

SCHEDULE 1

TO

LAKE REGION WATER & SEWER CO.'S RESPONSE TO
STAFF'S JUNE 7, 2010 REPLY

Table 1

FOUR SEASONS LATESTES WATER AND SEWER COMPANY

RATE SCHEDULES

Rate Schedule W-1 ----- General Service Metered
 First 3000 gallons or less per month ----- \$5.00
 Additional water \$0.50 per thousand gallons

Minimum Per Customer

Minimum Monthly Charge

size of Meter

3/4 inch	5.00
1 inch	7.50
2 inch	15.00
3 inch	30.00
4 inch	60.00

Rate Schedule W-2 ----- General Service Unmetered

Flat rate of \$5.00 per month

Rain Seasons Lakesites Water and Sewer Company

Estimated Initial Utility Plant Investment

Table 2

<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
2" P.V.C. pipe	11,850 L.F.	\$0.82	\$ 9,717
2 1/2" P.V.C. pipe	2,150 L.F.	0.80	1,935
3" P.V.C. pipe	6,750 L.F.	1.02	6,885
4" P.V.C. pipe	7,100 L.F.	1.24	8,804
6" P.V.C. pipe	10,310 L.F.	1.80	32,958
6" C.I.P. pipe	54 L.F.	4.50	243
TOTAL PIPE	48,214 L.F.		\$80,542
2" G.V.	12 ea.	\$39.00	\$ 708
2 1/2" G.V.	3 ea.	78.00	234
3" G.V.	6 ea.	75.00	450
4" G.V.	6 ea.	88.00	528
6" G.V.	19 ea.	107.00	2,033
TOTAL VALVES			\$ 3,953
AARV	11 ea.	\$118.00	\$1,298
2" B.O.	24 ea.	60.00	1,440
4" B.O.	7 ea.	105.00	735
3/4" service	12 ea.	24.00	288
1" service	143 ea.	44.00	6,292
1" service line	2,000 L.F.	.92	1,840
3/4" service line	400 L.F.	.82	328
Concrete enclosure	5 CY	50.00	250
Granular backfill	13,000 T	4.00	52,000
Highway crossing	1 ea.	700.00	700
Total appurtenance			\$ 65,171
Total distribution system & appurtenance			\$129,666
Well and pump			\$ 36,000
Storage tank			22,000
Total supply and storage			\$ 58,000
Total distribution, supply and storage			\$187,666
Engineering 6%			\$ 11,260
Construction interest 8% on 90,000 for one year			7,200
Contingencies 5%			9,383
Organization and legal			5,000
Land and R/W.			2,500
			\$ 35,343
Total estimated plant investment			\$223,009

Four Seasons Lakesites Water and Sewer Company

Table 3

Estimated Investment in Utility Plant

	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Sixth Year
1. Investment - beginning of year	\$225,000	\$37,350	\$415,453	\$594,578	\$680,048	\$781,941
2. Additions - supply and storage	-0-	-0-	-0-	-0-	-0-	-0-
3. Additions - distribution	96,250	101,063	106,116	111,421	116,942	-0-
4. Additions - road service lines	900	1,650	2,400	3,150	3,900	4,650
5. Additions - meters	200	400	700	800	1,000	1,400
6. Total addition for year	\$ 97,350	\$103,113	\$109,216	\$115,371	\$121,892	\$ 5,050
7. Investment end of year	\$322,350	\$425,463	\$534,678	\$650,049	\$771,941	\$787,991
8. Depreciation for year, 3% (1) + 1 1/2% (6)	8,210	11,518	15,242	18,070	21,679	23,549
9. Depreciation reserve - cumulative	8,210	19,728	34,970	53,040	74,719	98,268
10. Net cost rate base (7) - (9)	\$314,140	\$413,735	\$519,708	\$607,009	\$707,272	\$689,723

* Sixth year is shown assuming no continued expansion in distribution system.

Four Seasons Lakesides Water and Sewer Company

Estimated Number of Customers

Table 4

	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Sixth Year
<u>Total Number of Customers</u>						
Beginning of year	500	1,100	1,600	2,100	2,600	3,100
Additions	500	500	500	500	500	500
End of year	<u>1,100</u>	<u>1,600</u>	<u>2,100</u>	<u>2,600</u>	<u>3,100</u>	<u>3,600</u>
<u>Total Populated Rate Customers</u>						
Beginning of year	24	36	58	90	117	184
Additions	12	22	32	42	52	61
End of year	<u>36</u>	<u>58</u>	<u>90</u>	<u>132</u>	<u>169</u>	<u>245</u>
<u>Rate Customers W-1 Customers</u>						
Beginning of year	5	7	11	18	26	36
Additions	2	4	7	8	10	14
End of year	<u>7</u>	<u>11</u>	<u>18</u>	<u>26</u>	<u>36</u>	<u>50</u>
<u>Rate Customers W-2 Customers</u>						
Beginning of year	19	29	47	72	106	148
Additions	10	18	25	34	47	68
End of year	<u>29</u>	<u>47</u>	<u>72</u>	<u>106</u>	<u>153</u>	<u>216</u>
<u>Availability Contract Customer</u>						
Beginning of year	576	1,064	1,542	2,010	2,468	2,816
Additions	448	478	668	638	648	788
End of year	<u>1,024</u>	<u>1,542</u>	<u>2,210</u>	<u>2,648</u>	<u>3,116</u>	<u>3,604</u>

Four Seasons Lakesites Water and Sewer Company

Estimated Water Consumption (In Gallons)

Table 1

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>	<u>Fourth Year</u>	<u>Fifth Year</u>	<u>Sixth Year</u>
<u>Rate Schedule W-1 Customers</u>						
Full year at 81,000 gallons/year	405,000	567,000	810,000	1,458,000	2,106,000	2,916,000
Addition at 44,500 gallons/year	81,000	162,000	243,000	374,000	405,000	567,000
<u>Rate Schedule W-2 Customers</u>						
Full year at 36,000 gallons/year	684,000	1,044,000	1,692,000	2,592,000	3,816,000	5,328,000
Additions at 18,000 gallons/year	180,000	374,000	551,000	622,000	756,000	864,000
Total regulated domestic customers	1,350,000	2,097,000	3,324,000	4,986,000	7,043,000	9,675,000
<u>Resort Customers W-2</u>						
TOTAL Gallons Consumed	21,500,000	22,680,000	23,824,000	25,000,000	26,250,000	27,563,000
	22,950,000	24,777,000	27,134,500	29,986,000	33,333,000	37,234,000
Power cost at .05/thousand gallons	\$1,377	\$1,487	\$9,828	\$1,799	\$2,000	\$2,234

Four Seasons Lakesites Water and Sewer Company

Table 6
Estimated Total Revenue

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>	<u>Fourth Year</u>	<u>Fifth Year</u>	<u>Sixth Year</u>
<u>W-1 Customers</u>						
Full year at \$82.56	\$ 413	\$ 578	\$ 908	\$ 1,486	\$ 2,147	\$ 2,972
Additional at \$41.28	83	165	289	330	413	578
<u>W-2 Customers</u>						
Full year at \$60.00	1,140	1,740	2,820	4,320	6,360	8,880
Additional at \$30.00	300	540	750	1,020	1,260	1,840
<u>W-1 Resort Customers</u>	<u>10,800</u>	<u>11,340</u>	<u>11,907</u>	<u>12,500</u>	<u>13,125</u>	<u>13,782</u>
<u>Total operating revenue</u>	<u>12,736</u>	<u>14,363</u>	<u>16,674</u>	<u>19,656</u>	<u>23,305</u>	<u>27,652</u>
<u>Availability contracts</u>						
Full year at \$48.00 x 80%	22,118	40,858	59,213	77,184	94,771	111,974
Additional at \$24.00 x 80%	8,502	9,178	8,886	8,704	8,502	5,530
<u>Total available contract revenue</u>	<u>30,720</u>	<u>50,036</u>	<u>68,199</u>	<u>85,978</u>	<u>103,373</u>	<u>177,504</u>
<u>Total revenue</u>	<u>\$43,456</u>	<u>\$64,399</u>	<u>\$84,873</u>	<u>\$105,634</u>	<u>\$126,678</u>	<u>\$145,156</u>

Four Seasons Lakesites Water and Sewer Company

Table 7

Estimated Operating and Maintenance Expense

	<u>First Year</u>	<u>Second Year</u>	<u>Third Year</u>	<u>Fourth Year</u>	<u>Fifth Year</u>	<u>Sixth Year</u>
<u>Plant operating and maintenance</u>						
Salaries and wages	\$ 2,600	\$ 2,730	\$ 2,867	\$ 3,010	\$ 3,160	\$ 3,318
Pumping power	1,377	1,487	1,625	1,799	2,000	2,234
Plant maintenance (1% total investment)	2,250	3,324	4,355	5,447	6,600	7,819
Subtotal	6,227	7,541	8,847	10,256	11,760	13,371
<u>General operating expense</u>						
Salaries and wages	2,600	2,730	2,867	3,010	3,160	3,318
Supplies and postage	1,100	1,600	2,100	2,600	3,100	3,450
Office rent	1,200	1,200	1,200	1,200	1,200	1,200
Outside services	500	600	700	800	900	1,000
Insurance (1/4%)	810	1,039	1,274	1,518	1,768	2,024
Miscellaneous expense	600	650	700	750	800	850
Uncollectable accounts	127	144	167	197	233	277
Subtotal	6,937	7,963	9,008	10,075	11,161	12,419
Total operating and maintenance	\$13,164	\$15,504	\$17,855	\$20,331	\$22,921	\$25,790

Four Seasons Lakesites Water and Sewer Company

Table 8

Estimates Operating Statement

	Reference Table	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Sixth Year
Total revenue	6	\$44,356	\$84,399	\$84,873	\$105,634	\$126,578	\$145,156
<u>Operating Expenses</u>							
Total operating and maintenance:	7	13,164	15,504	17,835	20,131	22,921	25,190
Depreciation	3	8,210	11,518	15,242	18,070	21,629	23,949
Payroll tax (9%)		468	471	516	542	589	597
Property tax (1.32%)		2,970	4,327	5,748	7,190	8,713	10,322
Gross profit from operations		\$24,812	\$31,990	\$39,361	\$46,133	\$51,832	\$59,658
<u>Net operating income before taxes and interest</u>		19,544	32,498	45,512	59,501	72,846	85,498
Interest on long-term debt	9	11,500	19,750	28,250	36,750	45,250	49,500
Taxable income		8,044	12,748	17,262	22,751	27,596	35,998
Federal and state income taxes		2,549	3,197	4,373	5,706	7,553	11,747
Net income after taxes		\$5,495	\$9,552	\$12,912	\$17,057	\$20,045	\$24,251
Net operating income after taxes and before interest		\$19,113	\$29,302	\$41,182	\$53,797	\$65,295	\$73,842
Return on net cost rate base		5.90 %	7.05 %	8.62 %	8.86 %	9.23 %	10.7 %
Return to equity		5.07 %	6.06 %	7.79 %	9.47 %	10.17 %	11.21 %

Four Seasons Lakesites Water and Sewer Company

Estimated Cash Flow - Debt, Interest, and Equity

Table 9

Funds Provided	Reference Table	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Sixth Year
Net income	8	\$ 7,613	\$ 9,552	\$ 12,932	\$ 17,057	\$ 20,045	\$ 23,442
Depreciation	3	8,210	11,518	15,242	18,070	21,529	23,549
Property tax	8	2,970	4,387	5,748	7,190	8,713	10,322
Long term loan		80,000	85,000	85,000	85,000	85,000	-0-
Total		\$ 98,793	\$ 110,457	\$ 118,922	\$ 127,317	\$ 135,387	\$ 158,213
Funds Used							
Repayment of long term loan		-0-	-0-	-0-	-0-	-0-	40,000
Payment of property tax		-0-	2,970	4,387	5,748	7,190	8,713
Plant additions	3	97,350	103,113	109,215	115,371	121,982	128,500
Total		\$ 97,350	\$ 106,083	\$ 113,602	\$ 121,119	\$ 129,082	\$ 154,213
Increase or decrease		1,443	4,374	5,320	6,198	6,305	3,450
Cash position at beginning of year		-0-	1,443	5,817	12,137	17,335	23,640
Cash position at end of year		1,443	5,817	12,137	17,335	23,640	27,090
Debt at beginning of year		75,000	155,000	240,000	325,000	410,000	495,000
Additional debt or (repayment)		80,000	85,000	85,000	85,000	85,000	40,000
Debt at end of year		\$ 155,000	\$ 240,000	\$ 325,000	\$ 410,000	\$ 495,000	\$ 535,000
Interest 10% at beginning of year		\$ 11,500	\$ 19,750	\$ 28,250	\$ 36,750	\$ 45,250	\$ 45,500
Equity at beginning of year		\$ 150,000	\$ 157,613	\$ 167,155	\$ 180,087	\$ 197,154	\$ 217,119
Retained Earnings		7,613	9,552	12,932	17,057	20,045	23,442
Equity at end of year		\$ 157,613	\$ 167,155	\$ 180,087	\$ 197,154	\$ 217,119	\$ 240,561
Debt / net cost rate base	563	47.8 %	53.7 %	63.8 %	67.5 %	71.2 %	84.5 %
Debt / Debt + Equity		49.5 %	58.9 %	64.3 %	67.5 %	68.5 %	64.8 %

X DISCUSSION OF THE ANALYSIS:

This water system is unusual in that it will derive the major portion of its revenue from availability contracts from customers in the service area. The revenue from regulated rates in relation to total revenue varies from approximately 30% in the first year to 20% in the sixth year. While the availability charge revenue is based on contracts with the property owners and provisions for the availability charges in the restrictive covenants on the property, the collection records of these charges is difficult to estimate reliably. Interest rates, in general, are in a great state of flux. An interest rate of 10% has been used in these projections. This combined with the lack of a track record on a new system based largely on revenue from availability contracts make it quite difficult to predict an interest rate that would be available in the open money market. However, the owner of the water company, the Chase Park Plaza Hotel, has substantial assets and would be capable of securing or guaranting the debt for the water company. Table 8 of the analysis indicates that even at a 64.5% debt to net cost rate base leverage ratio, and a return of 10.7% of net operating income to net cost rate base, an 11.2% return of net income to net equity will result, using an interest rate of 10% on debt.

Since this is a new system, and none of its long term debt consists of any carry over from the days of 5% to 6% interest rates, the effect of the current high interest rates is accentuated, in the return to equity figures. Traditional guidelines for the return of net operating income to net cost rate base must be re-evaluated, in light of the increased cost of debt. Return of total net income to investors equity must be sufficient to attract capital to pay a fair and equitable return to the investor.

XI CONCLUSION:-

There are already 24 homes under construction or completed in the proposed service area, along with the Lodge of the Four Seasons. The source of supply is adequate to service the projected growth of the service area. The developer has obtained user agreements with the property owner in the development for an availability charge when the system is constructed and a regulated rate when they build.

Based on our findings, as reflected in the tables and exhibits of this report, the project is feasible from both an engineering and economic standpoint.

FOUR SEASONS LAKESITES WATER AND SEWER COMPANY
BALANCE SHEET
OCTOBER 31, 1973

ASSETS AND OTHER DEBITS

UTILITY PLANT

WATER PIPE AND VALVES	\$86,159
OTHER DISTRIBUTION SYSTEMS AND APPURTENANCES	51,351
WATER SUPPLY AND STORAGE	67,244
ENGINEERING	11,438
ORGANIZATION AND LEGAL	3,053
LAND AND RIGHT OF WAY	<u>18,000</u>

TOTAL UTILITY PLANT \$237,245

CURRENT ASSETS

CASH	\$ 143
ACCOUNTS RECEIVABLE	<u>53</u>

TOTAL CURRENT ASSETS 196
\$237,441

LIABILITIES AND OTHER CREDITS

PROPRIETARY CAPITAL

COMMON STOCK \$150,000

LONG TERM DEBT

NOTES PAYABLE	\$16,200
ADVANCES FROM ASSOCIATED COMPANIES	<u>69,054</u>

TOTAL LONG TERM DEBT 85,254

CURRENT AND ACCRUED LIABILITIES

ACCOUNTS PAYABLE - TRADE	<u>2,187</u>
	<u>\$237,441</u>

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

CASE NO. 17,954

In the matter of the application
of Four Seasons Lake Sites Water
and Sewer Company for a Certificate
of Public Convenience and Necessity
to construct, operate and maintain
an intrastate water system.

APPEARANCES: Errol D. Taylor, Attorney at Law,
Utz, Litvak, Thackery, Utz & Taylor,
1208 Corby Building, St. Joseph,
Missouri 64501, for the Applicant.

Paul W. Phillips, Assistant General
Counsel, Missouri Public Service
Commission, Jefferson State Office
Building, Jefferson City, Missouri
65101, for the Commission and the
Public.

REPORT AND ORDER

By application filed November 14, 1973, Four Seasons
Lake Sites Water and Sewer Company seeks authority from this
Commission to construct, install, operate and maintain a water
system and supply and render water service to the public in a
portion of a described, unincorporated area known as Land of
the Fifth Season, a private planned recreational-resort com-
munity being developed on Horseshoe Bend, on Lake Ozarks,
Madison County, Missouri.

After due notice to all interested parties, the
matter was heard on November 30, 1973, in the Commission's
hearing room on the tenth floor of the Jefferson State Office
Building, Jefferson City, Missouri.

Findings of Fact

The Missouri Public Service Commission, having con-
sidered all of the competent and substantial evidence upon the
whole record, makes the following findings of fact:

The Applicant is a corporation duly organized and existing under and by virtue of the laws of the State of Missouri with its principal office and place of business at Horseshoe Bend, Lake Ozarks, Camden County, Missouri.

Land of the Fifth Season is a privately planned recreational-resort community presently being developed on Horseshoe Bend, on Lake of the Ozarks, Camden County, Missouri. The project at ultimate development, will encompass approximately 5100 dwelling units. Included in the community will be a central recreation complex with a clubhouse, swimming pool, tennis courts, a marina beach and boat dock facilities and an eighteen hole championship golf course. Also, located in the development is the Lodge of the Four Seasons, a 230 room luxury resort hotel, and its ancillary facilities. Additional resort hotels and light commercial uses are also anticipated in the master plan for the development. No industrial development is contemplated.

A map has been filed with the Commission showing the boundaries of said development for which Applicant seeks a certificate of convenience and necessity.

There are not any other water companies under the jurisdiction of the Commission now being operated or rendering service within the area proposed to be serviced.

The area proposed to be served consists of specific lots which are located within the Land of the Fifth Season development. Approximately 1500 of these lots have been sold and there are homes under construction or completed in the initial development area. The vacant and undeveloped lots which have been purchased will, until improved with houses, be utilized by the owners in conjunction with other facilities offered in the subdivision and, therefore, it is necessary

that a water distribution system be constructed to provide adequate water service for the lot owners and proposed customers in the Land of the Fifth Season, Lake of the Ozarks, Camden County, Missouri, a resort development.

All necessary financial exhibits, engineering surveys, plans and specifications of the project, together with the feasibility study, showing all necessary data and information and meeting all applicable requirements of the Commission have been furnished and filed with the Commission. The Company has filed with the Commission copies of all documents entered into between purchasers of property within the development and the present owners, which documents include a sewer and water agreement that provides for an availability charge, as defined within such agreement.

The proposed rates and charges for rendering of the water services proposed have been furnished.

The rates proposed included metered and unmetered service. The Rates and Services Department of the Commission presented testimony that it is the staff's opinion that new water systems should be established to provide metered service to all customers. Previous experience with flat-rate systems has shown the staff that such systems can be discriminatory, wasteful of water, and often must be later converted to metered service to maintain the financial stability of the utility.

There is now and will be in the future a continuing public need for adequate water service within the area proposed to be served and the public convenience and necessity will be promoted by the granting to the Applicant the authority required.

There are not any municipalities or water districts located within the proposed area and not any other method or means to provide water service to the proposed area other than as proposed by the Applicant.

Conclusions

The Missouri Public Service Commission has arrived at the following conclusions:

This Commission is empowered to grant a water corporation authority to operate pursuant to Section 393.170 RSMo 1969, as amended.

The Commission concludes that public convenience and necessity would be promoted by authorizing the Four Seasons Lake Sites Water and Sewer Company, to build, construct, operate and maintain a water distribution system and all other facilities for the purpose of furnishing water service in the proposed area.

It is, therefore,

ORDERED: 1. That Four Seasons Lake Sites Water and Sewer Company be, and it is, hereby granted a certificate of convenience and necessity to build, construct, operate and maintain a water distribution system and all other facilities for the purpose of furnishing water service to the public in the area in the Land of the Fifth Season, Lake of the Ozarks, Camden County, Missouri, described as follows, and as depicted in Applicant's Exhibits 3 and 4:

A tract of land in sections 16, 17, 20, 21, 27, 28, and 29, Township 40 North, Range 16 West, Camden County described as follows: Lots 1 through 223 inclusive, lots 258 thru 468 inclusive, except lots 365, 366 and 367, in Kay's Point No. 1, a subdivision, recorded on page 57, in book 12. Lots 469 thru 638 inclusive, lots 717 thru 776 inclusive, lots 838 thru 843 inclusive, lots 845 thru 876 inclusive in Kay's Point No. 2, a subdivision recorded on page 13, in book 41. Lots 537 thru 539(a) inclusive and lots 556 thru 559(a) inclusive in Kay's Point No. 7, a subdivision recorded on page 35, in book 14. ALSO, a strip of land being the right of way of State Route 88 and a strip of land 10 ft. wide and immediately adjacent to said right of way on the North from station 86 + 71.9 to station

153 + 00, according to the Missouri State Highway Department plans thereof.

ORDERED: 2. That nothing herein contained shall be considered as a finding of value for rate-making purposes of the property herein involved other than for the purposes of this proceeding.

ORDERED: 3. That Four Seasons Lake Sites Water and Sewer Company be, and it is, hereby ordered to file quarterly written reports with the Commission, setting forth a summary statement of work performed by the company in connection with constructing said water system.

ORDERED: 4. That Four Seasons Lake Sites Water and Sewer Company shall notify the Commission by letter when water service to the public is commenced.

ORDERED: 5. That Four Seasons Lake Sites Water and Sewer Company, within sixty (60) days from the effective date of this Report and Order, shall file with the Commission for its approval a schedule of rates, rules and regulations for metered water service under which the company proposes to operate.

ORDERED: 6. That this Report and Order shall become effective on the 27th day of December, 1973, and the Secretary of the Commission shall serve a certified copy of same upon each interested party.

BY THE COMMISSION



Wanda Tipton
Acting Secretary

(S E A L)

Mauze, Chm., Clark, Fain,
Reino, and Pierce, CC., Concur.

Dated at Jefferson City, Missouri,
this 17th day of December, 1973.

1 contracts. I think that there are some legal questions
2 there that I can't answer, but unless there is some
3 severe problem like that, it's the Staff's opinion that
4 they should install meters on all customers.

5 MR. PHILLIPS: I tender the witness for
6 cross-examination.

7 CROSS-EXAMINATION BY MR. TAYLOR:

8 Q Mr. Workman, if I understand your testimony,
9 as far as the entire scope of the application, you have
10 no objection to it whatsoever other than to the one
11 area of unmetered service; is that correct?

12 A Yes, that's right.

13 Q Now, disregarding that particular point
14 at this minute, if I understand the Staff's position,
15 the remaining part of the application as far as feasibility,
16 construction, system, certificated area, et cetera is all
17 satisfactory with the Staff and you would approve that
18 part of it.

19 A Yes. The feasibility study is one of the
20 better ones that I've seen, and I have no objection to
21 any of the rest of it.

22 Q Now, then, with reference to this unmetered
23 service, and we discussed this yesterday at quite some
24 length and realizing this potential contractual problem
25 and the additional investment the company may have to

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1 make, and if that were a fact, would the Staff have a
2 different opinion with reference to the position stated
3 here?

4 A If the company can't charge these connection
5 fees, then, as has been indicated, it's going to merely--
6 Currently you're investing \$225 per lot, and you're
7 going to be talking approximately another \$100 or
8 roughly 50 percent more, and if that were the case, we
9 probably would have to reconsider. I don't see how we
10 could avoid it.

11 Q Wouldn't it follow, in the event we were
12 required to put in the meters, and the company by reason
13 of contractual obligations would be required to make
14 that investment itself, then instead of a \$225 investment
15 per lot, the company would have a \$325 or plus investment
16 per lot?

17 A Yes. Something in that neighborhood.

18 Q And, then, by reason of that investment,
19 it would be necessary to go back and increase our rates
20 in order to have a return and to make this operation
21 feasible.

22 A Right. That's the reason I pointed out
23 the contract problem.

24 Q So, then, you would want to reconsider
25 your position in the event that did end up, and we had to
take on that obligation.

1 A Yes.

2 MR. TAYLOR: Thank you. That's all.

3 EXAMINER DAVIS: Witness may be excused.
4 (Witness excused.)

5
6 EXAMINER DAVIS: Is there anything else?

7 MR. PHILLIPS: No, Your Honor, that's all.

8 EXAMINER DAVIS: Are you willing to waive
9 the provisions of the Administrative Procedure Act?

10 MR. TAYLOR: Yes, sir. I've already
11 signed the waiver.

12 EXAMINER DAVIS: Do you desire to brief or
13 argue before the Commission?

14 MR. TAYLOR: No, I do not.

15 EXAMINER DAVIS: I understand you have a
16 proposed Report and Order.

17 MR. TAYLOR: Yes.

18 EXAMINER DAVIS: You give it to me and
19 I will hold it for four weeks, roughly around the first
20 of the year, and--Wait a minute. Before I do that, are
21 you in a bind on any kind of time schedule?

22 MR. TAYLOR: Yes, sir. We are.

23 EXAMINER DAVIS: Off the record.

24 (Discussion off the record.)

25 EXAMINER DAVIS: Back on the record. Is

~~Main File And Summary~~

1 there anything else? Case closed.

2 WHEREUPON, the hearing of this case was
3 concluded.

24 TRANSCRIBED BY:

25 Audi R. Johnston

Applicant 6
Date 11-30-73 Case No. 12,954
Reporter J. J. Manton

Lot _____
Subdivision _____
County _____

As the Owner or Owners of the above described lot (Lot) I/We agree on behalf of our heirs, successors, and assigns to pay to the Owner or Owners of the sewage disposal system and water works system to be constructed within the Development, an availability charge for water, water service and the accommodations afforded me/us by said water works system, commencing upon the availability of water in a water works system distribution main provided for the lot and continuing thereafter so long as water is available for use, whether or not tap or connection is made to a water works system distribution main and whether or not I/We actually use or take water; and, an availability charge for sewage disposal and treatment and the accommodations afforded me/us by said sewage disposal system, commencing upon the availability for use of a sewage collection main provided for the lot which leads to an operating sewage treatment facility, and continuing thereafter so long as such sewage collection main is so available for use, irrespective of whether or not connection is made to or use made of said sewage collection main in connection with or for the purposes of any said lot. No charge will be made to the lot owner for the right to connect to the sewer and/or water system. Each lot owner will bear the cost of the service line from his building into the sewer or water main. The Owner or Owners of said water works system and sewage disposal system will be a privately owned public utility authorized by a Certificate of Public Convenience and Necessity issued by the State of Missouri Public Service Commission to operate sewage disposal systems and/or water works systems, the aforesaid amounts of said availability charges, times and methods of payment thereof by said owners and other matters shall be as provided in Schedules of Rates and Rules, Regulations and Conditions of Services for Water Services and for Sewer Service filed and published by said public utility or utilities with said Missouri Public Service Commission, or any successor Regulatory Body of the State of Missouri, in accordance with law and

passed to file or formally approved by said Commission at the time effective of Rates and Rules, Regulations and Conditions of Service of said public utility or public utilities. The amount of said availability charges and other charges are subject to change hereafter by order of the said Missouri Public Service Commission or its successors in accordance with then existing law and the structure of said availability charges are likewise and in the same manner subject to change from availability rates to another type of rate or rates. Unpaid charges shall become a lien upon the lot or lots to which they are applicable as of the date the same become due.

Dated this _____ day of _____, 19____
