

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

In the Matter of the Request for a Small	)	
Company Rate Increase by Timber Creek	)	<u>Case No. SR-2008-0080</u>
Sewer Company	)	

**STAFF RECOMMENDATION REGARDING DISPOSITION  
OF SMALL COMPANY REVENUE INCREASE REQUEST**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through the undersigned counsel, and for its Staff Recommendation Regarding Disposition of Small Company Revenue Increase Request ("Recommendation") states the following to the Missouri Public Service Commission ("Commission").

1. On September 14, 2007 (unless noted otherwise, all dates herein refer to the year 2007), Timber Creek Sewer Company ("Company") filed proposed revised tariff sheets with the Commission to implement increases in its sewer service rates and charges, and other changes to its tariff, and the instant case was established.

2. As is noted in the Company's tariff filing transmittal letter, the changes contained in the proposed revised tariff sheet are based upon a *Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* ("Disposition Agreement") entered into by the Company and the Staff. As is also noted in the Company's tariff filing transmittal letter, the Disposition Agreement pertains to the small company revenue increase request ("Request") that the Company submitted to the Commission on March 22, under the provisions of Commission Rule 4 CSR 240-3.330, Sewer Utility Small Company Rate Increase Procedure ("Small Company Procedure"). Initially, the Company's Request was assigned Tracking No. QS-2007-0008 in the Commission's electronic filing and information system.

3. On September 25, the Staff filed the above-referenced Disposition Agreement. Included with the agreement were the attachments listed below, as well as affidavits from the Staff members that were responsible for the preparation of each of the attachments.

- \* Attachment A – Example Tariff Sheets
- \* Attachment B – Ratemaking Income Statement
- \* Attachment C – Audit Workpapers
- \* Attachment D – Rate Design Worksheet
- \* Attachment E – Customer Billing Comparison
- \* Attachment F – CIAC Fee Calculation Worksheet
- \* Attachment G – Schedule of Depreciation Rates
- \* Attachment H – Engineering & Management Services Department Report

4. The agreements between the Company and the Staff regarding the disposition of the Company's Request are set out on Pages 2 thru 4 of the Disposition Agreement.

5. In addition to the information that has been filed in the case file for this case, the following documents are included in the Tracking File for the Company's Request.

- \* Item 1 Company's Original Request Letter
- \* Item 2 Company's Initial Customer Notice
- \* Item 3 Staff Report Regarding Customer Comments Received in Response to Company's Initial Customer Notice

6. Since the Disposition Agreement was only between the Company and the Staff, the Company was required to send a written notice to its customers regarding the agreement, and it did so on September 19. On September 27, the Company filed a copy of that notice in the case file. Appendix A attached to this filing is a summary of the customer comments received in response to that notice in the case file.

7. On September 28, the Office of the Public Counsel ("OPC") filed its request for a local public hearing. The Commission subsequently granted this request and a local public hearing for this case was held on October 17.

8. No material information regarding the Company's Request that was not previously available to the Staff was provided during the local public hearing. As a result, no changes to the Disposition Agreement are needed.

9. On October 4, Hunt Midwest Real Estate Development, Inc. filed an application to intervene because of the proposed increase in the service connection fee from \$1,600 to \$2,650. The Commission granted the application to intervene on October 16.

10. The granting of the application to intervene on the amount of the service connection fee has no effect on the revenue requirement or rate design agreed to in this case. Staff recommends that the Company Staff-agreed-upon service connection fee be approved on an interim basis, subject to refund, if it is determined that a hearing is necessary to determine if the service connection fee should be different from what was agreed upon.

11. On October 19, the Company filed substitute tariff sheets reflecting Staff's updated revenue requirement of \$115,310. The following updated work papers are attached to this filing.

- \* Appendix B – Rate Making Income Statement
- \* Appendix C – Audit Workpapers
- \* Appendix D – Rate Design Worksheet
- \* Appendix E – Customer Billing Comparison

12. The OPC is scheduled to file its agreement or disagreement with the Disposition Agreement on October 24.

13. Pursuant to a review of available electronic information maintained by the Commission's Budget & Fiscal Services Department and in the Commission's Electronic Filing and Information System, the Staff notes that the Company had no delinquencies regarding the payment of its Commission assessments or the submission of its Commission annual reports

when it submitted its Request. Further, the Staff notes that the Company remains current on those matters as of the date of this Recommendation. The assessment information reviewed covers fiscal years 2000 thru 2007, and the annual report information reviewed covers calendar years 2002 thru 2006.

14. Based upon contacts with appropriate personnel at the Department of Natural Resources ("DNR"), the Staff notes that the Company currently has no outstanding DNR compliance issues.

15. The Company currently has no other matters pending before the Commission. As a result, approval of the Company's proposed revised tariff sheets will not affect any other matter before the Commission with regard to the Company.

16. The Commission has the authority to approve the subject proposed tariff revisions in accordance with Sections 393.140(11) and 393.150, RSMo. Additionally, Section 393.130.1, RSMo provides that all charges made by any sewer corporation for sewer service rendered or to be rendered shall be "just and reasonable." The Staff's agreement with the proposed tariff revisions is evidence that the rates and charges contained in the tariff revisions are just and reasonable.

17. The procedure followed in this case complies with the requirements of the Small Company Procedure in general, and with 4 CSR 240-3.330(1)(D) in particular.

**WHEREFORE**, based upon the above, the Staff respectfully recommends that the Commission issue an order that: (a) approves the proposed substitute tariff sheets that the Company submitted to the Commission on October 19 to be effective for service rendered on and after November 1; (b) approves the Disposition Agreement submitted in this case; (c) directs the Company to comply with the terms of the Disposition Agreement submitted in this case; and (d) prescribes the schedule of depreciation rates included as Attachment G to the Disposition

Agreement submitted in this case as the schedule of depreciation rates authorized for the Company's use.

Respectfully Submitted,

/s/ **Keith R. Krueger**

Keith R. Krueger  
Deputy General Counsel  
Missouri Bar No. 23857

Attorney for the Staff of the  
Missouri Public Service Commission

P.O. Box 360  
Jefferson City, MO 65102  
573-751-4140 (telephone)  
573-751-9285 (facsimile)  
[keith.krueger@psc.mo.gov](mailto:keith.krueger@psc.mo.gov) (e-mail)

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of this Recommendation has been provided, either by first-class mail, by electronic mail, by facsimile transmission or by hand-delivery, to each attorney and/or party of record for this case on this 24th day of October 2007.

/s/ **Keith R. Krueger**

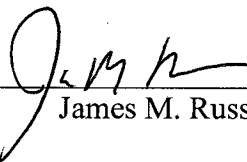
**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

**AFFIDAVIT OF**  
**JAMES M. RUSSO**

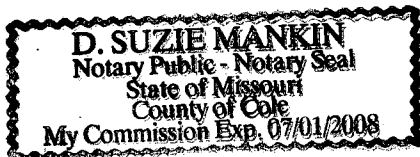
STATE OF MISSOURI     )  
                                  ) ss.  
COUNTY OF COLE        )

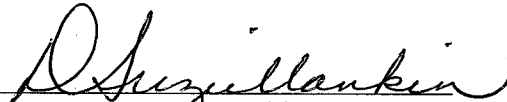
Case No. SR-2008-0080

COMES NOW James M. Russo, being of lawful age, and on his oath states the following: (1) that he is an Assistant Manager in the Missouri Public Service Commission's Water & Sewer Department; (2) that he participated in the preparation of the foregoing Recommendation and Appendixes A thru E; (3) that he has knowledge of the information presented in the Recommendation and the Appendixes; and (4) that the information presented in the Recommendation and the Appendixes are true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
James M. Russo

Subscribed and sworn to before me this 24<sup>th</sup> day of October, 2007.



  
\_\_\_\_\_  
Notary Public

# Appendix A

## Summary of Customer Comments

**Missouri Public Service Commission**  
**Public Comments Report**

**From Date :** 04/01/2007 **To Date :** 05/24/2007

**Utility Type :** Sewer

**Company Name :** Timber Creek Sewer Company-(Sewer)

Public Comment ID.	First Name	Last Name	City	State	Public Comments	Office Receiving Comment	Staff person	Resolution
P200800197	Barbara	Bederman	Platte City	MO	(ddw)Customer is opposed to increase/ rates have increased 100% since she moved there.	PSC	JMR	Letter sent 10-09-07.
P200800193	Cecil	Murray	Platte City	MO	(ddw)customer beleives that Timber creek does not deserve a rate increase/ had rate increase 2 years ago/ customer often smells sewer in his yard from line/ customer says they need to learn how to run what they've got before they add more/	PSC	MH	Have been in contact with customer. He has not had an odor problem since early spring and before the filters were placed on his sewer vents.
P200800196	David	Turner	Platte City	MO	(ddw)When customer moved there the lot price guaranteed that rates would not increase/ just had rate increase 2 years ago/ water only increased 11 cents per gallon during same time period but sewer gets 33% increase. Wants a public hearing.	Both	JMR	Letter sent 10-09-07.
P200800187	Gale	Waller	Platte City	MO	I have tried to submit my disapproval on the rate increase using the instructions provided, but could not. I would like to be on the record of not approving this rate increase.	PSC	JMR	Letter sent 10-09-07.
P200800191	Brian	Winay	Platte City	MO	Co. wanting to raise rates 33%;instead of have a flat rate for everyone it should be based on usage	PSC	JMR	Letter sent 10-09-07.



P200800192	Brian	Winay	Platte City	MO	Case # does not exist Co. wanting to raise rates 33%;instead of have a flat rate for everyone it should be based on usage	PSC	JMR	Letter sent 10-09-07.
Telephone	Shirley	Ball	Platte City	MO	See attached.	OPC	JMR	Letter sent 10-09-07.
Telephone	Robert	Brand	Platte City	MO	See attached.	Both	JMR	Discussed concerns 10-01-07.
E-mail	Art &	Braun	Platte City	MO	See attached.	Both	JMR	Letter sent 10-09-07.
E-mail	Deb	Chatfield	Platte City	MO	See attached.	Both	JMR	Sent reply 10-01-07.
E-mail	Denise	Darr	Platte City	MO	See attached.	PSC	JMR	Sent reply 10-01-07.
E-mail	Kenneth	Denning	Platte City	MO	See attached.	OPC	JMR	Letter sent 10-09-07.
E-mail	Carol &	Duke	Platte City	MO	See attached.	OPC	JMR	Letter sent 10-09-07.
Telephone	Leah	Dunlop	Platte City	MO	See attached.	OPC	JMR	Letter sent 10-09-07.
E-mail	Nick	Earls		MO	See attached.	Both	JMR	Sent reply 10-01-07.
E-mail	Cindy & Damian	Harris	Platte City	MO	See attached.	OPC	JMR	Requested a local public hearing.
Telephone	Bonnie	McIlrath	Platte City	MO	See attached.	OPC	JMR	Letter sent 10-09-07.
E-mail	Gene	Renollet	Platte City	MO	See attached.	OPC	JMR	Letter sent 10-09-07.
E-mail	Dale	Robertson	Platte City	MO	See attached.	Both	JMR	Sent reply 9-26-07.
E-mail	John & Nancy	Stewart	Platte City	MO	See attached.	OPC	JMR	Letter sent 10-09-07.
E-mail	Tom & Jan	Weeks	Platte City	MO	See attached.	Both	JMR	Sent reply 10-01-07.

**Missouri Public Service Commission****Public Comments**

Utility Type	<b>Sewer</b>
Utility Company	<b>Timber Creek Sewer Company-(Sewer)</b>
First Name	<b>Barbara</b>
Middle Initial	<b>N/A</b>
Last Name	<b>Bederman</b>
Street Address	<b>16095 NW 134th Court</b>
Mailing Address	<b>N/A</b>
City	<b>Platte City</b>
State	<b>MO</b>
County	<b>Platte</b>
Phone No.	<b>816-858-3975 Ext -</b>
Email	<b>N/A</b>
Case No.	<b>SR-2008-0080</b>
Public Comments Description	<b>(ddw)Customer is opposed to increase/ rates have increased 100% since she moved there.</b>
Date Filed	<b>9/26/2007 10:05:29 AM</b>

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**Missouri Public Service Commission****Public Comments**

Utility Type	<b>Sewer</b>
Utility Company	<b>Timber Creek Sewer Company-(Sewer)</b>
First Name	<b>cecil</b>
Middle Initial	<b>N/A</b>
Last Name	<b>murray</b>
Street Address	<b>15765 NW 134th st</b>
Mailing Address	<b>N/A</b>
City	<b>Platte City</b>
State	<b>MO</b>
County	<b>Platte</b>
Phone No.	<b>816-858-2128 Ext -</b>
Email	<b>N/A</b>
Case No.	<b>SR-2008-0080</b>
Public Comments Description	<b>(ddw)customer beleives that Timber creek does not deserve a rate increase/ had rate increase 2 years ago/ customer often smells sewer in his yard from line/ customer says they need to learn how to run what they've got before they add more/</b>
Date Filed	<b>9/25/2007 11:05:59 AM</b>

**Missouri Public Service Commission****Public Comments**

Utility Type	<b>Sewer</b>
Utility Company	<b>Timber Creek Sewer Company-(Sewer)</b>
First Name	<b>David</b>
Middle Initial	<b>N/A</b>
Last Name	<b>Turner</b>
Street Address	<b>13285 Timber Park Drive</b>
Mailing Address	<b>N/A</b>
City	<b>Platte City</b>
State	<b>MO</b>
County	<b>Platte</b>
Phone No.	<b>816-858-2478 Ext -</b>
Email	<b>N/A</b>
Case No.	<b>SR-2008-0080</b>
Public Comments Description	<b>(ddw)When customer moved there the lot price guaranteed that rates would not increase/ just had rate increase 2 years ago/ water only increased 11 cents per gallon during same time period but sewer gets 33% increase. Wants a public hearing.</b>
Date Filed	<b>9/25/2007 4:15:32 PM</b>

**Missouri Public Service Commission****Public Comments**

Utility Type	<b>Sewer</b>
Utility Company	<b>Timber Creek Sewer Company-(Sewer)</b>
First Name	<b>Gale</b>
Middle Initial	<b>M</b>
Last Name	<b>Waller</b>
Street Address	<b>12690 NW 145th Terrace</b>
Mailing Address	<b>PO Box 1308</b>
City	<b>Platte City</b>
State	<b>MO</b>
County	<b>N/A</b>
Phone No.	<b>816-858-7115 Ext -</b>
Email	<b>wallerg@myway.com</b>
Case No.	<b>SR-2008-0080</b>
Public Comments Description	<b>I have tried to submit my disapproval on the rate increase using the instructions provided, but could not. I would like to be on the record of not approving this rate increase.</b>
Date Filed	<b>9/24/2007 7:36:47 AM</b>

**Missouri Public Service Commission****Public Comments**

Utility Type	<b>Sewer</b>
Utility Company	<b>Timber Creek Sewer Company-(Sewer)</b>
First Name	<b>Brian</b>
Middle Initial	<b>N/A</b>
Last Name	<b>Winay</b>
Street Address	<b>13115 REd Oak Court</b>
Mailing Address	<b>N/A</b>
City	<b>Platte City</b>
State	<b>MO</b>
County	<b>N/A</b>
Phone No.	<b>N/A</b>
Email	<b>N/A</b>
Case No.	<b>N/A</b>
Public Comments Description	<b>Case # does not exist Co. wanting to raise rates 33%;instead of have a flat rate for everyone it should be based on usage</b>
Date Filed	<b>9/25/2007 9:41:19 AM</b>

**Missouri Public Service Commission****Public Comments**

Utility Type	<b>Sewer</b>
Utility Company	<b>Timber Creek Sewer Company-(Sewer)</b>
First Name	<b>Brian</b>
Middle Initial	<b>N/A</b>
Last Name	<b>Winay</b>
Street Address	<b>13115 REd Oak Court</b>
Mailing Address	<b>N/A</b>
City	<b>Platte City</b>
State	<b>MO</b>
County	<b>N/A</b>
Phone No.	<b>N/A</b>
Email	<b>N/A</b>
Case No.	<b>N/A</b>
Public Comments Description	<b>Co. wanting to raise rates 33%;instead of have a flat rate for everyone it should be based on usage</b>
Date Filed	<b>9/25/2007 9:40:38 AM</b>

## Customer Comment

Date: 9-24-2007

Facility: Timber Creek Sewer Co.

Case Number: SR-2008-0080

Name: Shirley Ball

Address: 15676 Meadow Ct., Platte City

Phone Number: 816-858-3559

### Comments:

- Is a senior citizen and retired living alone
- Shouldn't have to pay as much as those with sprinkler systems
- Notice shows a grinder pump fee and she doesn't have a grinder pump
- There is new building nearby and it is not fair that they should have to pay for that new building
- Co hire all their family members and it is not fair that customers should have to pay their family's wages

cb



## Customer Comment

Date: 9-28-2007

Facility: Timber Creek Sewer Co.

Case Number: SR-2008-0080

Name: Robert Brand

Address: Box 281, Platte City

Phone Number: 816-858-7002

### Comments:

- Every time there is a new addition built the company raises the sewer rates
- Sewer rates are more than twice the water rates
- Sewer rates should be based on the water usage
- It is a rip-off that they should have to pay so much more for sewer

cb

**Russo, Jim**

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**From:** Baker, Christina [christina.baker@ded.mo.gov]  
**Sent:** Friday, September 28, 2007 4:28 PM  
**To:** Art & Karen Braun  
**Cc:** Water.Sewer; Brown, Jason  
**Subject:** RE: SR-2008-0080 Rate Increase Request

Mr. Braun,

Again, thank you for your comments. I wanted to let you know that I have filed a request for a local public hearing to be held in this case. The request was filed today so I do not know yet when the local public hearing will be. I will keep you informed as to the date, time and location.

Local public hearings are excellent opportunities for customers to get their comments heard by the Commission. Please pass the word along to your neighbors to look for the local public hearing to be announced. I hope many of them will attend.

Thank you again and I hope to meet you at the local public hearing.

Christina Baker

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**From:** Art & Karen Braun [mailto:ixthus@kc.rr.com]  
**Sent:** Thursday, September 27, 2007 9:39 PM  
**To:** Baker, Christina  
**Cc:** water.sewer@psc.mo.gov; Brown, Jason  
**Subject:** Re: SR-2008-0080 Rate Increase Request

Christina Baker, PE, JD  
Assistant Public Counsel  
Office of the Public Counsel  
PO Box 2230  
Jefferson City, MO 65102  
573-751-5565 phone  
573-751-5562 fax  
[christina.baker@ded.mo.gov](mailto:christina.baker@ded.mo.gov)

Christina Baker,

A local public hearing must be granted to allow the Timber Park residents to present all the facts regarding Case No. SR-2008-0080.

Attached below is my initial input and your response in May, 2007 regarding QS-2007-0008 Rate Increase Request, which is now Case No. SR-2008-0080. I recently received a letter, "Second Customer Notice" from the Timber Creek Sewer Company, Inc. stating that the Public Service Commission has concluded that an increase to the customer rates of \$129,837 is warranted; and that the Office of Public Council has not taken a final position of those results.

The Notice also states that any customer that has questions or comments about the proposed rates should contact the Commission Staff and/or the Office of Public Council within 20 days of the date of this Notice. The Notice was dated September 19, 2007 which would give the customers until October 8, 2007 to respond. The Notice further states that, "Depending on the responses to this Notice, the OPC may request that the Public Service Commission hold a local public hearing." However, the Order Directing Notice and Order Directing Filings for Case No. SR-2008-0080 / Tariff No. YS-2008-0171 states on Page 3, Item 6 that "The Office of Public Council

10/1/2007

shall file any request for a public hearing no later than October 4, 2007. There is a discrepancy of four days; four fewer days that are desperately required to make sufficient input to the Public Service Commission and the Office of Public Council to convince these offices that this matter cannot be closed without a local public hearing.

A petition is currently being circulated by the Timber Park Home Owners Association for signatures of the Timber Park residents who agree that the proposed rates are excessive. The proposed rates are an increase of approximately 32% over the current rates, and this comes on top of a 63% rate increase in July of 2004. Timber Creek Sewer Company's increased operating expenses come from sewer construction in the surrounding areas, not in Timber Park. Timber Park residents signing the petition find the proposed increase of 116% in three years to be wildly excessive, and therefore ask the Public service Commission to reject it. If that is not done, then it is asked that the Timber Park subdivision (the original site of the sewer plant and sewer lines) be 'grandfathered-in' at the current sewer rates, as most of the sewage from surrounding areas goes through Timber Park to reach the sewer plant; also, new sewer connections for the surrounding areas are made on the property of Timber Park residents.

Additionally, if you believe that there is lack of response from the Timber Park residents, please take into consideration the time constraints to respond as well as not being allowed to have a full 20 day period to respond.

I trust you see now why a public hearing must be granted to present all the facts. I strongly urge you to file a request for a local public hearing for Case No. SR-2008-0080.

Sincerely Yours,

Arthur J. Braun  
13525 NW 135th Court  
Platte City, MO 64079  
(816) 858-4731  
[ixthus@kc.rr.com](mailto:ixthus@kc.rr.com)

----- Original Message -----

**From:** Baker, Christina  
**To:** [ixthus@kc.rr.com](mailto:ixthus@kc.rr.com)  
**Sent:** Wednesday, May 02, 2007 12:39 PM  
**Subject:** FW: QS-2007-0008 Rate Increase Request

Mr. Braun,

Thank you for your comments regarding QS-2007-0008, Timber Creek Sewer Co., Inc.'s request for a rate increase. They are very helpful to my office's efforts to ensure ratepayers' concerns are heard by the MO Public Service Commission.

Any rate increase must be approved by the Commission. All comments are forwarded to the Commissioners and they do rely on these comments to assist them in deciding whether to approve a rate increase.

Please feel free to give my name and contact information to your neighbors who would like to submit comments as well.

Again, thank you for your comments.

Christina Baker, PE, JD  
Assistant Public Counsel  
Office of the Public Counsel  
PO Box 2230  
Jefferson City, MO 65102  
573-751-5565 phone  
573-751-5562 fax

10/1/2007

[christina.baker@ded.mo.gov](mailto:christina.baker@ded.mo.gov)

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**From:** Art & Karen Braun [mailto:ixthus@kc.rr.com]  
**Sent:** Wednesday, May 02, 2007 11:47 AM  
**To:** mopco  
**Subject:** QS-2007-0008 Rate Increase Request

May 2, 2007

Re: Request number QS-2007-0008  
Timber Creek Sewer Rate Increase Request

I am a customer of the Timber Creek Sewer Company, and I would like to voice my opposition to the rate increase request QS-2007-0008; I feel the requested rate increase is excessive.

Until 2004, we paid \$16.50 a month for sewer service. That year the rate was increased to \$26.97. Now, just three years later, an increase to \$35.67 is being requested. By any reasonable analysis, this rate of increase is extreme, representing a whopping 116% increase over the original rate.

From the company's notice, we also understand they propose to double connection fees, permit/inspection fees, and re-inspection fees.

We appreciate that company investors expect a reasonable rate of return on their investment, but surely 116% increase in the span of three years exceeds this expectation.

The company's infrastructure is fairly new—the oldest sewer lines were built in 1995. These are not old lines that need frequent service, further raising questions about the rate increase request. I would like to have exact figures the company has submitted to justify the increase request:

- ☐ \* What are the increases in utility plant and infrastructure investment?
- ☐ \* What are the increases in operation and maintenance expenses?
- ☐ \* What are the increases in the Public Service Commission's annual utility assessments and DNR's annual sewer discharge permit fees?
- ☐ \* How many and what types of additional staff are needed to support the business?

As Missouri law dictates, I look forward to an aggressive, independent audit of the company's books and records by commission staff. Furthermore, because of the magnitude of this rate increase request, I strongly believe a local public hearing, where all facts, figures, income, and expenses can be presented publicly, is appropriate.

Sincerely,

Arthur J. Braun  
13525 NW 135th Court  
Platte City, MO 64079

\*\*\*\*\*  
CONFIDENTIALITY STATEMENT:

10/1/2007

This e-mail and any attachments are intended only for those to which it is addressed and may contain information which is privileged, confidential and prohibited from disclosure and unauthorized use under applicable law. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.

**Russo, Jim**

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**From:** Baker, Christina [christina.baker@ded.mo.gov]  
**Sent:** Monday, October 01, 2007 9:46 AM  
**To:** Russo, Jim  
**Subject:** FW: Response to 2nd notice-SR-2008-0080

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**From:** Stratton, Kendelle  
**Sent:** Monday, October 01, 2007 8:54 AM  
**To:** Baker, Christina  
**Subject:** FW: Response to 2nd notice-SR-2008-0080

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**From:** Deb Chatfield [mailto:deb@EliteLendingUsa.com]  
**Sent:** Sunday, September 30, 2007 1:26 PM  
**To:** water.sewer@psc.mo.gov; DED.mopco  
**Subject:** Response to 2nd notice-SR-2008-0080

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To Whom It May Concern:

I think that a blanket rate increase is not warranted for each customer. Bills for a family of 2 should not be charges at the same rate as a family of 6. With the additional growth in the county and increased revenues it should be apparent that the company should have a capital improvement plan in place for the many years past, and should have provided documentation to the public on the profitability of the utility company. Is this information published somewhere for the public to view besides on line?

The fact that the company is owned by a family member of one of the largest home owner developer's in the area is also concerning. But yet, I am still trying to find the "EFIS" button on the right hand side of the website (which is actually on the left had side) to view the information as stated in the correspondence sent out by Mr Sherry. Very sloppy!

Thank you for your time.

Deborah Chatfield

10/1/2007

**Russo, Jim**

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**From:** Deb Chatfield [deb@EliteLendingUsa.com]  
**Sent:** Sunday, September 30, 2007 1:26 PM  
**To:** Water.Sewer; mopco@ded.mo.gov  
**Subject:** Response to 2nd notice-SR-2008-0080

To Whom It May Concern:

I think that a blanket rate increase is not warranted for each customer. Bills for a family of 2 should not be charges at the same rate as a family of 6. With the additional growth in the county and increased revenues it should be apparent that the company should have a capital improvement plan in place for the many years past, and should have provided documentation to the public on the profitability of the utility company. Is this information published somewhere for the public to view besides on line?

The fact that the company is owned by a family member of one of the largest home owner developer's in the area is also concerning. But yet, I am still trying to find the "EFIS" button on the right hand side of the website (which is actually on the left had side) to view the information as stated in the correspondence sent out by Mr Sherry. Very sloppy!

Thank you for your time.

Deborah Chatfield

10/1/2007

**Russo, Jim**

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**From:** Russo, Jim  
**Sent:** Wednesday, September 26, 2007 7:18 AM  
**To:** 'Denise Darr'  
**Cc:** mopco@ded.mo.gov  
**Subject:** RE: timber creek sewer co, inc

Dear Ms. Darr:

This is in response to your questions below.

The cost of monthly service will be \$35.80 if the Commission approves the increase as agreed to between the Company and the Staff of the Commission. However, Staff is going to update the Company's case to September 30, 2007. This will include updating the plant accounts and any additional revenue the Company is receiving due to new customers. In addition, any items that were agreed to between the Company and the Staff will be reviewed. If any of these items are not completed the Staff will remove them from the Company's case. It is likely that the \$35.80 will be reduced slightly.

The inspection fees and reinspection fees apply to new customers hooking up to the sewer system and not existing customers.

The \$5.00 per month grinder pump fee applies to approximately 70 of the 1,100 customers located in Platte County. This fee is to cover the Company's additional expense to inspect these pumps annually and additional maintenance costs. It is not appropriate for all the customers to have to pay for an expense that is directly related to a few customers. You will only have this charge if your system has a grinder pump. Please contact the Company to see if you have a grinder pump.

Please let me know if you have any questions.

Sincerely,

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

---

**From:** Denise Darr [mailto:ddarr1@kc.rr.com]  
**Sent:** Monday, September 24, 2007 2:30 PM  
**To:** Water.Sewer  
**Cc:** mopco@ded.mo.gov  
**Subject:** timber creek sewer co, inc

PLEASE HELP ME UNDERSTAND THE INCREASED RATES THAT TIMBER CREEK SEWER CO IS TRYING TO PASS.  
WHAT WILL MY COST INCREASE BE?  
WILL I HAVE AN INSPECTION FEE/RE-INSPECTION FEE? OR IS THAT FOR FIRST TIME HOOK UPS?  
WHAT IS A GRINDER PUMP FEE?

9/26/2007



IS THE ONLY COST INCREASE THAT I WILL SEE IS THE INCREASE FROM \$26.97 TO \$35.80?

I DON'T UNDERSTAND WHAT I AM SUPPOSED TO DO.

IF I SAY THAT I AM AGAINST THE INCREASE, WHAT WILL HAPPEN?

PLEASE EXPLAIN...

THANKS

DENISE DARR

159905 NW 126TH TERRACE

PLATTE CITY, MO 64079

9/26/2007

I am hoping there is a way to discuss this matter soon.

Thanks  
Kenneth L Denning  
13520 Sycamore Dr  
Platte City, Mo. 64079

---

Got a little couch potato?  
Check out fun summer activities for kids.

**Russo, Jim**

---

**From:** Baker, Christina [christina.baker@ded.mo.gov]  
**Sent:** Thursday, September 27, 2007 9:46 AM  
**To:** cemsduke@yahoo.com  
**Cc:** Russo, Jim  
**Subject:** FW: Timber Creek Sewer Rate Increase

Mr. & Mrs. Duke,

Thank you for your comments regarding SR-2008-0080, Timber Creek Sewer Co., Inc.'s request for a rate increase. They are very helpful to my office's efforts to ensure ratepayers' concerns are heard by the MO Public Service Commission.

Any rate increase must be approved by the Commission. All comments are forwarded to the Commissioners and they do rely on these comments to assist them in deciding whether to approve a rate increase.

Please feel free to give my name and contact information to your neighbors who would like to submit comments as well.

Again, thank you for your comments.

Christina Baker, PE, JD  
Assistant Public Counsel  
Office of the Public Counsel  
PO Box 2230  
Jefferson City, MO 65102  
573-751-5565 phone  
573-751-5562 fax  
[christina.baker@ded.mo.gov](mailto:christina.baker@ded.mo.gov)

---

**From:** Stratton, Kendelle  
**Sent:** Thursday, September 27, 2007 8:47 AM  
**To:** Baker, Christina  
**Subject:** FW: Timber Creek Sewer Rate Increase

---

**From:** Carol Duke [mailto:[cemsduke@yahoo.com](mailto:cemsduke@yahoo.com)]  
**Sent:** Thursday, September 27, 2007 8:45 AM  
**To:** DED.mopco  
**Subject:** Timber Creek Sewer Rate Increase

Attn: Christina Baker

My husband and I would like to request that your agency set a hearing date for the proposed sewer rate increase for Timber Creek Sewer Co., Platte City, MO. We have been customers of the TC Sewer company since 1996 and have seen the rate go from \$16.50 to \$26.97. The new proposed rate of \$35.67 will be a 116% increase over the original rate. That seems excessive. We feel that new customers, etc. should take care of any additional funds TC Sewer Co. requires.

10/1/2007

Carol & Larry Duke  
13475 NW 135th Terrace  
Platte City, MO 64079

## Customer Comment

Date: 9-21-2007

Facility: Timber Creek Sewer Co.

Case Number: SR-2008-0080

Name: Leah Dunlop

Address: 15315 NW 127th St., Platte City

Phone Number: 816-858-0263

### Comments:

- Thinks approx \$8.00 increase is too much at one time
- \$3-4 over time would be justifiable
- There is new development so Co will get new customers who will pay and Co will get more \$
- Is hard to take that big of a jump in rates at one time, it is better to ease into an increase
- People are having a hard time finding a job in the area and people have families
- Co needs to think about the people first rather than their own pockets

cb

**Russo, Jim**

---

**From:** nick earls [wickedchargerrt@yahoo.com]  
**Sent:** Sunday, September 23, 2007 7:00 PM  
**To:** Water.Sewer; mopco@ded.mo.gov  
**Subject:** Case # sr-2008-0080

In response to recent notice of the increase in prices:

Most people in our community are already losing their houses, due to home owners association issues, taxes going up, and other utilities raising their rates. This is getting ridiculous. Companies that have a monopoly in the city are increasing rates at an alarming rate. Most of us have our houses on the market and of course can't even sell them. Several of us are gonna be abandoning our houses due to rate increases such as these. Please reconsider the extra money being sucked out of our pockets for yet again another service we can't use another company for.

thank you

---

Luggage? GPS? Comic books?  
Check out fitting gifts for grads at Yahoo! Search.

9/24/2007

## Russo, Jim

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**From:** Baker, Christina [christina.baker@ded.mo.gov]  
**Sent:** Friday, September 28, 2007 4:34 PM  
**To:** Russo, Jim  
**Subject:** FW: att; Christina Baker/ rate increase

-----Original Message-----

From: Stratton, Kendelle  
Sent: Friday, September 28, 2007 10:39 AM  
To: Baker, Christina  
Subject: FW: att; Christina Baker/ rate increase

-----Original Message-----

From: cindy & damian harris [mailto:cindyndamian@yahoo.com]  
Sent: Friday, September 28, 2007 10:38 AM  
To: DED.mopco  
Subject: att; Christina Baker/ rate increase

We would like to request a hearing on this proposed  
rate increase. Thank you Cindy and Damian Harris

---

Got a little couch potato?

Check out fun summer activities for kids.

[http://search.yahoo.com/search?fr=oni\\_on\\_mail&p=summer+activities+for+kids&cs=bz](http://search.yahoo.com/search?fr=oni_on_mail&p=summer+activities+for+kids&cs=bz)

## Customer Comment

Date: 9-26-2007

Facility: Timber Creek Sewer Co.

Case Number: SR-2008-0080

Name: Bonnie McIlrath

Address: 15623 Meadow Ct., Platte City

Phone Number: 913-684-7566

### Comments:

- Has an objection to the increase
- Has never had such a high water and sewer bill and there is only her in the house
- Will be paying approx \$70 for water and sewer for just one person
- Charges are not based on her usage and doesn't think she should have to subsidize others
- Wonders why rates here are significantly higher than people 1 mile down the road are paying in Platte City
- Very concerned that her modest neighborhood has so many people with houses being foreclosed on
- Doesn't know how people with kids get by
- Concerned that they are raising gas rates, heating costs and now water and sewer for no real reason

cb



**Russo, Jim**

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**From:** Eric\_Murray@Praxair.com

**Sent:** Friday, October 05, 2007 12:54 PM

**To:** Water.Sewer

**Subject:** Commission Case No. SR-2008-0080

To Whom It May Concern:

I am writing to complain about the lack of utility user representation. The Office of Public Council is not representing the end user. If Timber Creek Sewer is asking for \$120,000 increase, why is the Commission giving them \$129,837. That is \$9,837 more than they asked for. I believe the Commission is representing the Sewer Company.

I oppose this increase. I already pay too much.

**WATER BILLS FOR 2007**

- FEB - \$28.00
- MAR - \$25.50
- APR - \$30.50
- MAY - \$26.50
- JUNE - \$25.50
- JULY - \$20.50
- AUG - \$22.00
- SEP - \$29.50

My current sewer bill is \$26.97 a month. I am paying more for sewer than I am for water. If this increase is granted, my sewer bill will be \$5 to \$15 more than my water. This current system is not fair. If you use more water then you should pay more for sewer. I should not be made to pay for someone else's usage.

Platte City does not charge a dollar for dollar (water to sewer) rate. Again this rate is not fair to the consumer, it is not fair to me. I am a single father with three children. I try to control my costs. The sewer company was granted a \$10 a month increase a few years ago. They do not need another one. A \$20 increase since 1999 (\$16.XX/month) is too much. At that rate it would be cheaper for me to install a septic tank.

Thank you,  
Eric Murray  
13470 Timber Park Drive  
Platte City, MO 64079  
816-589-9640

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*This e-mail, including any attachments, is intended solely for the person or entity to which it is addressed and may contain confidential, proprietary and/or non-public material. Except as stated above, any review, re-transmission, dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than an intended recipient is prohibited. If you receive this in error, please so notify the sender and delete the material from any media and destroy any printouts or copies.*

10/9/2007

**Russo, Jim**

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**From:** Baker, Christina [christina.baker@ded.mo.gov]  
**Sent:** Monday, October 01, 2007 9:45 AM  
**To:** Russo, Jim  
**Subject:** FW: Commission Case No. SR-2008-0080

---

**From:** Stratton, Kendelle  
**Sent:** Monday, October 01, 2007 8:54 AM  
**To:** Baker, Christina  
**Subject:** FW: Commission Case No. SR-2008-0080

---

**From:** Gene Renollet [mailto:grenollet@uniteone.net]  
**Sent:** Saturday, September 29, 2007 4:54 PM  
**To:** DED.mopco  
**Subject:** Commission Case No. SR-2008-0080

---

Dear Christina Baker,

Timber Creek Sewer Company, Inc., Commission Case No. SR-2008-0080, has requested a rate increase. I would like to say that a 32.24% rate increase is excessive. Nothing else seems to be increasing at that rate.

I also tried to review their document online and was unable to access it on your website.

Sincerely,

Raymond Renollet  
21 Timber Creek Drive  
Platte City, MO 64079  
816-464-2997

10/1/2007

**Russo, Jim**

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**From:** Dale Robertson [dlrobertson@nationalbeef.com]  
**Sent:** Monday, September 24, 2007 11:45 AM  
**To:** Water.Sewer; mopco@ded.mo.gov  
**Cc:** Amie Robertson  
**Subject:** SR-2008-0080

Good morning,

I would just like to briefly voice my opinion of the notice of a rate increase by Timber Creek Sewer Co., Inc. I would like to know how the Commission Staff determined an increase of \$129,837 is warranted. Is the increase due to additional costs? To replace equipment? And if so, why should I pay for it? I am certain the Company has been profitable and should have been retaining these profits in the business. As I have mentioned before, I am absolutely against this increase if it is simply a way for the owner(s) of the company to write themselves a pay raise. The economy has been tough on everybody. The last thing we need is increased monthly expenses without even knowing why.

Thank you for your time. I would really appreciate an answer on this matter as this would be our second increase in recent years.

Dale Robertson

(816) 713-8524

9/26/2007

**Russo, Jim**

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**From:** Daniel Sanders2 [dantom22000@yahoo.com]  
**Sent:** Friday, October 05, 2007 12:07 PM  
**To:** Water.Sewer  
**Subject:** Timber Creek Sewer Co. ,Inc. Rate increase request

To Whom it may concern, 10-05-07 This e-mail is in response to the rate increase requested by Timber Creek Sewer. The question that I have is more of concerns about the services provided along with the increase. The sewer treatment plant is directly behind my home at 31 Timber creek drive in Platte City Mo. They recently did some improvements and they say it is just for our housing development , but the increase makes me wonder if there intentions are not to increase the service area. The smell from the plant periodically is a problem in the summer and I am concerned if they add more homes it will be too much for the current plant. Also they took down a privacy fence that makes the plant an eye sore which I fear could reduce my property resale ability.If they are granted these increase in service fees what are they going to do to take care of my above concerns. Thank You Daniel T. Sanders II ( A concerned customer)

---

Check out the hottest 2008 models today at Yahoo! Autos.

10/9/2007

## Russo, Jim

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**From:** Andrew Silver [acsilver877@yahoo.com]  
**Sent:** Thursday, October 04, 2007 8:54 AM  
**To:** Water.Sewer; mopco@ded.mo.gov  
**Subject:** Timber Creek Sewer Rate Increase Proposal

Dear Sirs and Ma'ams,

I am relatively new to this community, but I already feel an ownership in the small town of Platte City. I do not begrudge any company wanting to increase their earning power, however, I also feel that corporate entities can do so much more good for our environment. It is true that the consumers are largely responsible for pollution, but corporate entities have the ability to significantly reduce these pollutants.

I would like to propose a win-win idea to the Public Service Commission and the Office of Public Council regarding the rate increase proposed by Timber Creek Sewer Co., Inc. I happen to know of a small brewery in Fort Collins, CO who has taken the approach of sustainability and ultimate recycling. They have created a water reclamation project which captures their water (runoff from the brewery) and they treat it with a bacteria which converts the solid waste into methane (CH<sub>4</sub>) which they capture and burn for heat. This is done on a small scale, but saves them about 10% of their power consumption. Imagine what this would translate to from a fully functional sewage treatment plant!?!?

Also, the Municipal Water Treatment plant in Flagstaff, AZ has contracted with a company called Magnegas to utilize a machine which will burn their MSW and the energy can be used to turn a steam turbine generator. Ultimately, the sewer treatment plant will be able to generate electricity for the electric company.

One of the other byproducts of this machine is hydrogen. The city of Flagstaff is planning to convert about 200 vehicles to run on hydrogen which will ultimately reduce the consumption of nearly \$120,000 of gasoline per year. Not to mention the savings of pollutants which are not put into the air when hydrogen is burned.

I feel I am not the only person who believes in sustainable communities and I know that this will work. The sewer company is processing human waste, but that waste can be very valuable as I have attempted to demonstrate.

I would like to apologize for not having a more detailed report prepared, but I had to do this on very short notice as the 20 days of the Sept. 19 letter is rapidly approaching.

Please feel free to contact me if you are interested in learning more about these programs. I promise to have more details.

Very respectfully,  
Andrew C. Silver  
15880 NW 135th St  
Platte City, MO 64429

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Yahoo! oneSearch: Finally, mobile search that gives answers, not web links.  
<http://mobile.yahoo.com/mobileweb/onesearch?refer=1ONXIC>

## Russo, Jim

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**From:** Baker, Christina [christina.baker@ded.mo.gov]  
**Sent:** Monday, October 01, 2007 11:53 AM  
**To:** Russo, Jim  
**Subject:** FW: Timber Creek Sewer Co. request for increase

-----Original Message-----

From: Stratton, Kendelle  
Sent: Monday, October 01, 2007 10:53 AM  
To: Baker, Christina  
Subject: FW: Timber Creek Sewer Co. request for increase

-----Original Message-----

From: JOHN & NANCY STEWART [mailto:jdsnas@embarqmail.com]  
Sent: Monday, October 01, 2007 10:52 AM  
To: DED.mopco  
Subject: Timber Creek Sewer Co. request for increase

FROM: John & Nancy Stewart  
13720 Station Dr.  
Platte City, Mo. 64079  
Tel # 816-858-3772  
E-mail jdsnas@embarqmail.com

This e-mail will be similar to the one we sent earlier in the year. We feel that the price we are already paying for sewer service from Timber Creek Sewer Co. is already excessive. There are 2 people in our household and we are gone sometimes as much as 4 months out of each year.

Yet we pay as much as a family of much larger size who are at home all year. As we noted in our last e-mail, this is the only sewer compay we have been associated with whose charges are not based on water usage.

We have also learned that 51% of their profit goes to salaries. Since this a family owned business and the builder of our subdivision is a part of that family, we feel this may also be excessive.

We hope that you will take our concerns into consideration before making your decision.

## Customer Comment

Date: 9-25-2007

Facility: Timber Creek Sewer Co.

Case Number: SR-2008-0080

Name: David Turner

Address: 13285 Timber Park Dr., Platte City

Phone Number: 816-858-2478

### Comments:

- Has an objection to the increase
- Co raised rates by \$10 already and wants to raise them by another \$10
- Cannot see that the increase is needed
- Knows they looked at the books, but co can make the figures say anything they want
- Can't believe that the rates have gone up so much
- Shouldn't raise rates without a public hearing
- He is retired and on a fixed income
- Co now wants to be a big company but they are subsidizing their expansion and more customers – existing customers should not have to pay for new development for the co to make more money
- PSC seems to just arbitrarily give the co what they want – at the last public hearing the commission already knew they were going to give the co the increase

cb

**Russo, Jim**

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**From:** J. Weaks [hummingbird62@yahoo.com]  
**Sent:** Friday, September 21, 2007 1:29 PM  
**To:** Water.Sewer; mopco@ded.mo.gov  
**Subject:** Commision Case No. SR-2008-0080

Tom and Jan Weaks  
15955 NW 131st Court  
Platte City, Missouri 64079  
816-858-4522

Re: Commission Case No.: SR-2008-0080

September 21, 2007

To The Public Service Commission and Office of the Public Counsel,

We are in receipt of your letter dated September 19, 2007 concerning the sewer rate increase of Timber Creek Sewer Co., Inc. We believe the increase of 32.24% is excessive and inappropriate. While the cost of doing business is ever-increasing, such as materials, fuel and labor, we do not feel that the magnitude of this increase is justifiable. We deal with multi-billion dollar companies, i.e. Railroads, and our customers will not accept an increase of more than 3%-5% with two to three year contracts.

Timber Creek Sewer Co., Inc., has previously increased their rates, and this will be the second increase in the last five years. It is not fair nor reasonable for Timber Creek Sewer Company to hold its customers hostage because we are dependent upon them for sewer services and have no other options available to us. It appears they are monopolizing the market and able to seek extreme increases that is unacceptable in any other business.

We request that you review their past rate increases, as well as their proposed increase, and recommend a customary, fair and reasonable method of incremental increases that does not place a burden or hardship on their customers.

Sincerely,

Tom and Jan Weaks

---

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9/24/2007



## Appendix B

### Ratemaking Income Statement

# TIMBER CREEK SEWER COMPANY

## Rate Making Income Statement-Sewer

### Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	403,903
2	Other Operating Revenues *	\$	53,228
3	<b>Total Operating Revenues</b>	<b>\$</b>	<b>457,131</b>

4 \* See "Revenues - Current Rates" for Details

### Cost of Service

Item	Amount
1 Sewer Treatment Expense-Electric	\$ 46,611
2 Sewer Treatment -Sludge Removal	\$ 5,282
3 Sewer Treatment Plant Repair	\$ 40,993
4 Sewer and Manhole Repair	\$ 44,201
5 Equipment Repair	\$ 2,691
6 Plant Supplies & Expense	\$ 3,798
7 Outside Services	\$ 20,084
8 Transportation Expense	\$ 4,294
9 Permit Fees	\$ 135
10 Administration & General - Salaries	\$ 225,036
11 Office Expense	\$ 5,153
12 Employee Health Insurance	\$ 23,250
13 Liability/Workers Comp Insurance	\$ 8,636
14 Bank Service Charges	\$ 398
15 Telephone Expense	\$ 5,308
16 Water, Trash, & Security	\$ 4,525
17 Utility Locates	\$ 1,898
18 Postage Expense	\$ 5,032
19 Dues and Subscriptions	\$ 211
20 Printing Expense	\$ 265
21 Regulatory Commission Expense	\$ 44,929
22 Miscellaneous General Expenses	\$ 1,450
23 <b>Sub-Total Operating Expenses</b>	<b>\$ 494,180</b>
24 Property Taxes	\$ 1,767
25 MO Franchise Taxes	\$ 1,085
26 Employer FICA Taxes	\$ 21,372
27 Federal Unemployment Taxes	\$ -
28 State Unemployment Taxes	\$ -
29 State & Federal Income Taxes	\$ 137
30 <b>Sub-Total Taxes</b>	<b>\$ 24,361</b>
31 Depreciation Expense	\$ 122,605
32 Amortization of Utility Plant	\$ (85,138)
33 <b>Sub-Total Depreciation/Amortization</b>	<b>\$ 37,467</b>
34 <b>Return on Rate Base</b>	<b>\$ 16,433</b>
35 <b>Total Cost of Service</b>	<b>\$ 572,441</b>

## Appendix C

### Audit Workpapers

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

### Revenue Requirement

Line		6.60%	Return
	(A)		(B)
1	Net Orig Cost Rate Base (Sch 2)	\$	248,991
2	Rate of Return		6.60%
*****			
3	Net Operating Income Requirement	\$	16,433
4	Net Income Available (Sch 8)	\$	(98,740)
*****			
5	Additional NOIBT Needed	\$	115,173
6	Income Tax Requirement (Sch 10)		
7	Required Current Income Tax	\$	137
8	Test Year Current Income Tax	\$	0
*****			
9	Additional Current Tax Required	\$	137
10	Required Deferred ITC	\$	0
11	Test Year Deferred ITC	\$	0
*****			
12	Additional Deferred ITC Required	\$	0
*****			
13	Total Additional Tax Required	\$	137
*****			
14	Gross Revenue Requirement	\$	115,310
*****			

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Rate Base

Line Description		Amount
(A)	(B)	
1    Total Plant in Service    (Sch 3)	\$    2,903,698	
Subtract from Total Plant		
2    Depreciation Reserve    (Sch 6)	\$       711,679	
		-----
3    Net Plant in Service	\$    2,192,019	
Add to Net Plant in Service		
4    Cash Working Capital    (Sch 1)	\$           0	
5    Materials and Supplies-Exempt	0	
6    Prepaid Insurance	0	
7    Adjust to zero negative rate base	0	
Subtract from Net Plant		
8    Federal Tax Offset    0.0000 %	\$           0	
9    State Tax Offset    0.0000 %	0	
10    City Tax Offset    0.0000 %	0	
11    Interest Expense Offset    0.0000 %	0	
12    Customer Advances for Construction	0	
13    Contribution in aid of Construction	1,943,028	
14    Deferred Income Taxes-Depreciation	0	
		-----
15    Total Rate Base	\$       248,991	
		=====

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
<b>Intangible Plant</b>							
1	301.000	Organization	\$ 0	\$ 0	86.1345	\$ 0	\$ 0
2		Total	\$ 0	\$ 0		\$ 0	\$ 0
<b>Land and Structures</b>							
3	310.000	Land	\$ 16,500	\$ 0	100.0000	\$ 0	\$ 16,500
4	311.000	Structures & Improvements	280,096	1,685	100.0000	0 P-1	281,781
5		Total	\$ 296,596	\$ 1,685		\$ 0	\$ 298,281
<b>Collection Plant</b>							
6	352.100	Collection Sewers (Force)	\$ 277,916	\$ 0	100.0000	\$ 0	\$ 277,916
7	352.200	Collection Sewers (Gravity)	400,237	0	100.0000	0	400,237
8		Total	\$ 678,153	\$ 0		\$ 0	\$ 678,153
<b>Treatment &amp; Disposal Plant</b>							
9	362.000	Receiving Wells	\$ 47,776	\$ 0	100.0000	\$ 0	\$ 47,776
10	363.000	Electric Pumping Equipment	69,018	0	100.0000	0	69,018
11	373.000	Treatment & Disposal Facilities	1,912,391	(191,000)	100.0000	0 P-2	1,721,391
12		Total	\$ 2,029,185	\$ (191,000)		\$ 0	\$ 1,838,185
<b>General Plant</b>							
13	391.000	Office Furniture and Equipment	\$ 9,607	\$ 0	100.0000	\$ 0	\$ 9,607
14	393.000	Other General Equipment	76,345	0	100.0000	0	76,345
15	397.000	Miscellaneous Equipment-Safety	0	3,127	100.0000	0 P-3	3,127
16		Total	\$ 85,952	\$ 3,127		\$ 0	\$ 89,079
17		Total Plant in Service	\$ 3,089,886	\$ (186,188)		\$ 0	\$ 2,903,698

Adj	Total Co	Mo Juris
No Description	Adjustment	Adjustment

Accounting Schedule: 4-1 Revised

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
Intangible Plant					
1	301.000	Organization	\$ 0	0.0000	\$ 0
2		Total	\$ 0		\$ 0
Land and Structures					
3	310.000	Land	\$ 16,500	0.0000	\$ 0
4	311.000	Structures & Improvements	281,781	2.5000	7,045
5		Total	\$ 298,281		\$ 7,045
Collection Plant					
6	352.100	Collection Sewers (Force)	\$ 277,916	2.0000	\$ 5,558
7	352.200	Collection Sewers (Gravity)	400,237	2.0000	8,005
8		Total	\$ 678,153		\$ 13,563
Treatment & Disposal Plant					
9	362.000	Receiving Wells	\$ 47,776	4.0000	\$ 1,911
10	363.000	Electric Pumping Equipment	69,018	10.0000	6,902
11	373.000	Treatment & Disposal Facilities	1,721,391	5.0000	86,070
12		Total	\$ 1,838,185		\$ 94,883
General Plant					
13	391.000	Office Furniture and Equipment	\$ 9,607	14.3000	\$ 1,374
14	393.000	Other General Equipment	76,345	6.7000	5,115
15	397.000	Miscellaneous Equipment-Safety	3,127	20.0000	625
16		Total	\$ 89,079		\$ 7,114
17		Total Depreciation Expense	\$ 2,903,698		\$ 122,605



Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Intangible Plant							
1	301.000	Organization	\$ 0	\$ 0	86.1345	\$ 0	\$ 0
2		Total	\$ 0	\$ 0		\$ 0	\$ 0
Land and Structures							
3	350.000	Land and Land Rights	\$ 0	\$ 0	86.1345	\$ 0	\$ 0
4	351.000	Structures & Improvements	52,571	0	100.0000	0	52,571
5		Total	\$ 52,571	\$ 0		\$ 0	\$ 52,571
Collection Plant							
6	352.100	Collection Sewers (Force)	\$ 42,195	\$ 0	100.0000	\$ 0	\$ 42,195
7	352.200	Collection Sewers (Gravity)	73,359	0	100.0000	0	73,359
8		Total	\$ 115,554	\$ 0		\$ 0	\$ 115,554
Treatment & Disposal Plant							
9	362.000	Receiving Wells	\$ 14,458	\$ 0	100.0000	\$ 0	\$ 14,458
10	363.000	Electric Pumping Equipment	38,877	0	100.0000	0	38,877
11	372.000	Treatment and Disposal Facilities	502,849	(18,174)	100.0000	0 R-1	484,675
12		Total	\$ 556,184	\$ (18,174)		\$ 0	\$ 538,010
General Plant							
13	391.000	Computer, Printer and Scanner	\$ 5,360	\$ 0	100.0000	\$ 0	\$ 5,360
14	396.000	Power Operated Equipment	132	0	100.0000	0	132
15	397.000	Miscellaneous Equipment-Safety	52	0	100.0000	0	52
16		Total	\$ 5,544	\$ 0		\$ 0	\$ 5,544
17		Total Depreciation Reserve	\$ 729,853	\$ (18,174)		\$ 0	\$ 711,679

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Adjustments to Depreciation Reserve

Adj No	Description	Total Co Adjustment	Mo Juris Adjustment
*****			
	Treatment and Disposal Facilities                      R-1	\$            (18,174)	
*****			
1.	To reflect reserve associated with non-contributed plant-in-service at the Timber Park wastewater treatment facility that was abandoned and dismantled in 2002. (Harris)	\$            (18,174)	

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Income Statement

Line No	Acct Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
(A)	(B)	(C)	(D)	(E)	(F)	
<b>Operating Revenues</b>						
1	Residential (Flat Rate) Sales	\$ 355,045	\$ 48,858	100.0000	\$ 0 S-1	\$ 403,903
2	Fees - Inspection & Plan Review	6,447	(3,702)	100.0000	0 S-2	2,745
3	Fees - Late Payment	6,174	(989)	100.0000	0 S-3	5,185
4	Wholesale Sewer Services	33,406	2,000	100.0000	0 S-4	35,406
5	Other Revenue (Permit Fees, etc)	16,191	(6,299)	100.0000	0 S-5	9,892
6	Interest Income	30,117	(30,117)	100.0000	0 S-6	0
7	<b>Total</b>	<b>\$ 447,380</b>	<b>\$ 9,751</b>		<b>\$ 0</b>	<b>\$ 457,131</b>
<b>Operation &amp; Maintenance Expense</b>						
8	Bank Service Charges	\$ 464	\$ (66)	100.0000	\$ 0 S-7	\$ 398
9	Treatment Plant Repair	49,346	(8,353)	100.0000	0 S-8	40,993
10	Sewer and Manhole Repair	8,812	35,389	100.0000	0 S-9	44,201
11	Equipment Repair	3,112	(421)	100.0000	0 S-10	2,691
12	Licenses and Permits	319	(184)	100.0000	0 S-11	135
13	Postage and Delivery	3,428	1,604	100.0000	0 S-12	5,032
14	Regulatory Expense	30,130	14,799	100.0000	0 S-13	44,929
15	Property Taxes	1,767	0	100.0000	0 S-14	1,767
16	Payroll Taxes	14,180	7,192	100.0000	0 S-15	21,372
17	Franchise Taxes	1,097	(12)	100.0000	0 S-16	1,085
18	Office Supplies and Expenses	6,705	(1,552)	100.0000	0 S-17	5,153
19	Sludge Removal	2,330	2,952	100.0000	0 S-18	5,282
20	Health Insurance Premiums	19,679	3,571	100.0000	0 S-33	23,250
21	Liability/Worker Comp Insurance Exp	7,439	1,197	100.0000	0 S-19	8,636
22	Plant Supplies and Expenses	4,569	(771)	100.0000	0 S-20	3,798
23	Transportation Expense	3,725	569	100.0000	0 S-21	4,294
24	Electric Service	36,477	10,134	100.0000	0 S-22	46,611
25	Telephone/Internet Service	5,524	(216)	100.0000	0 S-23	5,308
26	Water, Trash & Security	3,150	1,375	100.0000	0 S-24	4,525
27	Salaries and Wages	148,247	76,789	100.0000	0 S-25	225,036
28	Outside Services	19,355	729	100.0000	0 S-26	20,084
29	Utility Locates	2,956	(1,058)	100.0000	0 S-27	1,898
30	Dues/Subscriptions/Tech trng	415	(204)	100.0000	0 S-28	211
31	Printing Expense	1,051	(786)	100.0000	0 S-29	265
32	Miscellaneous	687	763	100.0000	0 S-30	1,450
33	<b>Total</b>	<b>\$ 374,964</b>	<b>\$ 143,440</b>		<b>\$ 0</b>	<b>\$ 518,404</b>

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Income Statement

Line No	Acct Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)	(B)	(C)	(D)	(E)	(F)
Depreciation Expense						
34	Depreciation Expense	\$ 131,037	\$ 0	100.0000	\$ (8,432) S-31	\$ 122,605
35	Amortization of CIAC	(105,417)	0	100.0000	20,279 S-32	(85,138)
36	Total	\$ 25,620	\$ 0		\$ 11,847	\$ 37,467
*****						
37	Other Operating Expenses	\$ 0	\$ 0		\$ 0	\$ 0
*****						
38	Total Operating Expenses	\$ 400,584	\$ 143,440		\$ 11,847	\$ 555,871
*****						
39	Net Income Before Taxes	\$ 46,796	\$ (133,689)		\$ (11,847)	\$ (98,740)
*****						
Current Income Taxes						
40	Current Income Taxes	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
41	Total	\$ 0	\$ 0		\$ 0	\$ 0
Deferred Income Taxes						
42	Deferred Income Taxes	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
43	Total	\$ 0	\$ 0		\$ 0	\$ 0
*****						
44	Total Income Taxes	\$ 0	\$ 0		\$ 0	\$ 0
*****						
45	Net Operating Income	\$ 46,796	\$ (133,689)		\$ (11,847)	\$ (98,740)
*****						

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Adjustments to Income Statement

Adj No    Description	Total Co Adjustment	Mo Juris Adjustment
--------------------------	------------------------	------------------------

\*\*\*\*\*  
Residential (Flat Rate) Sales                      S-1                      \$            48,858  
\*\*\*\*\*

1. To annualize revenues based on current customer level.                      \$            48,858

(Harris)

\*\*\*\*\*  
Fees - Inspection & Plan Review                      S-2                      \$            (3,702)  
\*\*\*\*\*

1. To update and adjust thru the true-up period ended September                      \$            (3,702)  
30, 2007.

(Harris)

\*\*\*\*\*  
Fees - Late Payment                      S-3                      \$            (989)  
\*\*\*\*\*

1. To update and adjust thru the true-up period ended September                      \$            (989)  
30, 2007.

(Harris)

\*\*\*\*\*  
Wholesale Sewer Services                      S-4                      \$            2,000  
\*\*\*\*\*

1. To update and adjust thru the true-up period ended September                      \$            2,000  
30, 2007.

(Harris)

\*\*\*\*\*  
Other Revenue (Permit Fees, etc)                      S-5                      \$            (6,299)  
\*\*\*\*\*

1. To update and adjust thru the true-up period ended September                      \$            (6,299)  
30, 2007.

(Harris)

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

***** Interest Income S-6	\$ (30,117)	
*****		

1. To remove CIAC-related interest income from operating revenue. (Harris)	\$ (30,117)	
---	-------------	--

***** Bank Service Charges S-7	\$ (66)	
*****		

1. To update and adjust thru the true-up period ended September 30, 2007. (Harris)	\$ (66)	
---	---------	--

***** Treatment Plant Repair S-8	\$ (8,353)	
*****		

1. To update and adjust thru the true-up period ended September 30, 2007. (Harris)	\$ (14,229)	
---	-------------	--

2. To reclassify and capitalize building repair costs expensed in October 2006. (Harris)	\$ (1,685)	
---	------------	--

3. Annual cleaning and equipment inspection/maintenance of lift station. (Harris)	\$ 1,700	
--	----------	--

4. Annual cleaning of main treatment plant grit chamber. (Harris)	\$ 240	
--	--------	--

5. Annual flow monitoring of one-week flow. (Harris)	\$ 3,000	
---	----------	--

6. Quarterly maintenance checks and annual load-testing of backup generators. (Harris)	\$ 2,621	
---	----------	--

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Adjustments to Income Statement

Adj No   Description	Total Co Adjustment	Mo Juris Adjustment
-------------------------	------------------------	------------------------

Sewer and Manhole Repair	S-9	\$      35,389
--------------------------	-----	----------------

1. To update and adjust thru the true-up period ended September 30, 2007.  
(Harris)      \$      2,197
2. Annual closed-circuit television inspection of interceptor mains and collecting mains.  
(Harris)      \$      7,500
3. Annual jet cleaning of interceptor mains and collecting mains.  
(Harris)      \$      25,500
4. OSHA-required safety equipment for confined space entry.  
(Harris)      \$      192

Equipment Repair	S-10	\$      (421)
------------------	------	---------------

1. To update and adjust thru the true-up period ended September 30, 2007.  
(Harris)      \$      (421)

Licenses and Permits	S-11	\$      (184)
----------------------	------	---------------

1. To update and adjust thru the true-up period ended September 30, 2007.  
(Harris)      \$      (184)

Adj	Total Co	Mo Juris
No Description	Adjustment	Adjustment

1. To update and adjust thru the true-up period ended September 30, 2007.	\$	1,415
(Harris)		

3. To annualize postage on monthly customer billings.	\$	95
(Harris)		

1. To reflect current PSC assessment. (Harris)	\$	2,649
---	----	-------

2. To reflect current DNR fees.	\$	4,650
(Harris)		

1. To reflect payroll taxes related to new general manager position and 2007 pay increase. (Harris)	\$ 7,192
--	----------



Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
-----------------------	------------------------	------------------------

***** Franchise Taxes S-16	\$	(12)
*****		

1. To update and adjust thru the true-up period ended September 30, 2007. (Harris)	\$	(12)
---	----	------

***** Office Supplies and Expenses S-17	\$	(1,552)
*****		

1. To update and adjust thru the true-up period ended September 30, 2007. (Harris)	\$	(1,552)
---	----	---------

***** Sludge Removal S-18	\$	2,952
*****		

1. To update and adjust thru the true-up period ended September 30, 2007. (Harris)	\$	2,952
---	----	-------

***** Liability/Worker Comp Insurance Exp S-19	\$	1,197
*****		

1. To update and adjust thru the true-up period ended September 30, 2007. (Harris)	\$	1,673
---	----	-------

2. To update and adjust thru the true-up period ended September 30, 2007. (Harris)	\$	(476)
---	----	-------

Adj	Total Co	Mo Juris
No Description	Adjustment	Adjustment

Accounting Schedule: 9-6 Revised

## Accounting Schedule: 9-7 Revised

Adj	Total Co	Mo Juris
No Description	Adjustment	Adjustment

Accounting Schedule: 9-8 Revised

Timber Creek Sewer Co.  
Case: SR-08-80A  
December 31, 2006

Income Tax

Line		Test Year	6.60% Return
(A)		(B)	
1	Net Income Before Taxes (Sch 8)	\$ (98,740)	\$ 16,570
2	Add to Net Income Before Taxes		
	Book Depreciation Expense	\$ 37,467	\$ 37,467
3	Total	\$ 37,467	\$ 37,467
	Subtr from Net Income Before Taxes		
4	Interest Expense 6.3800 %	\$ 15,886	\$ 15,886
5	Straight-line Tax Depreciation	37,467	37,467
6	Total	\$ 53,353	\$ 53,353
7	Net Taxable Income	\$ (114,626)	\$ 684
	Provision for Federal Income Tax		
8	Net Taxable Income	\$ (114,626)	\$ 684
9	Deduct Missouri Income Tax 100.0 %	\$ 0	\$ 40
10	Deduct City Income Tax	0	0
11	Federal Taxable Income	(114,626)	644
12	Total Federal Tax	\$ 0	\$ 97
	Provision for Missouri Income Tax		
13	Net Taxable Income	\$ (114,626)	\$ 684
14	Deduct Federal Income Tax 50.0 %	\$ 0	\$ 49
15	Deduct City Income Tax	0	0
16	Missouri Taxable Income	(114,626)	636
17	Total Missouri Tax	\$ 0	\$ 40

Timber Creek Sewer Co.  
 Case: SR-08-80A  
 December 31, 2006

Income Tax

Line		Test Year	6.60% Return
(A)	(B)		
Provision for City Income Tax			
18	Net Taxable Income	\$ (114,626)	\$ 684
19	Deduct Federal Income Tax	\$ 0	\$ 97
20	Deduct Missouri Income Tax	0	40
21	City Taxable Income	(114,626)	547
22	Total City Tax	\$ 0	\$ 0
Summary of Provision for Income Tax			
23	Federal Income Tax	\$ 0	\$ 97
24	Missouri Income Tax	0	40
25	City Income Tax	0	0
26	Total	\$ 0	\$ 137
Deferred Income Taxes			
27	Deferred Investment Tax Credit	\$ 0	\$ 0
28	Deferred Repair Allowance	0	0
29	Deferred Tax Depreciation	0	0
30	Amort of Deferred Tax Depreciation	0	0
31	Amort of Repair Allowance	0	0
32	Amort of Deferred ITC	0	0
33	Deferred Unbilled	0	0
34	Total	\$ 0	\$ 0
35	Total Income Tax	\$ 0	\$ 137

## Appendix D

### Rate Design Worksheet

# **TIMBER CREEK SEWER COMPANY**

## **Development of Tariffed Rates-Sewer**

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

<b>Revenues Generated by Current Tariffed Rates</b>	<b>\$ 400,019</b>
<b>Agreed-Upon Overall Revenue Increase</b>	<b>\$ 115,310</b>
<b>Percentage Increase Needed</b>	<b>28.826%</b>

### **Customer Rates**

<b>Customer Location</b>	<b>Current Service Charge</b>	<b>Proposed Service Charge</b>
Platte County	\$ 26.97	\$ 34.74
Clay County	\$ 26.97	\$ 26.97



## Appendix E

### Billing Comparison Worksheet

# **TIMBER CREEK SEWER COMPANY**

## **Residential Customer Bill Comparison-Sewer Platte County**

### **Rates for 5/8" Meter**

<b>Current Base Customer Charge</b>	<b>Proposed Base Customer Charge</b>	<b>Current Usage Rate</b>	<b>Proposed Usage Rate</b>
<b>\$26.97</b>	<b>\$34.74</b>	<b>\$0.000</b>	<b>\$0.000</b>

current service charge is monthly charge

### **MONTHLY BILL COMPARISON**

#### **Current Rates**

Customer Charge	\$ 26.97
Usage Charge	\$ -
Total Bill	\$ 26.97

#### **Proposed Rates**

Customer Charge	\$ 34.74
Usage Charge	\$ -
Total Bill	\$ 34.74

#### **INCREASES**

##### **Customer Charge**

<b>\$ Increase</b>	<b>\$7.77</b>
<b>% Increase</b>	<b>28.83%</b>

##### **Usage Charge**

<b>\$ Increase</b>	<b>\$0.00</b>
<b>% Increase</b>	<b>N/A</b>

##### **Total Bill**

<b>\$ Increase</b>	<b>\$7.77</b>
<b>% Increase</b>	<b>28.83%</b>