Juris. Labor L+M+K	M MO Adj. Juris. Non Labor
Rev-1		OPERATING REVENUES											
Rev-2	480.000	Residential	\$0	See note (1)	See note (1)	Rev-2	See note (1)	\$0	100.00%	\$20,433	\$20,433	See note (1)	See note (1)
Rev-3	481.100	Commercial	\$0			Rev-3		\$0	100.00%	\$0	\$0		
Rev-4	481.200	Industrial	\$0			Rev-4		\$0	100.00%	\$0	\$0		
Rev-5	493.000	Other Sewer Revenue - Oper. Rev.	\$0			Rev-5		\$0	100.00%	\$0	\$0		
Rev-6		TOTAL OPERATING REVENUES	\$0					\$0		\$20,433	\$20,433		
1		COLLECTION OPERATIONS EXPENSES											
2		TOTAL COLLECTION OPERATIONS EXPENSES	\$0	\$0	\$0			\$0		\$0	\$0	\$0	\$0
3		COLLECTION MAINT. EXPENSES											
4		TOTAL COLLECTION MAINT. EXPENSES	\$0	\$0	\$0			\$0		\$0	\$0	\$0	\$0
5		PUMPING OPERATIONS EXPENSES											
6		TOTAL PUMPING OPERATIONS EXPENSES	\$0	\$0	\$0			\$0		\$0	\$0	\$0	\$0
7		PUMPING MAINTENANCE EXPENSES											
8		TOTAL PUMPING MAINTENANCE EXPENSES	\$0	\$0	\$0			\$0		\$0	\$0	\$0	\$0
9		TREAT. & DISP. OPER. EXPENSE											
10	701.500	Contract Labor (Paul Tracy-Operator)	\$3,825	\$3,825	\$0	E-10	\$1,875	\$5,700	100.00%	\$0	\$5,700	\$5,700	\$0
11	703.500	Dues and Subscriptions (Missouri One Call)	\$101	\$0	\$101	E-11	\$-10	\$91	100.00%	\$0	\$91	\$0	\$91
12	704.500	Utilities- (Plant)	\$2,245	\$0	\$2,245	E-12	\$43	\$2,288	100.00%	\$0	\$2,288	\$0	\$2,288
13		TOTAL TREAT. & DISP. OPER. EXPENSE	\$6,171	\$3,825	\$2,346		\$1,908	\$8,079		\$0	\$8,079	\$5,700	\$2,379
14		TREAT. & DISP. MAINT. EXPENSES											
15	714.000	Waste Removal	\$2,616	\$0	\$2,616	E-15	\$253	\$2,869	100.00%	\$0	\$2,869	\$0	\$2,869
16	715.000	Plant Maintenance	\$0	\$0	\$0	E-16	\$34	\$34	100.00%	\$0	\$34	\$0	\$34
17	714.100	Ground Maintenance	\$0	\$0	\$0	E-17	\$600	\$600	100.00%	\$0	\$600	\$0	\$600
18	703.600	Water Testing	\$1,381	\$0	\$1,381	E-18	\$222	\$1,603	100.00%	\$0	\$1,603	\$0	\$1,603
19		TOTAL TREAT. & DISP. MAINT. EXPENSES	\$3,997	\$0	\$3,997		\$1,109	\$5,106		\$0	\$5,106	\$0	\$5,106
20		CUSTOMER ACCOUNTS EXPENSE											
21		TOTAL CUSTOMER ACCOUNTS EXPENSE	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
22		ADMIN. & GENERAL EXPENSES											
23	701.800	Bank Service Charges	\$160	\$0	\$160	E-23	\$9	\$169	100.00%	\$0	\$169	\$0	\$169
24	703.800	Liscense and Permits(DNR fees)	\$115	\$0	\$115	E-24	\$260	\$375	100.00%	\$0	\$375	\$0	\$375
25	704.800	Manangement fee	\$21,475	\$0	\$21,475	E-25	-\$21,475	\$0	100.00%	\$0	\$0	\$0	\$0
26	715.800	Allocated wages-Management fee	\$0	\$0	\$0	E-26	\$6,899	\$6,899	100.00%	\$0	\$6,899	\$6,899	\$0
27	716.800	Allocated supplies-Management fee	\$0	\$0	\$0	E-27	\$958	\$958	100.00%	\$0	\$958	\$0	\$958
28	720.800	Allocated Office Space -Management fee	\$0	\$0	\$0	E-28	\$2,636	\$2,636	100.00%	\$0	\$2,636	\$0	\$2,636
29	731.800	MPS Assessment (PSC Assessment)	\$490	\$0	\$490	E-29	\$1,017	\$1,507	100.00%	\$0	\$1,507	\$0	\$1,507
30	732.800	Payroll Expense	\$350	\$350	\$0	E-30	-\$350	\$0	100.00%	\$0	\$0	\$0	\$0
31	733.800	Postage Delivery (water testing samples)	\$246	\$0	\$246	E-31	-\$103	\$143	100.00%	\$0	\$143	\$0	\$143
32	0.000	Professional Fees-Accounting	\$625	\$0	\$625	E-32	\$31	\$656	100.00%	\$0	\$656	\$0	\$656
33	734.800	Rent	\$300	\$0	\$300	E-33	-\$300	\$0	100.00%	\$0	\$0	\$0	\$0
34		TOTAL ADMIN. & GENERAL EXPENSES	\$23,761	\$350	\$23,411		-\$10,418	\$13,343		\$0	\$13,343	\$6,899	\$6,444
35		DEPRECIATION EXPENSE											

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
36	0.000	Depreciation Expense, Dep. Exp.	\$0	See note (1)	See note (1)	E-35	See note (1)	\$0	100.00%	\$1,585	\$1,585	See note (1)	See note (1)
37		TOTAL DEPRECIATION EXPENSE	\$0	\$0	\$0		\$0	\$0		\$1,585	\$1,585	\$0	\$0
38		AMORTIZATION EXPENSE											
39		TOTAL AMORTIZATION EXPENSE	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
40		OTHER OPERATING EXPENSES											
41	408.000	Property Taxes	\$366	\$0	\$366	E-41	\$0	\$366	100.00%	\$0	\$366	\$0	\$366
42	408.000	Payroll Taxes	\$0	\$0	\$0	E-42	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
43	408.000	Gross Receipts Tax	\$0	\$0	\$0	E-43	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
44	408.000	Missouri Franchise Taxes	\$0	\$0	\$0	E-44	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
45		TOTAL OTHER OPERATING EXPENSE	\$366	\$0	\$366		\$0	\$366		\$0	\$366	\$0	\$366
46		TOTAL OPERATING EXPENSE	\$34,295	\$4,175	\$30,120		-\$7,401	\$25,894		\$1,585	\$28,479	\$12,599	\$14,295
47		NET INCOME BEFORE TAXES	-\$34,295					-\$26,894		\$18,848	-\$8,046		
48		INCOME TAXES											
49	0.000	Current Income Taxes	\$0	See note (1)	See note (1)	E-49	See note (1)	\$0	100.00%	\$0	\$0	See note (1)	See note (1)
50		TOTAL INCOME TAXES	\$0					\$0		\$0	\$0		
51		DEFERRED INCOME TAXES											
52	0.000	Deferred Income Taxes - Def. Inc. Tax	\$0	See note (1)	See note (1)	E-52	See note (1)	\$0	100.00%	\$0	\$0	See note (1)	See note (1)
53	0.000	Amortization of Deferred ITC	\$0			E-53		\$0	100.00%	\$0	\$0		
54		TOTAL DEFERRED INCOME TAXES	\$0					\$0		\$0	\$0		
55		NET OPERATING INCOME	-\$34,295					-\$26,894		\$18,848	-\$8,046		

(1) Labor and Non Labor Detail not applicable to Revenue & Taxes

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Revenue Billing Determinant Sheet

Feeder Description	A Annualized Customers	B Total Customer Bills	C Annual Customer Charge Revenues	D Annualized Water Usage	E Annualized Volumetric Revenues	F Total Annualized Revenues C+F
Residential Revenue Feeders, Totals	68	816	\$20,433	0	\$0	\$20,433
Commercial Revenue Feeders, Totals	0	0	\$0	0	\$0	\$0
Industrial Revenue Feeders, Totals	0	0	\$0	0	\$0	\$0
Test	0	0	\$0	0	\$0	\$0
Total Revenue Feeders	68	816	\$20,433	0	\$0	\$20,433

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Other Sewer Revenue - Oper. Rev.

Line Number	<u>A</u> Description	<u>B</u> Amount
1	Description of Miscellaneous Revenue Item1	\$0
2	Description of Miscellaneous Revenue Item2	\$0
3	Total Miscellaneous Revenues	\$0

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Adjustments to Income Statement Detail

A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
Rev-2	Residential	480.000	\$0	\$0	\$0	\$0	\$20,433	\$20,433
	1. To Annualize Residential Revenue		\$0	\$0		\$0	\$20,433	
E-10	Contract Labor (Paul Tracy-Operator)	701.500	\$1,875	\$0	\$1,875	\$0	\$0	\$0
	1. To include an annualized level of Contract Labor.		\$1,875	\$0		\$0	\$0	
E-11	Dues and Subscriptions (Missouri One Call)	703.500	\$0	-\$10	-\$10	\$0	\$0	\$0
	1. To include a normalized level of Missouri One Call Expense.		\$0	-\$10		\$0	\$0	
E-12	Utilities- (Plant)	704.500	\$0	\$43	\$43	\$0	\$0	\$0
	1. To include an annualized level of Utilities.(Gaskins)		\$0	\$43		\$0	\$0	
E-15	Waste Removal	714.000	\$0	\$253	\$253	\$0	\$0	\$0
	1. To include an annualized level of Sludge Removal		\$0	\$253		\$0	\$0	
E-16	Plant Maintenance	715.000	\$0	\$34	\$34	\$0	\$0	\$0
	1. To include Plant Maintenance done by Operator Paul Tracy over the contract labor amount		\$0	\$34		\$0	\$0	
E-17	Ground Maintenance	714.100	\$0	\$600	\$600	\$0	\$0	\$0
	1. To include ground maintenance done by Operator Paul Tracy over the contract labor amount		\$0	\$600		\$0	\$0	
E-18	Water Testing	703.800	\$0	\$222	\$222	\$0	\$0	\$0
	1. To include an annualized level of Water Testing		\$0	\$222		\$0	\$0	
E-23	Bank Service Charges	701.800	\$0	\$9	\$9	\$0	\$0	\$0
	1. To include an annualized level of Bank fees.		\$0	\$9		\$0	\$0	
E-24	License and Permits(DNR fees)	703.800	\$0	\$260	\$260	\$0	\$0	\$0
	1. To remove PSC Assessment included in another account.		\$0	-\$490		\$0	\$0	
	2. To remove retained earnings recorded in this account.		\$0	\$750		\$0	\$0	
E-25	Manangement fee	704.800	\$0	-\$21,475	-\$21,475	\$0	\$0	\$0
	1. To remove from test year due to accounting error and to include in wages, supplies, and rent.(Gaskins)		\$0	-\$21,475		\$0	\$0	
E-26	Allocated wages-Management fee	715.800	\$6,899	\$0	\$6,899	\$0	\$0	\$0
	1. To include allocated salaries for Bookeeper, Secretary, Management for W.P.C.		\$6,899	\$0		\$0	\$0	

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Adjustments to Income Statement Detail

A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
E-27	Allocated supplies-Management fee	716.800	\$0	\$958	\$958	\$0	\$0	\$0
	1. To include annualized level of Supplies allocated from Monsees Realty		\$0	\$958		\$0	\$0	
E-28	Allocated Office Space -Mangement fee	720.800	\$0	\$2,636	\$2,636	\$0	\$0	\$0
	1. To include Rent paid to Monsees Realty for use of the office space.		\$0	\$2,636		\$0	\$0	
E-29	MPS Assesment (PSC Assesment)	731.800	\$0	\$1,017	\$1,017	\$0	\$0	\$0
	1. To include PSC Assesment		\$0	\$1,017		\$0	\$0	
E-30	Payroll Expense	732.800	-\$350	\$0	-\$350	\$0	\$0	\$0
	1. To remove from test year and include in Allocated wages-management fee.(Gaskins)		-\$350	\$0		\$0	\$0	
E-31	Postage Delivery (water testing samples)	733.800	\$0	-\$103	-\$103	\$0	\$0	\$0
	1. To include an annualized level of Postage Delivery		\$0	-\$103		\$0	\$0	
E-32	Professional Fees-Accounting		\$0	\$31	\$31	\$0	\$0	\$0
	1. To annualize Accounting Fees		\$0	\$31		\$0	\$0	
E-33	Rent	734.800	\$0	-\$300	-\$300	\$0	\$0	\$0
	1. To remove amount from test year and include in allocated Office space-management fee.(Gaskins)		\$0	-\$300		\$0	\$0	
E-36	Depreciation Expense, Dep. Exp.		\$0	\$0	\$0	\$0	\$1,585	\$1,585
	1. To Annualize Depreciation Expense		\$0	\$0		\$0	\$1,585	
	2. No Adjustment		\$0	\$0		\$0	\$0	
Total Operating Revenues			\$0	\$0	\$0	\$0	\$20,433	\$20,433
Total Operating & Maint. Expense			\$8,424	-\$15,825	-\$7,401	\$0	\$1,585	\$1,585

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 7.52% Return	E 7.52% Return	F 7.52% Return
1	TOTAL NET INCOME BEFORE TAXES		-\$8,046	\$2,624	\$2,624	\$2,624
2	ADD TO NET INCOME BEFORE TAXES					
3	Book Depreciation Expense		\$1,585	\$1,585	\$1,585	\$1,585
4	TOTAL ADD TO NET INCOME BEFORE TAXES		\$1,585	\$1,585	\$1,585	\$1,585
5	SUBT. FROM NET INC. BEFORE TAXES					
6	Interest Expense calculated at the Rate of	4.5000%	\$1,426	\$1,426	\$1,426	\$1,426
7	Tax Straight-Line Depreciation		\$1,585	\$1,585	\$1,585	\$1,585
8	Excess Tax Depreciation		\$0	\$0	\$0	\$0
9	TOTAL SUBT. FROM NET INC. BEFORE TAXES		\$3,011	\$3,011	\$3,011	\$3,011
10	NET TAXABLE INCOME		-\$9,472	\$1,198	\$1,198	\$1,198
11	PROVISION FOR FED. INCOME TAX					
12	Net Taxable Inc. - Fed. Inc. Tax		\$0	\$1,198	\$1,198	\$1,198
13	Deduct Missouri Income Tax at the Rate of	100.000%	\$0	\$70	\$70	\$70
14	Deduct City Inc Tax - Fed. Inc. Tax		\$0	\$0	\$0	\$0
15	Federal Taxable Income - Fed. Inc. Tax		\$0	\$1,128	\$1,128	\$1,128
16	Federal Income Tax at the Rate of	See Tax Table	\$0	\$169	\$169	\$169
17	Subtract Federal Income Tax Credits					
18	Credit - Wind		\$0	\$0	\$0	\$0
19	Credit - Solar		\$0	\$0	\$0	\$0
20	Net Federal Income Tax		\$0	\$169	\$169	\$169
21	PROVISION FOR MO. INCOME TAX					
22	Net Taxable Income - MO. Inc. Tax		\$0	\$1,198	\$1,198	\$1,198
23	Deduct Federal Income Tax at the Rate of	50.000%	\$0	\$85	\$85	\$85
24	Deduct City Income Tax - MO. Inc. Tax		\$0	\$0	\$0	\$0
25	Missouri Taxable Income - MO. Inc. Tax		\$0	\$1,113	\$1,113	\$1,113
26	Missouri Income Tax at the Rate of	6.250%	\$0	\$70	\$70	\$70
27	PROVISION FOR CITY INCOME TAX					
28	Net Taxable Income - City Inc. Tax		\$0	\$1,198	\$1,198	\$1,198
29	Deduct Federal Income Tax - City Inc. Tax		\$0	\$169	\$169	\$169
30	Deduct Missouri Income Tax - City Inc. Tax		\$0	\$70	\$70	\$70
31	City Taxable Income		\$0	\$959	\$959	\$959
32	City Income Tax at the Rate of	0.000%	\$0	\$0	\$0	\$0
33	SUMMARY OF CURRENT INCOME TAX					
34	Federal Income Tax		\$0	\$169	\$169	\$169
35	State Income Tax		\$0	\$70	\$70	\$70
36	City Income Tax		\$0	\$0	\$0	\$0
37	TOTAL SUMMARY OF CURRENT INCOME TAX		\$0	\$239	\$239	\$239
38	DEFERRED INCOME TAXES					
39	Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0	\$0	\$0
40	Amortization of Deferred ITC		\$0	\$0	\$0	\$0
41	TOTAL DEFERRED INCOME TAXES		\$0	\$0	\$0	\$0
42	TOTAL INCOME TAX		\$0	\$239	\$239	\$239

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 7.52% Return	E 7.52% Return	F 7.52% Return
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Federal Tax Table					
Federal Income Taxes		\$0		\$1,128	\$1,128
15% on first \$50,000		\$0		\$169	\$169
25% on next \$25,000		\$0		\$0	\$0
34% > \$75,000 < \$100,001		\$0		\$0	\$0
39% > \$100,000 < \$335,001		\$0		\$0	\$0
34% > \$335,000 < \$10,000,001		\$0		\$0	\$0
35% > \$10MM < \$15,000,001		\$0		\$0	\$0
38% > \$15MM < \$18,333,334		\$0		\$0	\$0
35% > \$18,333,333		\$0		\$0	\$0
Total Federal Income Taxes		\$0		\$169	\$169

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Capital Structure Schedule

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital 12.09%	F Weighted Cost of Capital 12.09%	G Weighted Cost of Capital 12.09%
1	Common Stock	\$7,925	25.00%		3.023%	3.023%	3.023%
2	Other Security Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
4	Long Term Debt	\$23,774	75.00%	6.00%	4.500%	4.500%	4.500%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
6	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
7	TOTAL CAPITALIZATION	\$31,699	100.00%		7.523%	7.523%	7.523%
8	PreTax Cost of Capital				0.000%	0.000%	0.000%

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
Executive Case Summary

<u>A</u>		<u>B</u>
Line Number	Description	Amount
1	Annualized Missouri Retail Revenues	\$20,433
2	Annualized Customer Numbers	68
3	Annualized Customer Usage	0
4	Profit (Return on Equity)	\$958
5	Interest Expense	\$1,426
6	Annualized Payroll	\$12,599
7	Utility Employees	0
8	Depreciation	\$1,585
9	Net Investment Plant	\$61,596
10	Pensions	\$10

Agreement Attachment C

Rate Base Worksheet

WPC Sewer Company
Case No. SR-2013-0053
WPC Sewer Company
Test Year Ending December 2011
RATE BASE SCHEDULE

Line Number	<u>A</u> Rate Base Description	<u>B</u> Percentage Rate	<u>C</u> Dollar Amount
1	Plant In Service		\$81,855
2	Less Accumulated Depreciation Reserve		\$20,259
3	Net Plant In Service		\$61,596
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		\$0
6	Contributions in Aid of Construction(CIAC)		-\$29,898
7	CIAC Amortization		\$0
8	Meter Rerouting Project		\$0
9	TOTAL ADD TO NET PLANT IN SERVICE		-\$29,898
10	SUBTRACT FROM NET PLANT		
11	Federal Tax Offset	0.0000%	\$0
12	State Tax Offset	0.0000%	\$0
13	City Tax Offset	0.0000%	\$0
14	Interest Expense Offset	0.0000%	\$0
15	Contribution In Aid of Construction		\$0
16	Customer Advances		\$0
17	Customer Deposits		\$0
18	Deferred Income Taxes		\$0
19	Accrued Pension Liability		\$0
20	TOTAL SUBTRACT FROM NET PLANT		\$0
21	Total Rate Base		\$31,698

Agreement Attachment D

Schedule of Depreciation Rates

W.P.C. Sewer Company - Attachment D

DEPRECIATION RATES (SEWER)

SR-2013-0053

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
311	Structures & Improvements	3.0%	33	0%
352.2	Collection Sewers (Gravity)	2.0%	50	0%
354	Services	2.0%	50	0%
373	Treatment and Disposal Equipment	5.0%	20	0%
374	Plant Sewers	4.5%	22	0%
375	Outfall Sewer Lines	2.0%	50	0%

Agreement Attachment E

Example Tariff Sheets

P.S.C. MO No. 2
Canceling P.S.C. MO No. 1
Name of Utility: W.P.C. Sewer Company

Original Sheet No. 1

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

INDEX

Sheet No.

- 1.....Index
- 2.....Map of Service Area
- 3.....Legal Description of Service Area
- 4.....Schedule of Rates
- 5.....Schedule of Service Charges

Sheet
Number

Rule
Number

Rule
Subject

- 7.....1. Definitions
- 11.....2. General Matters
- 12.....3. Limited Authority of Company Employees
- 13.....4. Applications for Sewer Service
- 15.....5. Inside Piping and Customer Service Sewer
- 18.....6. Improper Waste or Excessive Use
- 20.....7. Discontinuance or Termination of Service
- 23.....8. Interruptions in Service
- 24.....9. Bills for Service
- 26.....10. Extension of Collecting Sewers

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name of officer

President
title

Sedalia, MO
address

P.S.C. MO No. 2
Canceling P.S.C. MO No. 1
Name of Utility: W.P.C. Sewer Company

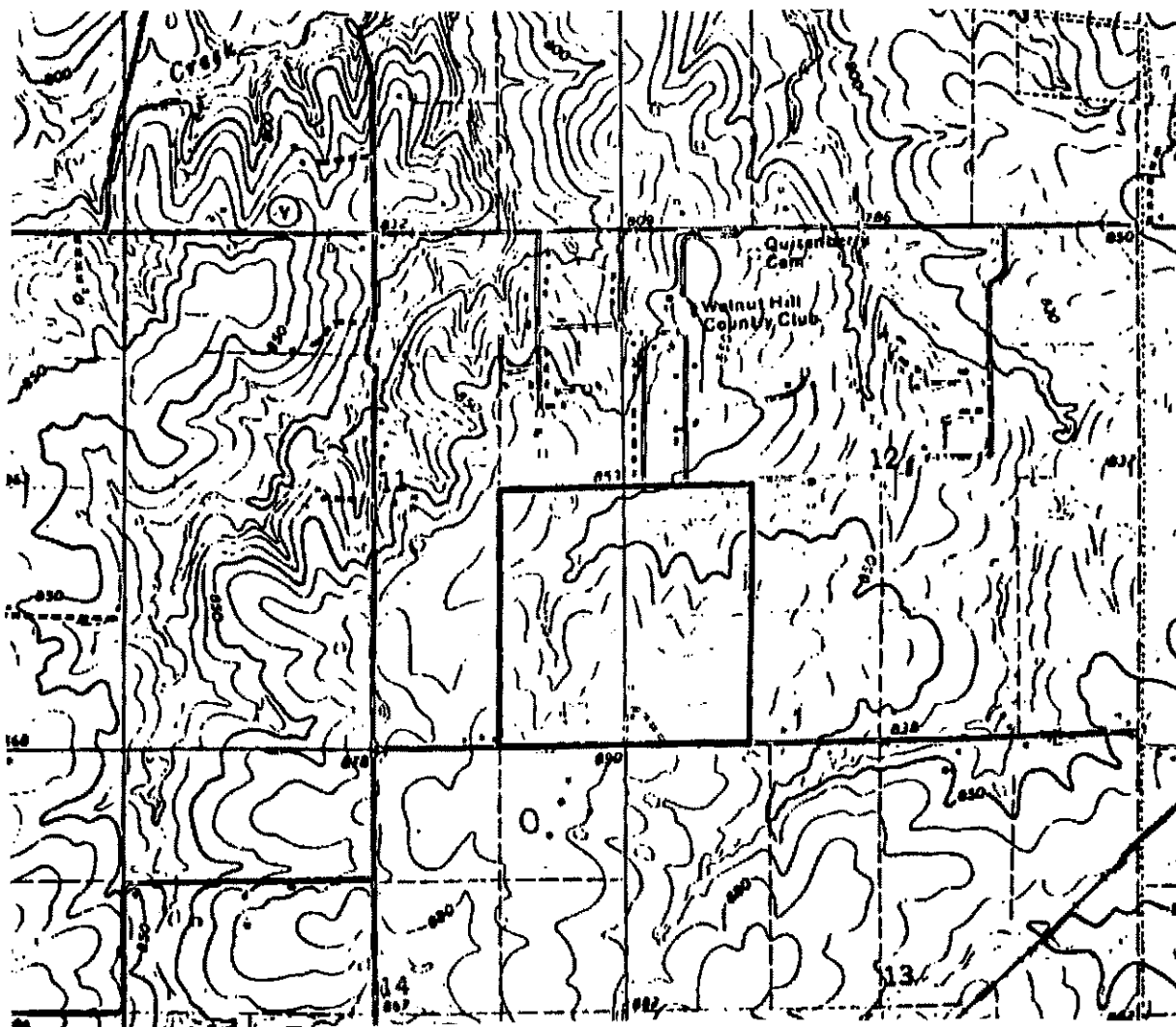
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Sheet No. 2

Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Map of Service Area



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Name of Utility: W.P.C. Sewer Company

Original Sheet No. 3

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Legal Description of Service Area

The area of South Walnut Hills residential development is located in an unincorporated area of Pettis County, Missouri west of Sedalia, Missouri and more particularly described as follows:

The West One-Half (1/2) of the Southwest Quarter of Section Number Twelve (12) in Township Forty-Five (45) North of Range Twenty-Two (22) West of the Fifth Principal Meridian in the County of Pettis and State of Missouri, and the East Half of the Southeast Quarter of Section Number Eleven (11) in Township Number Forty-Five (45) North of Range Number Twenty-Two (22) West of the Fifth Principal Meridian in the County of Pettis and the State of Missouri.

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Name of Utility: W.P.C. Sewer Company

Original Sheet No. 4

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Schedule of Rates

AVAILABILITY

Available to any sewer Customer located on Company's collecting mains suitable for supplying the service requested.

MONTHLY RATES

Single-Family Residence	Monthly service charge for each unit
Service (Per Unit)	\$38.12

All applicable Federal, State or local taxes shall be included in addition to the above charges.

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P.S.C. MO No. 2
Canceling P.S.C. MO No. 1
Name of Utility: W.P.C. Sewer Company

Original Sheet No. 5

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Schedule of Service Charges

Late Charges

A charge of five dollars (\$5.00) or three percent (3%) per month times the unpaid balance, whichever is greater, will be added to delinquent accounts.

Returned Check Charge

A returned check charge of twenty-five dollars (\$25.00) per check will be due on all checks returned from the bank for insufficient funds.

Discontinuance of Service

If discontinuance of sewer service in accordance with Rule 7 is accomplished by physical disconnection, then the charge for reconnection after such disconnection by the Company shall be the total actual cost of disconnection and reconnection.

Discontinuance of Service by Turn-off of Water Service by a Water Utility

A fee of one hundred dollars (\$100.00) will be charged for disconnection/reconnection of water service by a water utility when the disconnection/reconnection is done at the request of the Company due to a delinquent sewer bill pursuant to Rule 7.

Inspection Fee

A fee of thirty-five dollars (\$35.00) will be charged for inspection of a new service sewer and connection to the collecting sewer.

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P.S.C. MO No. 2
Canceling P.S.C. MO No. 1
Name of Utility: W.P.C. Sewer Company

Original

Sheet No. 6

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Schedule of Service Charges (Continued)

Re-Inspection Fee

A fee of twenty dollars (\$20.00) will be charged for any re-inspection of the new service sewer that is not the fault of the Company.

Service Calls

Service calls at any time other than during normal business hours for any reason except disconnection for a ruptured Customer's service shall require a service charge of twenty-five dollars (\$25.00).

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Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 1 DEFINITIONS

- A. An "APPLICANT" is a person, firm, corporation, governmental body, or other entity that has applied for sewer service and/or an extension of collecting sewers along with additional plant facilities; two or more such entities may make one application for a sewer extension, and be considered one APPLICANT. An "ORIGINAL APPLICANT" is an APPLICANT who entered into any contract or agreement with the Company for an extension of collecting sewers and/or additional plant facilities, contributed funds or utility plant assets to the Company under the terms of the contract or agreement, and is eligible for refunds under the terms of the contract or agreement as additional Applicants connect to such extensions or plant facilities.
- B. "B.O.D" denotes Biochemical Oxygen Demand. It is the quantity of oxygen utilized in the biochemical oxidation of waste matter under standard laboratory conditions expressed in milligrams per liter.
- C. "C.O.D" denotes Chemical Oxygen Demand. It is the quantity of oxygen utilized in the chemical oxidation of waste matter under standard laboratory conditions, expressed in milligrams per liter.
- D. A "COLLECTING SEWER" is a pipeline, including force pipelines, gravity sewers, interceptors, laterals, trunk sewers, manholes, lampholes, and necessary appurtenances, including service wyes and saddles, which is owned and maintained by the Company, located on public property or on private easements, and used to transport sewage waste from the Customer's service connection to the point of disposal.
- E. The "COMPANY" is W.P.C. Sewer Company, acting through its officers, managers, or other duly authorized employees or agents.
- F. A "CUSTOMER" is any person, firm, corporation or governmental body which has contracted with the Company for sewer service, or is receiving service from the Company, or whose facilities are connected for utilizing such service.

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Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 1 continued

- G. The "DATE OF CONNECTION" shall be the date the permit for a service connection is issued by the Company. In the event no permit is taken and a service connection is made, the date of connection shall be determined based on available information, such as construction/occupancy permits, or water or electric service turn-on dates.
- H. "DISCONTINUANCE OF SERVICE" is intentional cessation of the use of sewer service by action of the Company not at the request of the Customer. Such DISCONTINUANCE OF SERVICE may be accomplished by methods including physical disconnection of the service sewer, or turn-off of water service by the water utility at the request of the Company.
- I. "DOMESTIC SEWAGE" is sewage, excluding storm and surface water, resulting from normal household activities; and, "NON-DOMESTIC SEWAGE" is all sewage other than DOMESTIC SEWAGE including, but not limited to, commercial or industrial wastes. See Rule 6 - Improper Waste or Excessive Use.
- J. A "FOUNDATION DRAIN" is a pipe installed inside or outside the foundation of a structure for the purpose of draining ground or subsurface water away from the foundation.
- K. "pH" is the relative degree of acidity or alkalinity of water as indicated by the hydrogen ion concentration. pH is indicated on a scale reading from 1-14, with 7.0 being neutral, below 7.0 acid, and above 7.0 alkaline; more technically defined as the logarithm of the reciprocal of the hydrogen ion concentration.
- L. A "SADDLE" is a fitting that connects the Customer's Service Sewer to the collecting sewer. The saddle clamps around the collecting sewer pipeline into which pipeline a hole is cut, and the Service Sewer is connected to the SADDLE thereby connecting it to the collecting sewer.

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Rules and Regulations Governing Rendering of
Sewer Service

Rule 1 continued

- M. A "SERVICE CONNECTION" is the connection of a service sewer to the Company's collecting sewer either at the bell of a wye branch or the bell of a saddle placed on the barrel of the collecting sewer.
- N. A "SERVICE SEWER" or "CUSTOMER'S SERVICE SEWER" is a pipe with appurtenances installed, owned and maintained by the Customer, used to conduct sewage from the Customer's premises to the collecting sewer, excluding service wyes or saddles. The SERVICE SEWER is constructed, owned and maintained by the Customer.
- O. A "SUBDIVISION" is any land in the state of Missouri which is divided or proposed to be divided into two or more lots or other divisions of land, whether contiguous or not, or uniform in size or not, for the purpose of sale or lease, and includes resubdivision thereof.
- P. A "TEE" is a three-way one-piece pipe fitting in the shape of the letter "T" that is a part of the Collecting Sewer pipeline and to which the Customer's Service Sewer is connected.
- Q. "TERMINATION OF SERVICE" is the cessation of the use of sewer service requested by the Customer. Such TERMINATION OF SERVICE shall be accomplished by a method verified and recognized by the Company, and may include physical disconnection of the service sewer, termination or disconnection of water service by the water utility, or the Company's observation of non-occupancy of the unit served.
- R. The word "UNIT" or "LIVING UNIT" shall be used herein to define the premises or property of a single sewer user, whether or not that sewer user is the Customer. It shall pertain to any building whether multi-tenant or single occupancy, residential or commercial, owned or leased. Each mobile home in a mobile home park, and each rental unit of a multi-tenant rental property are considered as separate Units for each single family or firm occupying same as a residence or place of business.

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Canceling P.S.C. MO No. 1
Name of Utility: W.P.C. Sewer Company

Original Sheet No. 10

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 1 continued

- S. A "WYE" or "WYE BRANCH" or "Y" or "Y BRANCH" is a three-way one-piece pipe fitting in the shape of the letter "y" that is a part of the collecting sewer pipeline, and to which the Customer's service sewer is connected.

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P.S.C. MO No. 2
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Name of Utility: W.P.C. Sewer Company

Original Sheet No. 11

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 2 GENERAL MATTERS

- A. Every Customer, upon signing an application for service or accepting service rendered by the Company, shall be considered to have expressed consent to be bound by these Rates, Rules and Regulations.
- B. The Company's Rules and Regulations governing rendering of service are set forth in the numbered sheets of this tariff. The rates applicable to appropriate class of service are set forth in Rate Schedules and constitute a part of this tariff.
- C. The Company reserves the right, subject to approval from the Missouri Public Service Commission, to prescribe additional rates or to alter existing Rates or Rules as it may deem necessary or proper.
- D. At the effective date of these Rules, all new facilities, construction contracts and written agreements shall conform to these Rules in accordance with the statutes of the State of Missouri and authority of the Missouri Public Service Commission. Pre-existing facilities that do not conform with these Rules and Regulations may remain, if said facilities do not cause any service problems and reconstruction is impractical.
- E. The Company shall have the right to enter upon the Customer's premises for the purpose of inspecting for compliance with these Rules and Regulations. Company personnel shall identify themselves and such inspections shall be conducted during reasonable hours.

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P.S.C. MO No. 2
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Name of Utility: W.P.C. Sewer Company

Original Sheet No. 12

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 3 LIMITED AUTHORITY OF COMPANY EMPLOYEES

- A. Employees or agents of the Company are expressly forbidden to demand or accept any compensation for any service rendered to its Customers except as covered in the Company's Rates, Rules and Regulations.
- B. No employee or agent of the Company shall have the right or authority to bind it by any promise, agreement or representation contrary to the letter or intent of these Rates, Rules and Regulations.
- C. The Company shall not be responsible in damages for any failure to remove waste water from the premises or for interruption if such failure or interruption is without willful default or negligence on its part.
- D. The Company shall not be liable for damages resulting to Customer or third persons, unless due to contributory negligence on the part of the Company, and without any contributory negligence on the part of the Customer or such third party.
- E. The Company shall not be liable for damages because of any interruption of sewer service or for damages caused by defective piping and appliances on the Customer's premises.
- F. The Company shall not be liable for damages due to damages from acts of God, civil disturbances, war, government actions, and other uncontrollable occurrences.

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Rules and Regulations Governing Rendering of
Sewer Service

Rule 4 APPLICATIONS FOR SEWER SERVICE

- A. A written application for service, signed by the Customer, and accompanied by the appropriate fees as provided in the Schedule of Rates, the Schedule of Service Charges, Rule 10 - Extension of Collecting Sewers, and other information required by these Rules, must be received from each Customer. Said application must be filed in writing twenty-four (24) hours in advance stating the street, house number, name of the applicant, name of the property owner, and the time, at which connection is to be made. The Company shall have the right to refuse service for failure to comply with the Rules herein, or if the Customer owes a past due bill not in dispute for sewer service at any location within the Company's service area. In any case where a collecting sewer extension or unusual construction or equipment expense is necessary to furnish the service, the Company may require a contract for service specifying a reasonable period of time for the Company to provide the service. If the Customer is a tenant, the Company shall notify the owner of the property or owner's property manager or other agent that the owner or property manager may be responsible for payment of the sewer service bill associated with the application.
- B. A prospective Customer shall, upon request of the Company, present in writing to the Company a list of devices that will discharge to the collecting sewers, the amount and specifications of any discharge, and the location of any buildings. The Company will then advise the Customer of the form and the character of the wastewater collection facilities available. If a sewer extension as provided for in Rule 10 - Extension of Collecting Sewers will be necessary, or if the Customer will be required to own, operate, and maintain a pretreatment facility, the Customer will also be so advised.
- C. When sewer charges are based on water usage, the Company reserves the right to refuse sewer service to any applicant unless said applicant agrees to install a water meter accessible by the Company, so that there will be a basis for sewer charges. The Company and Customer may agree to an estimated water use amount, on an interim basis for a period not to exceed six (6) months, to allow time to install suitable metering equipment.

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P.S.C. MO No. 2
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Name of Utility: W.P.C. Sewer Company

Original Sheet No. 14

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 4 continued

- D. The Company will determine or approve the location of the service connection. Service sewers will not be extended along public streets or roadways or through property of others in connecting with collecting sewers. If a service connection is requested at a point not already served by a collecting sewer of adequate capacity, the collecting sewer shall be extended in accordance with Rule 10 - Extension of Collecting Sewers, unless in the Company's judgment such a collecting sewer would serve no other purpose and a service sewer may be constructed to serve the Customer's premises in a reasonable manner.
- E. A new service connection shall be authorized when all conditions in Rule 2 – General Matters and Rule 5 – Inside Piping and Customer Service Sewer, regarding application, construction and inspection provisions, are met.
- F. No substantial addition to the water using equipment or appliances connected to the sewer system shall be made by Customers discharging non domestic sewage except upon written notice to and with the written consent of the Company.

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Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 5 INSIDE PIPING AND CUSTOMER SERVICE SEWER

- A. The Customer is obligated to construct, repair, and maintain the service sewer from the collecting sewer to the building, and make the connection to the collecting sewer. The Customer shall notify the Company prior to cleaning or repairing the service sewer.
- B. When a service sewer is to be connected to the collecting sewer, the plumber shall advise the Company twenty-four (24) hours in advance of when the connection is expected to be made so a representative of the Company can inspect the installation and connection. No backfill shall be placed until the work has been inspected by the Company. In the event the Customer or the Customer's agent shall damage a wye branch or saddle, or cause damage to the collecting sewer, then the Customer shall be responsible for the cost to repair any such damage, including replacement of pipe or appurtenances as necessary.
- C. Plumbing specifications of all governmental agencies having jurisdiction, and the Company's Rules, in effect at the time of connection, must be met. The Company may deny service or may discontinue service where foundation drains, downspouts, or other sources of surface or storm water are permitted to enter the sewer system through either the inside piping or through the building sewer.
- D. A separate and independent service sewer shall generally be required for every building. Exceptions are:
1. When one building stands at the rear of another building on an interior lot where a proper service sewer cannot be constructed through an adjoining easement. In that situation, the service sewer from the front building may be extended to the rear building and it will be considered as one service sewer; or
 2. When two or more buildings are a part of a complex that cannot be subdivided.

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Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 5 continued

- E. The service sewer shall be one of the following: ductile iron pipe, vitrified clay sewer pipe (VCP), or polyvinyl chloride pipe (PVC), American Society for Testing and Materials (ASTM) specification or equal; or other suitable material approved by the Company. Only those jointing materials and methods that are approved by the Company may be used. Joints shall be tight and waterproof. Any part of the service sewer that is located within ten feet (10') of a water main or water service pipe shall be constructed of ductile iron or PVC pressure pipe. The pipe shall be bedded according to the manufacturer's specifications and on undisturbed earth or fill compacted to at least ninety-five percent (95%) proctor density. Fill may be non-organic soil or aggregate.
- F. The size and slope of the service sewer shall be subject to the approval of the Company, but in no event shall the diameter be less than four inches (4"). The slope of such four inch (4") pipe shall not be less than one-eighth inch (1/8") per foot.
- G. Whenever possible, the service sewer shall be brought to the building at an elevation below the basement floor. No building sewer shall be laid parallel to or within three feet (3') of any bearing wall. The depth shall be sufficient to afford protection from frost. The service sewer shall be laid at a uniform grade and in straight alignment insofar as possible. Changes in direction shall be made only with properly curved pipes and fittings.
- H. Existing service sewers may be used in connection with new buildings only when they are found on examination and test to meet all requirements of the Company.
- I. In any building in which a building drain is too low to permit the required slope of the service sewer, sanitary sewage carried by such drain shall be lifted by approved artificial means and discharged to the service sewer. No water operated sewage ejector shall be used.

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Name of Utility: W.P.C. Sewer Company

Original Sheet No. 17

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 5 continued

- J. All excavations required for the installation of a service sewer and connection to the collecting sewer shall be open trench work unless otherwise approved by the Company. Pipe laying and backfill shall be performed in accordance with the latest published engineering specifications of the manufacturer of the materials used, and all applicable local plumbing codes.
- K. The connection of the service sewer to the collecting sewer shall be made at the wye branch, if such branch is available at a suitable location. If the collecting sewer is vitrified clay pipe of twelve inch (12") diameter or less and there is no properly located wye branch at a suitable location, a wye branch shall be installed at a location specified by the Company. If the collecting sewer is greater than twelve inches (12") in diameter, or is PVC of any size, a neat hole may be cut at a location specified by the Company, and a saddle installed to which the service sewer will be connected. The invert of the service sewer at the point of connection shall be at the centerline or higher elevation of the collecting sewer. The connection shall be secure and watertight.
- L. Any change in the location of an existing service connection and/or service sewer requested by the Customer shall be made at the Customer's expense.
- M. Company personnel may not work on piping or facilities not owned by the Company unless authorized by the Customer.

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Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 6 – IMPROPER WASTE OR EXCESSIVE USE

- A. The following requirements for the use of sewer service provided by the Company shall be observed. Violation of the requirements will result in the discontinuance of service to the Customer, and the Customer may be required to comply with Paragraph B., below.
- B. In the event that the Customer to be served proposes to discharge an abnormally high volume or strength of waste, the Company may require:
1. The Customer to install a pretreatment facility, grease trap or other device on the premises to prevent the exceeding of discharge limits or other adverse impacts upon the Company's system. The installation of any such device as well as its operation and maintenance shall be the responsibility of the Customer, and subject to approval and inspection by the Company; or
 2. The Customer to enter into a special contract with the Company for treatment of the Customer's discharge that could require an enlargement of the Company's existing sewage treatment plant or the construction of a temporary sewage treatment plant, and/or the construction or reconstruction of sewer lines or pump facilities. This special contract shall be in a form approved by the Missouri Public Service Commission with a rate applicable to the Customer to be included within this Schedule of Rates, Rules, and Regulations, that is fair and reasonable to both parties and so as not to constitute a burden upon the Company or the existing Customers of the Company.
- C. No Customer shall discharge or cause to be discharged any storm water, surface water, ground water, swimming pool water, roof runoff, sub-surface drainage, or cooling water into the collecting sewers.
- D. Except as may be provided in Paragraph B.2., above, the Customer shall be required to take any action necessary to meet the following described wastewater limits before the wastewater is discharged into the collecting sewer:

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Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 6 continued

1. Maximum temperature of 150 degrees Fahrenheit; and
2. Maximum strength of four-hundred (400) parts per million Biological Oxygen Demand (B.O.D.); and
3. A maximum of one-hundred (100) parts per million, by weight, any fat, oil or grease; and
4. A maximum of twenty-five (25) parts per million, by weight, any soluble oils; and
5. No gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas; and
6. No garbage that has not been properly shredded; and
7. No ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood or any other solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper operation of the sewer system; and
8. No waste-water having a pH less than 5.0 or greater than 9.0, or having any other corrosive property, capable of causing damage or hazard to structures, equipment or personnel of the Company; and
9. No waste-water containing heavy metals, toxic material, or Chemical Oxygen Demand (C.O.D.), in sufficient quantity to disrupt the operation of treatment facilities, or exceeding any limits which may be specified in a service contract for any such substance.

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name of officer

President
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Sedalia, MO
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Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 7 – DISCONTINUANCE OR TERMINATION OF SERVICE

A. The Company reserves the right of discontinuance of service for any of the following reasons:

1. For nonpayment of the sewer utility bill (see Rule 9); or
2. For unauthorized resale of sewer service; or
3. For an unauthorized service connection to the Company's collecting sewer; or
4. For failure to comply with these Rules and Regulations.

B. Discontinuance of service may be accomplished, but not limited to, physical disconnection of the Customer's service sewer from the Company's collecting sewer. Discontinuance of sewer service for non-payment of a sewer bill may be accomplished either by physical disconnection or by discontinuance by turn-off of water service by the Customer's water utility at the request of the Company. In such cases where discontinuance is accomplished by turn-off of water service:

1. If sewer billing is combined with water billing, Customers will be notified by the water utility by the terms of its Rules normally practiced for discontinuance of water service; or
2. If sewer billing is not combined with water billing, Customers will be notified by the terms of Paragraphs F. and H., below, and not by those of any water utility.

C. Discontinuance of service to a Customer for any reason as outlined in Paragraph A., above, shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of monies due from the Customer.

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Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 7 continued

- D. In the event of discontinuance of service by the Company for any reason as outlined in Paragraph A., above, then any monies due the Company shall become immediately due and payable.
- E. The Company reserves the right of discontinuance of service to a Customer, or to refuse service to any applicant or for any unit to reasonably protect itself against fraud or abuse.
- F. Unless discontinuance is accomplished by turn-off of water service and discontinuance notice is provided by the water utility as provided for in Paragraph B.1., above, then at least thirty (30) days prior to discontinuance of service, the Company will mail a written notice to the Customer by certified mail, return receipt requested, with a copy of the notice sent to the Missouri Public Service Commission and a copy to the property owner if different than the Customer and if known by the Company. Said notice shall state the reasons for discontinuance of service, the amount of money owed if for a past due bill including the amount of any service charges owed, and that service may be discontinued at any time after the expiration of the notice period, provided satisfactory arrangements for continuance of the service have not been made by the Customer. The thirty (30) day notice may be waived if there is any waste discharge that might be detrimental to the health and safety of the public, or cause damage to the sewer system. In the event of discontinuance of service without the thirty (30) day notice as above provided, the Customer and the Missouri Public Service Commission shall be notified immediately with a statement of the reasons for such discontinuance of service. If service is provided to a multi-tenant building or complex, the Company will make an effort to notify tenants by door hangers or other type of notice of the possibility of discontinuance of service.
- G. Reconnection of any Customer after discontinuance of service by authority of this Rule will be made subject to payment of the cost of reconnection.
- H. Where the owner of rental property is the Customer and has been notified of the intent of discontinuance of service, the tenants shall be given the opportunity in a reasonable and timely manner to pay delinquent bills in lieu of disconnection of service.

* Indicates new rate or text

+ Indicates change

DATE OF ISSUE January 16, 2013
Month Day Year

DATE EFFECTIVE March 4, 2013
Month Day Year

ISSUED BY A.B. Monsees
name of officer

President
title

Sedalia, MO
address

P.S.C. MO No. 2
Canceling P.S.C. MO No. 1
Name of Utility: W.P.C. Sewer Company

Original Sheet No. 22

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 7 continued

- I. Termination of service at the Customer's request may be accomplished at the expense of the Customer. If termination of service must be accomplished by physical disconnection, the Customer shall notify the Company of the date and time of the disconnection in writing at least five (5) days prior to the disconnection. If termination is accomplished by turn-off of water service, such notice shall be on or before the date of the water turn-off. Service may not be terminated for one unit of a multi-unit building if the building is served by one service sewer, unless accomplished by turnoff of water service to that unit. The method used for termination of service shall be determined by the Company.

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Name of Utility: W.P.C. Sewer Company

Original Sheet No. 23

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 8 INTERRUPTIONS IN SERVICE

- A. The Company reserves the right to limit sewer service in its collecting sewers at any time, in a reasonable and non-discriminatory manner, for the purpose of making repairs to the sewer system.
- B. Whenever service is limited for repairs, all Customers affected by such limitation will be notified in advance whenever it is practicable to do so. Every effort will be made to minimize limitation of service.
- C. No refunds of charges for sewer service will be made for limitations of service unless due to willful misconduct of the Company.

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ISSUED BY A.B. Monsees President Sedalia, MO
name of officer title address

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 9 BILLS FOR SERVICE

- A. The charges for sewer service shall be at the rates specified in this tariff, which is on file with the Missouri Public Service Commission and at the Company's office. The point of assumption of sewer service shall be at the service connection. Service charges for connection or disconnection are set forth in the Schedule of Service Charges.
- B. A Customer who is or has been taking sewer service at one or more units connected to the collecting sewer shall be held liable for payment of any applicable charges for service furnished to such units from the date of connection until the date requested by the Customer in writing for service to be terminated, or until service is discontinued by the Company.
- C. Bills for sewer service will be mailed or delivered to the Customer's last address as shown by the records of the Company, but failure to receive the bill will not relieve the Customer from the obligation to pay the same.
- D. Payments shall be made at the office of the Company or at a convenient location designated by the Company, or by mailing to the Company's mailing address.
- E. Separate bills shall be rendered for each location at which sewer service is provided, even though one entity may be the Customer at such separate locations.
- F. The Company shall have the right to render bills monthly in advance, or on a monthly basis in arrears when the sewer charges are based on water usage. Bills shall have the due date indicated on the bill.
- G. Neither the Company nor the Customer will be bound by bills rendered under mistake of fact as to the quantity of service rendered or as a result of clerical error. Customers will be held responsible for charges based on service provided.

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P.S.C. MO No. 2
Canceling P.S.C. MO No. 1
Name of Utility: W.P.C. Sewer Company

Original Sheet No. 25

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 9 continued

- H. Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which the payment is considered delinquent is a minimum of twenty-one (21) days after rendition of the bill. Service may be discontinued after thirty (30) days written notice by certified mail return receipt requested from the Company as provided by Rule 7 - Discontinuance or Termination of Service. Delinquent bills are subject to a late charge as provided in the Schedule of Service Charges.
- I. When bills are rendered for a period of less than a complete billing period due to the connection or termination of service, the billing shall be for the proportionate part of the monthly charge, or where water usage is the basis for the charge, at the appropriate rate for water used. Customers terminating after taking service for less than one month shall pay not less than the monthly minimum.
- J. The owner of the property served will be held responsible for ultimate payment of a bill. Copies of all notices of violations of the Rules, or of disconnection of service shall also be sent to the owner of the property

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Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 10 EXTENSION OF COLLECTING SEWERS

- A. Collecting sewers will be extended within the Company's certificated service area, at the applicant's cost, if service is requested by the applicant at a location where facilities do not exist (the "applicant" is sometimes referred to in this Rule as the "original applicant"). The applicant shall enter into a contract with the Company. The applicant may choose to have the Company perform all work under the terms and conditions of Paragraph C., below, or have a private contractor perform the work under the terms and conditions of Paragraph D., below. For purposes of this Rule, an extension could include, in addition to a collecting sewer, one or more pump station or treatment plant facilities, as necessary to provide the service.
- B. The pipe used in making extensions shall be of a type and size which will be reasonably adequate for the area to be served. Such determination as to size and type of pipe shall be left solely to the judgment of the Company. If the Company desires a pipe size, lift station, treatment plant, or any other facility larger than reasonably required to provide service to the applicant, the additional cost due to larger size shall be borne by the Company.
- C. The Company will extend collecting sewers for the applicant under the following terms and conditions:
1. Upon receipt of written application for service as provided in Rule 4, Applications for Sewer Service, the Company will provide the applicant an itemized estimate of the cost of the proposed extension. Said estimate shall include the cost of all labor and materials required, including reconstruction of existing facilities if necessary, and the direct costs associated with supervision, engineering, permits, and bookkeeping. Applicable income tax cost calculated at the maximum rate will be added to this estimate.
 2. The applicant shall enter into a contract with the Company for the installation of said extension and shall tender to the Company a contribution-in-aid-of-construction (CIAC) equal to the amount determined in Paragraph C.1., above,

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Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 10 continued

plus any appropriate fees as provided in the Schedule of Rates or the Schedule of Service Charges.

3. If, as a result of reasonably unforeseen circumstances, the actual cost of the extension exceeds the estimated cost of the extension, the applicant shall pay the additional cost.

D. When the applicant elects to construct an extension, the Company will connect said extension to its existing collecting sewers under the following terms and conditions:

1. Applicant shall enter into a contract with the Company which provides that the applicant construct said collecting sewers and/or other facilities to meet the requirements of all governmental agencies that have jurisdiction and the Company's Rules and Regulations. Plans for the extension shall be submitted to the Company for approval prior to construction. A applicant's choice of construction contractor is subject to approval by the Company. Applicant shall contribute said facilities to the Company with a detailed accounting of the actual cost of construction, and contribute to the Company the estimated reasonable cost of the Company's inspection.
2. The Company, or its representative, shall have the right to inspect and test the extension prior to connecting it to the existing collecting sewers and acceptance of ownership.
3. Connection of the extension to existing Company collecting sewers shall be made by, or under direct supervision of, the Company or its representative.
4. The Company shall have the right to refuse ownership and responsibility for the sewer extension until applicant has met the contractual obligations as provided in Paragraph D.1., above.

E. The cost to additional applicants connecting to the sewer contributed by the original applicant shall be as follows:

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Rules and Regulations Governing Rendering of
Sewer Service

Rule 10 continued

1. For a single-family residential applicant applying for service in a platted subdivision, the Company shall divide the actual cost of the extension, including income tax impact if any, by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots which abut existing sewers shall be excluded.
2. For a single-family residential applicant requesting service to areas that are not platted in subdivision lots, the applicant's cost shall be equal to the total cost of the extension times one hundred feet (100') divided by the total length of the extension in feet.
3. For an applicant that is not a single family residence as described in E.1. or E.2., above the cost will be multiplied by a water usage factor, as appropriate. The water usage factor shall be determined by dividing the average monthly usage in gallons by 7,000 gallons, but shall not be less than 1.

F. Refunds of contributions shall be made to the original applicant as follows:

1. Should the actual cost of an extension constructed by the Company under Paragraph C, or actual costs for inspection by the Company under Paragraph D, above, be less than the estimated cost, the Company shall refund the difference as soon as the actual cost has been ascertained.
2. During the first ten years after the extension is completed, the Company will refund to the original applicant who paid for the extension monies collected from additional applicants in accordance with Paragraph E., above.
3. The sum of all refunds to the applicant shall not exceed the total contribution, including income tax and inspection costs associated with the extension, which the applicant has paid.

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P.S.C. MO No. 2
Canceling P.S.C. MO No. 1
Name of Utility: W.P.C. Sewer Company

Original

Sheet No. 29

Service Area: Pettis County, Missouri

Rules and Regulations Governing Rendering of
Sewer Service

Rule 10 continued

4. If two or more entities are considered an original applicant, the refund shall be distributed to each entity based upon the percentage of the actual extension cost contributed by each entity.
- G. Any extension made under this Rule shall be and remain the property of the Company in consideration of its perpetual upkeep and maintenance.
- H. The Company reserves the right to connect additional extensions to a collecting sewer contributed by the applicant. The connection of new Customers to such additional extensions shall not entitle the applicant to any refund.

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name of officer title address

Agreement Attachment F

Billing Comparison Worksheet

W.P.C. SEWER COMPANY

Residential Customer Bill Comparison-Sewer

Rates for 5/8" Meter

Current Base	Proposed Base
<u>Customer Charge</u>	<u>Customer Charge</u>
\$25.04	\$38.12

current service charge is monthly charge

MONTHLY BILL COMPARISON

Current Rates

Customer Charge \$ 25.04

Proposed Rates

Customer Charge \$ 38.12

INCREASES

Customer Charge

\$ Increase \$13.08

% Increase 52.22%

Agreement Attachment G

Water & Sewer Unit Memorandum

REPORT OF WATER AND SEWER UNIT
FIELD OPERATIONS AND TARIFF REVIEW

Water and Sewer Unit
File No. SR-2013-0053
W.P.C. Sewer Company
Steve Loethen/James Russo

Introduction

This Report was prepared jointly by Staff members Steve Loethen and James Russo. The Staff member responsible for each section is denoted at the end of each section.

W.P.C. Sewer Company (WPC or Company) acquired the sewer system assets and received its Certificate of Convenience and Necessity (Certificate) from the Missouri Public Service Commission (Commission) in Case No. SM-89-45. The sewer system was previously owned by South Walnut Hills Sewer Corporation, a sewer utility that was granted a Certificate by the Commission in Case No. 18,704 in 1976. Tony Monsees is the current president of WPC. The Company provides sewer service to approximately 68 customers in Pettis County. On August 14, 2012, the Company filed a *Request for Increase in Annual Sewer System Operation Revenues* with the Commission seeking a \$14,483 rate increase. This matter was assigned File No. SR-2013-0053. The Commission's Water and Sewer Staff (Staff) performed an inspection on the system on September 25, 2012. (Loethen)

Facilities

WPC has an extended aeration wastewater treatment plant designed to treat 23,025 gallons per day. The Company installed an Ultraviolet (UV) disinfection system in the fall of 2012 which was part of the reason for the rate increase request. The new plant was inspected by Staff on November 11, 2012, and Staff determined that the project is complete, used and useful.

The collection system consists of 8" gravity collecting sewers and concrete manholes. (Loethen)

Operations

The operations are performed by a contract operator. The Company needs to update its safety program that is on file with the Commission as required by 4 CSR 240-60.040. The Company's current safety program is out of date because it only reflects a commitment to safety matters by a formerly used contract operator. The Company also does not have a current manhole inspection program as required by 4 CSR 240-60.020(8), however Staff has received no complaints of operational issues with the

collection system. The newly installed UV system allows the Company to meet new limits imposed by the Department of Natural Resources associated with the Company's renewed permit.

The Company sent a rate case letter to the customers on September 13, 2012. Staff has not received any service related complaints as a result of the rate case letter. (Loethen)

Tariff Review

WPC's current tariff, with the exception of the rate schedule sheet 4, was originally filed and became effective in May 1989. In the process of updating the current tariff, additional language was included in the tariff to allow the Company to collect disconnection/reconnection charges, inspection and re-inspection fees, and a service call fee. These changes will allow the Company to recover the costs related to these items used in its operation directly from the customer causing the cost. The new and updated tariff for WPC will be filed by the Company as part of this current rate case proceeding. The current PSC MO Number 1 tariff will be cancelled and replaced by PSC MO Number 2 tariff. (Russo)

Rate Design

Staff also reviewed the current rate design. Staff is not recommending any changes to the Company's current rate design. The rate impact on customers will be provided as part of Staff's settlement proposal. (Russo)

Conclusion

Staff will review the updated safety program and the manhole inspection program with the Company during annual inspections or follow-up visits.

WPC's current tariff will be updated in this rate case proceeding.

WATER AND SEWER UNIT STAFF RECOMMENDATIONS:

- 1) Staff recommends the Commission issue an order in this case, SR-2013-0053 approving WPC Sewer Company's tariff, PSC MO Number 2 tariff and canceling PSC MO Number 1 tariff.
- 2) Staff recommends the Commission issue an order that the Company update its safety program that is on file with the Commission as required by 4 CSR 240-60.040.

- 3) Staff recommends the Commission issue an order that the Company create a manhole inspection program as required by 4 CSR 240-60.020(8).

Agreement Attachment H

Auditing Unit Recommendation Memorandum

***AUDITING, DEPRECIATION and FINANCIAL ANALYSIS UNITS’
RECOMMENDATION MEMORANDUM***

FROM: Patricia Gaskins, Staff, Auditing Unit

THROUGH: Cary Featherstone, Co-Case Coordinator, Auditing Unit

Bill Harris, Lead Staff, Auditing Unit

TO: Jim Russo, Case Coordinator, Water and Sewer Unit

CC: Rachel Lewis, Lead Attorney, Staff Counsel

Goldie Tompkins, Attorney, Staff Counsel

**SUBJECT: Auditing, Depreciation and Financial Analysis Units’ Findings and the
Recommended Cost of Service for W.P.C. Sewer Company in File No. SR-
2013-0053**

DATE: January 2, 2013

EXECUTIVE SUMMARY

In response to W.P.C. Sewer Company’s (“WPC” or “Company”) August 14, 2012 request for a rate increase, the Auditing Unit Staff of the Missouri Public Service Commission (Staff) conducted an audit of the Company using a 12-month test year ended December 31, 2011 and updated through the known and measurable period ended September 30, 2012. As further explained throughout this memorandum, Staff is recommending an increase of \$10,670, or 52.2%, in the Company’s annual sewer system operating revenues.

BACKGROUND

On August 14, 2012, WPC filed a letter with the Secretary of the Missouri Public Service Commission (Commission) in accordance with the provisions of Commission Rule 4 CSR 240-3.050, Small Utility Rate Case Procedure (Small Company Procedure), requesting a rate increase of \$14,483, or 70.9%, in its total annual sewer service operating revenues for the affected service areas. In its request letter, the Company 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 Staff's review of the revenue increase request, and could thus be the subject of Staff recommendations. The Company provides service to approximately 68 customers in the affected service areas, all of which are residential customers.

Pursuant to the provisions of the Small Company Procedure and related internal operating procedures, the 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 the Staff's "investigation" of the Company's Request.)

Upon completion of its investigation and report, the Staff will provide the Company and the Office of the Public Counsel (Public Counsel) various information regarding the results of the investigation, as well as its initial recommendations for resolution of the Company's request.

CAPITAL STRUCTURE

The Company's capital structure consists of debt capital in excess of 75 percent (75%). Given such circumstances, Staff asserts it is appropriate to use a hypothetical capital structure that limits debt to 75 percent (75%) of total capital, therefore using a capital structure of seventy five percent (75%) debt and twenty five percent (25%) equity. Using the hypothetical capital structure, Staff witness Zephania Marevangapo estimated a return on equity of 12.09 percent (12.09%) and a total overall rate of return of 7.52 percent (7.52%) for the Company.

RATE BASE

The sewer plant that makes up WPC originally served customers under the name South Walnut Hills Sewer Company (South Walnut Hills). South Walnut Hills went into service with contributed plant only, commonly referred to as contributions in aid of construction (CIAC). Monsees Realty Company (Monsees) acquired South Walnut Hills as part of its acquisition of the housing development served by the sewer plant and was granted approval by the Commission to transfer the certificate of public convenience and necessity from South Walnut Hills to WPC Sewer Company on January 5, 1989. Upon acquisition, Monsees renamed the sewer plant West Pettis County Sewer Company (WPC Sewer Company). According to the deed, total cash paid

for the sewer plant was \$10. Because all sewer plant was contributed, the Commission set WPC's rate base at \$0 in Case No. SR-94-8. WPC accounting records show no evidence of any additions or retirements of plant from the SR-94-8 rate case with the exception of the ultraviolet system that was placed in service on November 6, 2012. Staff has included the new system in this case and is recommending the Company create and maintain a continuing property record (CPR) to ensure the proper accounting of additions to and retirements of utility plant on a going forward basis.

WPC Sewer Company Rate Case No. SR-2013-0053		
Plant in Service	\$50,157	
Less: Depreciation Reserve	\$20,259	
Net Plant (Add to Rate Base)		\$29,898
Contributions in Aid of Construction	\$29,898	
Less: CIAC Depreciation Offset	\$0	
Net CIAC (Subtract from Rate Base)		\$(29,898)
WPC Sewer Company Rate Base as of December 31, 2011		\$0
Plant addition November 6, 2012		\$31,698
WPC Sewer Company Rate Base		\$31,698

Source: Attachment B-- Exhibit Modeling System—Schedule 2

**Depreciation (Reserve and Expense) / Contributions-in-Aid-of-Construction and
Depreciation Offset**

In the Company's last small utility rate case, Case No. SR-2008-0388, in which a Unanimous Stipulation and Agreement was filed on February 25, 2009 and subsequently approved by the

Commission, the Auditing Staff reflected depreciation rates of 0% because it would have been inappropriate to accumulate depreciation expense on contributed plant.

In this case, Engineering Management and Services Unit (EMSU) Staff expert David Williams recommends that a depreciation rate be set at 5% for Account 373, Treatment and Disposal Equipment, in order to begin accumulating depreciation of the plant placed in service on November 6, 2012. Except for the change to the Account 373 depreciation rate, Auditing Staff is again reflecting depreciation rates of 0% in its Accounting Schedule.

As discussed in the Rate Base section of this report, it was determined in Case No. SR-94-8 that all sewer plant recorded on WPC's books is contributed plant. Accounting Schedule 2, filed with the Staff Recommendation in Case No. SR-2008-0388 on February 25, 2009, reflected net CIAC of \$29,898 which is also the total amount of net plant in service. Because net rate base was zero no further depreciation of plant was appropriate, and as such the amortization of CIAC was also inappropriate. However, with the new plant addition, Staff has included the new plant as plant in service in rate base and included an amount for depreciation using the 5% rate recommended by EMSU Staff expert David Williams. Since this new plant is an investment by the Company, it is included in rate base. The new plant is not considered contributed, so does not result in CIAC.

REVENUES

Staff annualized revenues through December 31, 2011, based on the current customer count of 68 and the current monthly customer charge of \$25.04. There is no possibility of customer growth without expansion of the subdivision and currently there are no expansion plans for the subdivision.

EXPENSES

Staff reviewed the level of expenses by each account for WPC for calendar year 2011. Each account was normalized and annualized on an individual basis and Staff made adjustments to include the most appropriate level of expenses for the revenue requirement calculation.

Attached, as Appendix A to this Memorandum, is a table that identifies the adjustments made to the expenses, by account, that are reflected in the revenue requirement calculation that Staff is including in this case.

Management Fees

WPC has an account included on its income statement titled Management Fees that includes amounts for Rent, Payroll, and Office Supplies. These expenses are incurred by WPC and then paid by Monsees Realty and allocated monthly to WPC's books. Staff made an adjustment to the test year to remove the full amount of Management Fees due to an accounting error made by the Company in the amount of \$ 12,475. Staff included separate adjustments to add back in the appropriate amount of allocated expenses, which include Rent, Payroll, and Office Supplies, that are booked to Management Fees to avoid confusion. See Appendix A, Adjustment No. E-25.1.

Office Rent

Mr. Monsees owns the building in Sedalia that WPC uses to conduct its operations. This office space is also shared with West 16th Street Sewer Company and Monsees Realty. Staff calculated a percentage based on square footage used by WPC and hours spent on WPC business in order to determine the amount of office rent to allocate to WPC. While in the building, Staff estimated the amount of square footage that is used at various points within a month for WPC business. Of the total amount of 4400 square feet, 1357 square feet of the building is used in some capacity for WPC business throughout the month. Staff reviewed the number of hours spent on WPC business during a week's time by the three individuals who perform work for WPC and developed a percentage using WPC hours worked to total hours worked in a week. Staff then multiplied that percentage by the square footage of their respective offices to reach a square footage per month for allocation of office rent. Staff also assigned a percentage rate to be used for the common areas of the building that make up the rest of the 1357 square feet. Since Staff zeroed out the entire amount booked to Management Fees for the test year, an adjustment was made to reflect the entire amount of Office Rent. See Appendix A, Adjustment No. E-28.1.

Allocated Salaries

WPC does not have any employees of its own, but instead the Company allocates a portion of the salaries Monsees Realty pays to the three employees who perform WPC operations to WPC. The three employees are a secretary/bookkeeper, a receptionist, and an owner/manager. WPC does not keep timesheets (see audit recommendation No. 1) for time split between the three

companies for their employees. In order to calculate the allocated salaries, Staff obtained from the Company a list of duties performed on behalf of WPC, and the amount of time spent completing these duties by week and month. For both the secretary/bookkeeper and the receptionist Staff used that information along with the “mean wage” value for the West Central part of Missouri according to the Missouri Economic Research and Information Center (MERIC) website to develop its allocation. For the owner/manager’s wage rate Staff used an average of the MERIC “mean wage rate” and the MERIC “experienced wage rate” because the owner has been in the sewer business for about 30 years. Staff determined that using the experienced rate exclusively resulted in an excessive salary. Staff also compared the salaries developed using the MERIC wage rate against other small water and sewer companies of similar size and found the salaries Staff has included in this case for WPC to be reasonable. Since Staff zeroed out the entire amount booked to Management Fees for the test year an adjustment was made to reflect the entire amount of salaries. See Appendix A, Adjustment No. E-26.1.

Allocated Office Supplies/Building Expenses

WPC also allocates an amount for the use of paper, envelopes, stamps, copiers, computers, utilities for the office space, phones, internet, insurance, maintenance of the building, pens, etc. that are purchased by Monsees Realty but used by WPC on a monthly basis. Staff was provided with Profit and Loss statements for 2011 and 2012 with the amounts booked monthly for all these expenses. Staff employed the 2.5% rate, used to allocate a portion of rent for the common areas in its office space allocation, to assign a portion of these expenses to WPC. Staff also disallowed two expenses from the list of expenses provided by Monsees Realty. First, Monsees Realty purchased a second internet provider to ensure that internet service will go uninterrupted if one of the providers experiences interruption to service. Staff concludes that this is more important for its realty business and is unnecessary for WPC customers. Similarly, WPC has purchased a second copier and this amount was disallowed because the amount of copier usage for WPC can easily be covered with the initial copier. Since Staff zeroed out the entire amount booked to Management Fees for test year an adjustment was made to reflect the entire amount of Office Supplies/Building Expenses. See Appendix A, Adjustment No. E-27.1.

Operator Services

WPC pays an outside contractor to operate and maintain the wastewater treatment plant. The operator is paid \$475 a month to visit the plant a minimum of three (3) times a week to ensure equipment is functioning properly, provide preventive maintenance to motors, blowers, and air lift equipment, collect samples in compliance with the operating permit, and send monthly reports to the Missouri Department of Natural Resources. Additional fees for shipment of the samples are invoiced along with the monthly fee, but are reflected separately in Staff's Adjustment E-31.1 of Appendix A. Staff made an adjustment to account for an increase in the operator's monthly fee (see Appendix A, Adjustment E-10.1). The operator also performs ground maintenance for WPC, and the charge for mowing and tree trimming is split out on the monthly invoice along with charges for plant maintenance when that maintenance is not considered routine or preventive. Staff made separate adjustments to include ground maintenance and plant maintenance, as they are not specifically included in the \$475 paid monthly to the operator. See Appendix A, Adjustments E-16.1, and E-17.1.

AUDITING RECOMMENDATIONS

1. Staff recommends the Company develop and utilize time sheets to record work assignments and the time associated with each work assignment. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.
2. Staff recommends the Company correct its books and records to reflect the adjusted plant, depreciation reserve, and contributions in aid of construction balances reflected in the Staff Accounting Schedules, Appendix B attached herein, within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.
3. Staff recommends the Company implement use of continuing property records (CPRs) to track additions to and retirement of utility plant.
4. Staff recommends the Commission approve an increase in the Company's annual sewer operating revenues of \$10,670, or 52.2%.

Expense Adjustment Table

Company Account Number	Account Name	Adjustment Number	Dollar Amount	Reason for Adjustment
701.500	Contract Labor	E-10.1	\$1,875	To include an annualized level of Contract Labor
703.500	Missouri One Call	E-11.1	\$-10	To include a normalized level of Missouri One Call expense
704.500	Utilities-Plant	E-12.1	\$43	To include an annualized level of Utilities
714	Waste Removal	E-15.1	\$253	To include an annualized level of Sludge Removal
715	Plant Maintenance	E-16.1	\$34	To include a normalized level of Plant Maintenance
714.1	Ground Maintenance	E-17.1	\$600	To include a normalized level of Ground Maintenance
703.60	Water Testing	E-18.1	\$222	To include an annualized level of Water Testing
701.800	Bank Service Charges	E.23.1	\$9	To include an annualized level of Bank Service Charges
703.800	License and Permits(DNR fees)	E-24.1	-\$490	To remove PSC Assessment included in another Account
703.800	License and Permits(DNR fees)	E-24.2	\$750	To remove test year amounts associated with retained earnings
704.800	Management Fee	E-25.1	-\$21,475	To remove Management fees from test year
715.800	Allocated Salaries-Management Fee	E-26.1	\$6,899	To include an annualized level of Allocated Salaries

Appendix A

Company Account Number	Account Name	Adjustment Number	Dollar Amount	Reason for Adjustment
716.800	Allocated Office Supplies- Management Fee	E-27.1	\$958	To include an annualized level of allocated office supplies
720.800	Allocated Office Space- Management Fee	E-28.1	\$2,636	To include an annualized level of Allocated Office Space
731.800	MPS Assessment (PSC Assessment)	E-29.1	\$1,017	To include an annualized amount of PSC Assessment
732.800	Payroll Expense	E-30.1	\$-350	To remove from test year an amount of payroll expense included in allocated salaries
733.800	Postage and Delivery (water testing samples)	E-31.1	\$-103	To include an annualized level of postage to mail water samples
701.000	Professional Fees-Accounting	E-32.1	\$31	To include an annualized level of accounting fees
734.800	Rent	E-33.1	\$-300	To remove rent included in allocated office space

Agreement Attachment I

EMSU Report

REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW

Engineering and Management Services Unit

Small Company Rate Increase Request

File No. SR-2013-0053

W.P.C. Sewer Company

Gary Bangert

The Engineering and Management Services Unit (EMSU) staff of the Missouri Public Service Commission (Commission) initiated an informal review of the customer service and business processes, procedures, and practices of W.P.C. Sewer Company (“W.P.C.” or “Company”) in Sedalia, Missouri, in September 2012. The review was performed in response to the Company’s request for a rate increase in File No. SR-2013-0053, which was filed on August 14, 2012. The Company is requesting an increase of \$14,483 in its annual sewer system operating revenues. This request represents an increase of approximately 70.9% to the Company’s annual sewer system operating revenues.

The EMSU staff examined the Company’s tariffs, annual reports, Commission complaint and inquiry records, and other documentation related to the Company’s customer service and business operations. In preparation of this report, the EMSU staff submitted data requests to the Company on September 4, 2012, and conducted interviews with Company personnel on October 4, 2012. The EMSU staff’s review of the Company resulted in the following six recommendations:

THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

1. Develop and utilize time sheets to record work assignments and the time associated with each work assignment. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.
2. Develop and utilize a written vehicle log to maintain information regarding vehicle usage. The log should include information regarding the vehicle type, date, description and location of the task, and the miles attributable to the task. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.

3. Develop and execute written contracts with contractors who provide outside services. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.
4. State clearly on each bill the date customers are subject to the late payment fee. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.
5. Develop and initiate a system for documenting customer contacts in compliance with Commission Rule 4 CSR 240-60.010 (4) & (5). This recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in this case, SR-2013-0053.
6. Develop and distribute to all current and future customers written information specifying the rights and responsibilities of the Company and its customers. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.

The purpose of the EMSU is to promote and encourage efficient and effective utility management. These objectives contribute to the Commission's overall mission to ensure that customers receive safe and adequate service at reasonable rates while providing utilities the opportunity to earn a fair return on their investment.

The objectives of this review are 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 will also provide the Commission with information regarding the Company's customer service and business operations.

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

- Business Operations
- Customer Billing
- Payment Remittance
- Credit and Collections
- Complaints and Inquiries
- Customer Communication

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

History

The EMSU staff previously performed customer service reviews of the Company in 2006 and 2008 in Case Nos. SR-2007-0357 and SR-2008-0388, respectively. These reviews resulted in written reports and included recommendations for improvement in the areas of customer billing, payment remittance, credit and collections, complaints and inquiries, time reporting, and records storage. The EMSU staff conducted follow-up work associated with these recommendations and determined that the Company's implementation actions appropriately met the intent of most of the recommendations. Implementation actions that have not been completed are noted in the section of this report titled Findings, Conclusions, and Recommendations.

Overview

W.P.C. Sewer Company was certificated by the Commission to provide sewer service in Missouri in 1989. The Company provides sewer service to approximately sixty-eight (68) customers in South Walnut Hills, a residential development in Sedalia, Missouri. Most of the Company's customers live in single residences with the remaining customers occupying duplexes. Company management does not anticipate growth in the number of customers it serves. The Company's business office is located at 2111 W. Broadway, Sedalia, Missouri, and business hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. The Company shares office space with Monsees Realty and West 16th Sewer Company. Telephone numbers are provided on customer bills which give customers 24-hour, 7-day-a-week access to Company personnel in the event of an emergency.

W.P.C. Sewer Company does not have any employees. Monsees Realty employees provide staff support for certain Company operations. W.P.C. staff includes the president and owner, Tony Monsees, a part-time bookkeeper, and a receptionist. These staff members are sometimes referred to as Company personnel or employees in this report. The president has overall responsibility for Company operations. The bookkeeper is responsible for business office functions including processing applications for service, preparing and mailing customer bills, maintaining customer account records, posting customer bill payments, and routine

customer interaction. The receptionist accepts payments from customers who walk into the business office and is the initial contact on customer telephone inquiries. Company employees do not use time sheets to record the hours spent performing work activities. Vehicle logs are not used to track vehicle usage associated with performing work activities. Outside contractors are utilized for various services including plant operation and maintenance, sludge hauling, and accounting services. Contracts have not been consistently executed that specify the terms for the provided services.

Customer Billing

The Company uses QuickBooks to maintain customer account records and prepare monthly billing statements. The Company's tariff provides for a customer charge of \$25.04 per month for single family residential. Bills are typically printed and mailed by the 25th of each month. Bills are due on the 22nd day of the following month and considered delinquent on the 23rd of the month. Billing statements identify the due date as the 22nd of the month, but a delinquent date is not included. The Company's tariff provides for a late payment fee of \$5.00 or three percent (3%) per month on unpaid balances, whichever is more, on delinquent accounts. The Company's bookkeeper applies a late payment fee to all delinquent accounts on the 23rd of the month although customer bills do not inform customers of the date a late fee will be assessed.

Payment Remittance

Customer payment options include cash, check, and money order. Most checks, including those paid through customers' online banking services, are received in the mail. Approximately twelve customers make electronic payments through an online banking service, and this number appears to be increasing. Staff understands that about ten customers prefer to pay in person. Bill payments are occasionally collected in the field. Bill payments are processed and recorded daily in QuickBooks. Customer account records are backed up daily. The bookkeeper indicated that customer payments are kept in locked storage and deposited in the bank at least once a week.

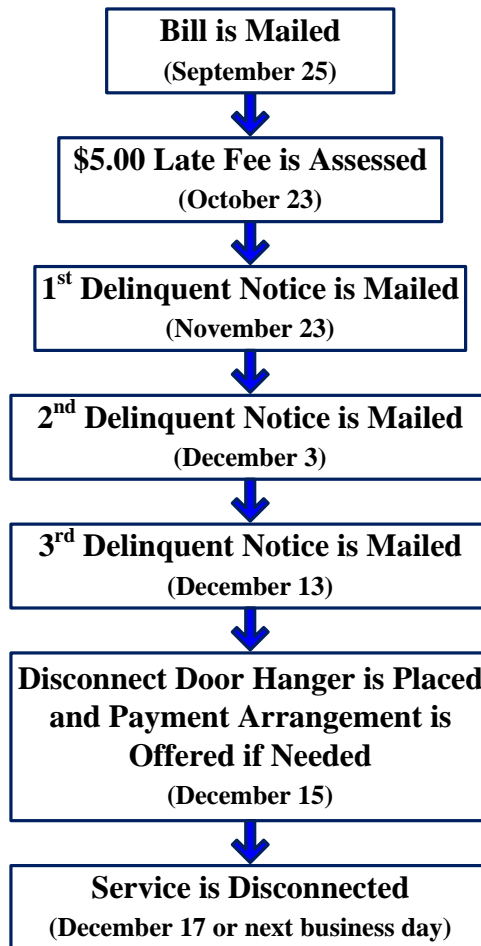
Credit and Collections

Customers requesting service are required to complete a written application. Company personnel indicated they do not require a security deposit as a condition for providing sewer service.

The bookkeeper indicated that returned checks are an infrequent problem. There have been no returned checks since February 2012. In the event of a returned check, the Company's tariff provides for a \$25 returned check fee.

The Company has an established procedure for handling delinquent accounts. The following illustration shows the actions that the Company would take on an account that remains unpaid if the bill was mailed to the customer on September 25.

Delinquent Account Actions



Source: W.P.C. Sewer Company Interview Information

Company personnel indicated that an average of two or three customers is delinquent each month. The bookkeeper represented that these delinquent customers generally pay before the next month's bill is mailed and that no customer's service has been disconnected for nonpayment since 2010. If a customer's service were disconnected for nonpayment, the Company's tariff provides for a \$150 fee to cover the cost of resuming sewer service, delinquent service charges, and payment of all past due charges before service would be reconnected. The Company does not use a collection agency. Based on the Company's 2010 and 2011 Annual Reports, no bad debt accounts have been written off.

Complaints and Inquiries

Customers with questions or concerns may call the Company contact number appearing on their bill. The bookkeeper responds to customer calls and forwards them to the president or outside plant worker as required. An emergency contact cell telephone number is also provided on customer bills. Emergency calls are usually handled by the president or outside plant worker. No record is kept of customer complaints or inquiries. A review of Commission complaint/inquiry records since 2010 showed one complaint and no inquiries. The one complaint, which occurred in 2012, was in opposition to the current rate increase request.

Customer Communication

Customer bills are the primary means of communicating with customers. The billing statements provide limited space to include information to customers. Customer letters have also been used to provide notice of rate increase requests, tariff information, or applications for service. Summary information regarding the rights and responsibilities of the Company and its customers has not been prepared and made available to customers.

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 six issues that require the Company management's attention:

- Time Records

- Vehicle Logs
- Contracts for Outside Services
- Late Fee Bill Information
- Complaint and Inquiry Documentation
- Customer Rights and Responsibilities Documentation

Time Records

W.P.C. Sewer Company staff does not complete time sheets. The Company's bookkeeper estimates the portion of staff salaries allocated to Company activity. The 2006 EMSU staff customer service report also documented the lack of time records.

Maintaining accurate time records can serve and support several purposes, such as planning, budgeting, and human resources.

- Time records assist in tracking the amount of time employees expend on all projects, enabling the president to more accurately schedule required work to increase operational efficiencies.
- Time sheets create a record, serving as visual feedback to the president and the employees of the work and projects they have accomplished.
- Data contained in the time records should be linked to accounting records and provide the necessary support for financial reporting and allocation of costs. Employee time records are useful in the regulatory process to support the pay and benefits that regulated utilities will receive in customer rates.

THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and utilize time sheets to record work assignments and the time associated with each work assignment. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.

Vehicle Logs

Company employees do not log the mileage associated with tasks while using Company vehicles. This lack of written documentation makes it difficult to determine the utilization of Company vehicles for Company-related activities. An appropriate vehicle log would provide

useful information including the vehicle type, date, a general description and location of the task, and the miles driven attributable to the task.

THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and utilize a written vehicle log to maintain information regarding vehicle usage. The log should include information regarding the vehicle type, date, description and location of the task, and the miles attributable to the task. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.

Contracts for Outside Services

The Company does not have written contracts with all contractors who provide outside services. These services include outside plant operation and maintenance, sludge hauling, and accounting services.

The lack of written contracts raises the possibility of a misunderstanding regarding the services that are provided and the basis of charges for these services. Written contracts would document rights and responsibilities and enable Company management to verify the legitimacy of charges incurred and the duties that are performed.

THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and execute written contracts with contractors who provide outside services. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.

Late Fee Bill Information

Customer bills do not state the date unpaid bills are subject to a late payment fee. The Company's tariff provides for a late payment fee of \$5.00 or three percent (3%) per month on unpaid balances, whichever is more, on delinquent accounts. The Company's tariff describes delinquent accounts as accounts that remain unpaid after 21 days. The bookkeeper indicates that late payment fees are assessed on unpaid accounts on the 23rd of the month.

The absence of information on customer bills about late payment fees could negatively impact the timeliness of customers remitting payments. Inclusion of information about the late payment fee and the date it will be assessed would provide customers the information necessary to avoid late payment fees and facilitate timely payments.

THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

State clearly on each bill the date customers are subject to the late payment fee. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.

Complaint and Inquiry Documentation

No record is kept of complaints and inquiries received by the Company personnel. Although the Company's bookkeeper stated customers seldom have questions or concerns, the lack of a record keeping system makes it impossible for the Company to provide accurate documentation of the nature of its customer contacts. The 2006 and 2008 EMSU customer service reports also identified the lack of customer complaint documentation. In addition, Commission Rule 4 CSR 240-60.010(4) 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.

Commission Rule 4 CSR 240-60.010(5) also states "...all records required by this chapter shall be preserved for two (2) years." The availability of documented complaint information would enable Company management to evaluate why customers contact the Company and determine if any 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 EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and initiate a system for documenting customer contacts in compliance with Commission Rule 4 CSR 240-60.010 (4) & (5). This recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in this case, SR-2013-0053.

Customer Rights and Responsibilities Documentation

The Company has not prepared comprehensive, written information documenting the rights and responsibilities of the Company and its customers. In the EMSU staff's opinion, new and existing customers would benefit if they were provided 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 EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and distribute to all current and future customers written information specifying the rights and responsibilities of the Company and its customers. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0053.

Implementation Review

The EMSU staff will conduct a review of the Company's progress regarding the implementation of the six recommendations made in this report.

Agreement Attachment J

Summary of Case Events

W.P.C. Sewer Company
Case #SR-2013-0053
Summary of Case Events

Date Filed	August 14, 2012
Day 150	January 11, 2013
Extension?	No
If yes, why?	
Amount Requested	\$14,483
Amount Agreed Upon	\$10,670
Item(s)/Dollar(s) Driving Rate Increase	Investment in sewer plant
Number of Customers	68
Return on Equity	12.09%
Assessments Current	Yes
Annual Reports Filed	Yes
Statement of Revenue Filed	Yes
Other Open Cases before Commission	None
Status with Secretary of State	Good Standing
DNR Violations	No
Significant Service/Quality Issues	None

Staff Participant Affidavits

James M. Russo – Water & Sewer Department

Steve Loethen – Water & Sewer Department

Patricia Gaskins-Auditing Department

David Williams – Engineering & Management Services Department

Gary Bangert – Engineering & Management Services Department

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF JAMES M. RUSSO

In the Matter of a Request for an Increase in)
Annual Sewer System Operating Revenues)
for W.P.C. Sewer Company)


File No. SR-2013-0053

STATE OF MISSOURI

SS.

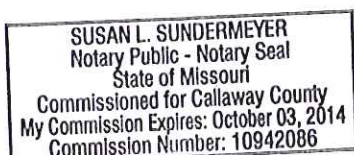
COUNTY OF COLE

COMES NOW James M. Russo, being of lawful age, and on his oath states the following: (1) that he is a Rate & Tariff Examination Supervisor in the Missouri Public Service Commission's Water and Sewer Unit ; (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 Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachment A, E, F, G, and J to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment A, E, F, G, and J to the Disposition Agreement; and (6) that the matters set forth in Attachment A, E, F, G, and J to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.



James M. Russo
Rate & Tariff Examination Supervisor
Water & Sewer Unit

Subscribed and sworn to before me this 8th day of January, 2013.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF STEVE LOETHEN

In the Matter of a Request for an Increase in)
Annual Sewer System Operating Revenues)
for W.P.C. Sewer Company)

File No. SR-2013-0053

STATE OF MISSOURI

ss.

COUNTY OF COLE

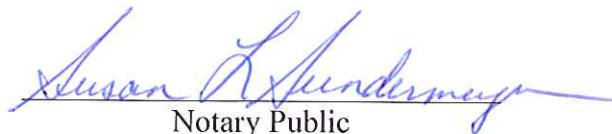
COMES NOW Steve Loethen, being of lawful age, and on his oath states the following: (1) that he is a Utility Operations Technical Specialist in the Missouri Public Service Commission's Water and Sewer Unit ; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing *Company/Staff Agreement Regarding Disposition of Small Water 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.



Steve Loethen

Utility Operations Technical Specialist
Water & Sewer Unit

Subscribed and sworn to before me this 8th day of January, 2013.



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

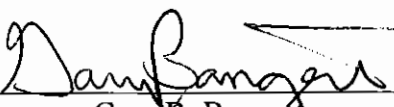
AFFIDAVIT OF GARY R. BANGERT

In the Matter of a Request for an Increase in)
Annual Sewer System Operating Revenues)
for W.P.C. Sewer Company

File No. SR-2013-0053

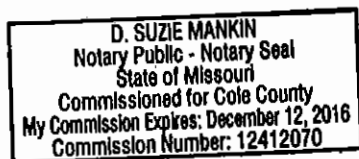
STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

COMES NOW Gary R. Bangert, being of lawful age, and on his oath states the following: (1) that he is a Utility Management Analyst III in the Missouri Public Service Commission's Engineering & Management Services Unit; (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 I to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment I to the Disposition Agreement; and (6) that the matters set forth in Attachment I 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 Unit

Subscribed and sworn to before me this 9th day of January, 2013.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

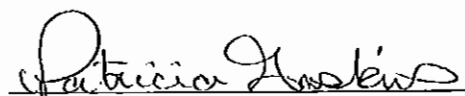
AFFIDAVIT OF PATRICIA GASKINS

In the Matter of a Request for an Increase in)
Annual Sewer System Operating Revenues)
for W.P.C. Sewer Company

File No. SR-2013-0053

STATE OF MISSOURI)
COUNTY OF Jackson) ss.

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



Patricia Gaskins
Utility Regulatory Auditor III
Auditing Unit

Subscribed and sworn to before me this 9th day of January, 2013.

 Notary Public



BEVERLY M. WEBB
My Commission Expires
April 14, 2018
Clay County
Commission #12484070

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

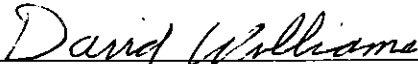
AFFIDAVIT OF DAVID WILLIAMS

In the Matter of a Request for an Increase in)
Annual Sewer System Operating Revenues)
for W.P.C. Sewer Company

File No. SR-2013-0053

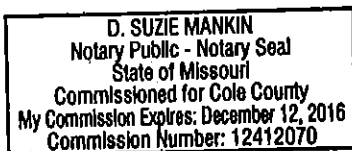
STATE OF MISSOURI)
)
COUNTY OF COLE) ss.

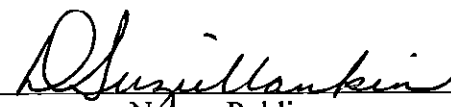
COMES NOW David Williams, being of lawful age, and on his oath states the following: (1) that he is a Utility Engineering Specialist III in the Missouri Public Service Commission's Engineering & Management Services Unit; (2) that he participated in the Staff's investigation of the small company rate 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 I to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment I to the Disposition Agreement; and (6) that the matters set forth in Attachment I to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.



David Williams
Utility Engineering Specialist III
Engineering & Management
Services Unit

Subscribed and sworn to before me this 9th day of January, 2013.





Notary Public