



Commissioners

SHEILA LUMPE  
Chair

HAROLD CRUMPTON

CONNIE MURRAY

ROBERT G. SCHEMENAUER

M. DIANNE DRAINER  
Vice Chair

Missouri Public Service Commission

POST OFFICE BOX 360  
JEFFERSON CITY, MISSOURI 65102  
573-751-3234  
573-751-1847 (Fax Number)  
<http://www.ecodev.state.mo.us/psc/>

May 1, 2000

BRIAN D. KINKADE  
Executive Director

GORDON L. PERSINGER  
Director, Research and Public Affairs

WESS A. HENDERSON  
Director, Utility Operations

ROBERT SCHALLENBERG  
Director, Utility Services

DONNA M. KOLILIS  
Director, Administration

DALE HARDY ROBERTS  
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE  
General Counsel

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102

**RE: Case No. WR-2000-594**

**FILED<sup>2</sup>**  
MAY 01 2000  
Missouri Public  
Service Commission

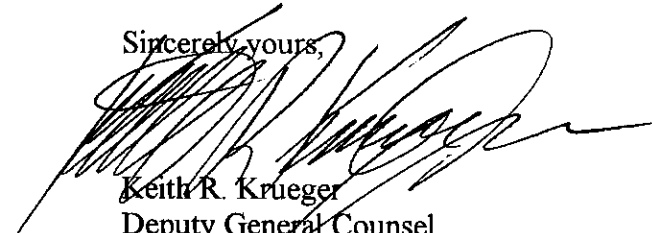
Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of a **STAFF RECOMMENDATION**.

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

  
Keith R. Krueger  
Deputy General Counsel  
(573) 751-4140  
(573) 751-9285 (Fax)

KK/dkf  
Enclosure  
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

FILED<sup>2</sup>  
MAY 01 2000  
Missouri Public  
Service Commission

In the Matter of Emerald Pointe Utility )  
Company's Tariff Sheet Designed to )  
Increase Rates for Water Service Pursuant )  
to the Commission's Informal Rate )  
Procedure )

Case No. WR-2000-594

**STAFF RECOMMENDATION**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), and for its recommendation, states to the Missouri Public Service Commission ("Commission") as follows:

1. Emerald Pointe Utility Company ("Company") requested an increase in its water rates, pursuant to the Commission's Small Company Rate Increase Procedure, by letters that the Commission received on May 24, 1999 and May 25, 1999.

2. In the attached Memorandum, which is labeled Appendix A, the Staff recommends that the Commission issue an order approving the revised tariff sheet, to be effective for service on and after May 10, 2000.

3. The Commission has the authority to approve the tariffs in accordance with Sections 393.140(11) and 393.150, RSMo (1994).

4. The Staff and the Company have negotiated and executed an Agreement Regarding Disposition of Small Company Rate Increase Request ("Agreement"). The Office of the Public Counsel did not sign the Agreement, but informed the Staff that it did not oppose the terms thereof. The Agreement and proposed tariff sheet P.S.C. No. 1, 1<sup>st</sup> Revised Sheet No. 4, canceling Original Sheet No. 4, have previously been filed in the case papers.

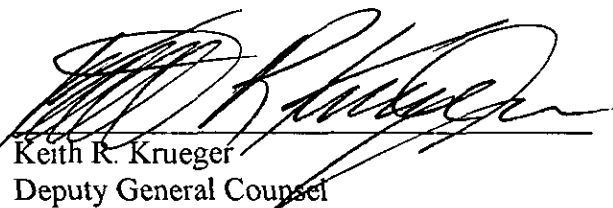
2

5. The Commission's Small Company Rate Increase Procedure is described in Rule 4 CSR 240-2.200. The procedure followed in this case complies with the requirements of that rule in general and with 4 CSR 240-2.200(1)(D), in particular.

**WHEREFORE**, the Staff respectfully requests that the Commission issue an order approving the revised tariff sheet, to be effective for service on and after May 10, 2000.

Respectfully submitted,

DANA K. JOYCE  
General Counsel



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 (Fax)

### Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 1st day of May 2000.



M E M O R A N D U M

TO: Missouri Public Service Commission Official Case File  
Case No. WR-2000-594, Tariff File No. 990095  
Emerald Pointe Utility Company

FROM: Wendell R. Hubbs - Project Coordinator  
Steve Traxler - Accounting Department  
Larry Cox - Accounting Department  
Lisa Canady - Accounting Department  
Jolie Mathis - Engineering & Management Service Department  
Randy Wright - Financial Analysis Department  
Bill Nickle - Water & Sewer Department

*RECEIVED*  
APR 20 2000  
DH 11:50 AM  
COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION

*Wendell R. Hubbs* 4/20/00  
Project Coordinator/Date

*[Signature]* 5/1/00  
General Counsel's Office/Date

SUBJECT: Staff's Recommendation for Approval of a Tariff Sheet to Effect  
a Change in Customer Water Rates Pursuant to the Commission's  
Small Company Rate Increase Procedure

DATE: April 20, 2000

Background

Emerald Pointe Utility Company (Company) initiated the subject small company rate increase request (Request) by letters that were received at the Commission's offices on May 24 & May 25, 1999 (see Schedule A). The Company submitted its Request under the provisions of Commission Rule 4 CSR 240-2.200, Small Company Rate Increase Procedure (the Informal Rate Case Procedure).

By its Request, the Company was asking for Commission approval of customer rates intended to generate an increase of \$2,500 in its total annual water service operating revenues. The Company provides water

Mo. PSC Case No. WR-2000-594  
Official Case File Memorandum  
April 20, 2000  
Page 2 of 5 Pages

service to approximately 124 customers.

Upon review and acceptance of the Company's Request, the Commission's Records Department assigned Tariff File No. 9900915 to the Request for purposes of identification and tracking. The Records Department then forwarded the Request to the Commission's Water & Sewer Department for processing under the informal rate case procedure.

By a letter dated August 13, 1999, which the Water & Sewer Department Staff had previously approved, the Company notified its customers of the Request (see Schedule B). As a part of this notice, the Company requested that its customers' questions or comments be directed to the Commission Staff and/or the Office of the Public Counsel (OPC).

#### Staff's Investigation

The Staff's investigation of the Company's Request involved Staff members from the Accounting, Engineering & Management Services, Financial Analysis and Water & Sewer Departments. All Staff participants, as well as their up-line supervisors, were provided the opportunity to review this Memorandum prior to it being filed. Wendell R. Hubbs of the Water & Sewer Department created the initial draft of this Memorandum and comments from the reviewers were incorporated therein for creation of this final version.

In response to the customer notice dated August 13, 1999, the Staff received two (2) phone calls, one (1) letter and one (1) fax regarding the proposed increase. The complaints addressed the design of rates and level of the proposed increase. The customers' letter and fax have been placed

Mo. PSC Case No. WR-2000-594  
Official Case File Memorandum  
April 20, 2000  
Page 3 of 5 Pages

in a "letter file" in the case papers. The Office of the Public Counsel (OPC) received the same documents addressing the initial customer notice.

Based upon its audit of the Company's books and records, an evaluation of the Company's depreciation rates and an analysis of the Company's capital structure and cost of capital, the Staff concluded that the Company could justify an increase of \$2,500 (approximately 8.7 %) in its annual water service operating revenues. Pursuant to correspondence, an Agreement Regarding Disposition of Small Company Rate Increase Request (Agreement) was reached between the Company and the Staff. That Agreement and a proposed tariff sheet have been previously filed in the case papers.

The Staff and Company have also agreed to the implementation of a "late payment charge" and the implementation of a "bad check charge" of \$15 per insufficient fund check.

Additionally, the Company has agreed that it will keep its books and records in accordance with the Uniform System of Accounts for Class C and D Water Utilities as prescribed by the National Association of Regulatory Utility Commissioners (NARUC). This includes using the Staff's calculation of plant, depreciation reserve and contributions in aid of construction ending balances. The Company also agrees that it will maintain its books and records for its water operations and sewer operations separately.

Copies of the Staff's revenue requirement accounting run (as used in the revenue requirement analysis) and the Staff's rate design worksheets are contained in Schedule C. The filed tariff sheet that created this case

contains rates designed to generate the additional revenue requirement.

That tariff sheet (see Schedule E-5) also contains language designed to implement the above-mentioned service charges.

**Responses to Staff's Recommended Increase and Subsequent Actions**

On February 15, 2000, Staff received verbal notification from Shannon Cook of the OPC whereby she stated that the OPC was not going to oppose Staff's recommendations.

By a letter dated January 26, 2000, the Company stated its agreement with the Staff's recommended increase of \$2,500 in the Company's annual operating revenues (see Schedule D). Company, at that time, stated that it was still reviewing the details of the rate design.

By a letter, which was received and stamped "filed" by the Records Department on March 23, 2000 (see Schedule E), the Company submitted to the Commission a revised tariff sheet including proposed rates and charges reflecting the "Agreement" between the Company and the Staff.

Consistent with the informal rate case procedure, the subject tariff sheet bore an effective date that was more than 30 days past the issue date. The filing of that tariff sheet resulted in the creation of the instant docket.

**Staff's Recommendations**

Based upon the above, the Staff recommends that the Commission issue an order in the instant docket approving the tariff sheet listed below, for service rendered on and after May 10, 2000.

Mo. PSC Case No. WR-2000-594  
Official Case File Memorandum  
April 20, 2000  
Page 5 of 5 Pages

P.S.C. MO. No. 1  
1<sup>st</sup> Revised Sheet No. 4, Cancelling Original Sheet No. 4

List Of Attachments

Attachment A	Company Letter Requesting Rate Increase
Attachment B	Initial Customer Notice
Attachment C	Staff Accounting and Rate Design Workpapers
Attachment D	Company Letter of Agreement with Staff
Attachment E	Tariff Filing Transmittal Letter, the Company/Staff Agreement and Revised Tariff Sheet



EMERALD POINTE UTILITY CO.

III East Main

Branson, Missouri 65616

Phone 417 - 335 - 8398

Fax 417 - 546 - 5772

Missouri Public  
Service Commission

REC'D MAY 24 1999

W/S Dept.  
RWJ 5/24/99

May 20, 1999

RECEIVED

MAY 26 1999

Records  
Public Service Commission

Mr. Dale Hardy Roberts  
Executive Secretary  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, Mo. 65102

Dear Mr. Roberts

Emerald Pointe Utility Company (Company) holds a certificate of public convenience and necessity whereby it provides water and sewer service to the Emerald Pointe Subdivision located near Branson, Missouri.

The Company is applying for a 10% monthly increase (\$.89 for base rate and \$.29 increase for each additional 1,000 gallons and for a 10% monthly increase (\$1.66 for base rate and \$.58 increase for each additional 1,000 gallons of water used with the same cap of 8,000 gallons based on the water meter readings). Additionally, Company is asking to implement a late charge for utility bills, which are not paid after the 21<sup>st</sup> deadline.

A 10% late fee per month would be the rate asked for by the Company.

The additional revenues are necessary to meet current operating expenses and provide an adequate return on investment.

The Company is advising you that it is current on its PSC assessments. Also, the Company has filed its 1998 Annual Report for water and sewer companies as required by the Commission.


If you need additional information please feel free to contact me by telephone at (417) 335-8398.

Schedule A - 1

9900915 (W)

9900916

Sincerely,



Gary Snadon  
President  
Emerald Pointe Utility Company

CC: Office of the Public Counsel

EMERALD POINTE UTILITY CO.

111 East Main

Branson, Missouri 65616

Phone 417 - 335 - 8398

Fax 417 - 546 - 5772

p.1

May 24, 1999

Dear Customer,

On May 20, 1999 Emerald Pointe Utility Company submitted a request for permanent increases in its current water and sewer rates and an implementation of a late payment charge, under the Missouri Public Service Commission (Commission) small rat increase procedure.

By its request, the Company is seeking an increase in its customer water rates intended to increase its annual operating water service revenues of \$ 2,500.00. It is also requesting an increase in its customer sewer rates intended to generate an increase in its annual operating sewer service revenues of \$ 2,500.00. The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments.

Set out below is a comparison of the Company's current customer rates and the customer rates it has requested, and the requested addition of a late payment charge. A monthly bill comparison, which is based upon an assumed water usage of 6,000 gallons, is also shown.


	Current Rates	Requested Rates
<b>Water Rates</b>		
Monthly Charge (includes up to 2,000 gallons)	\$ 8.93	\$ 9.82
Water Usage over 2,000 gallons ( per 1,000 gallons )	\$ 2.92	\$ 3.21
Total Momly Water Bill ( at 6,000 gallons usage )	\$ 20.61	\$22.66
<b>Sewer Rates</b>		
Monthly Charge ( based on up to 2,000 gallons of water )	\$16.59	\$18.25
Usage over 2,000 gallons ( per 1,000 gallons )	\$ 5.83	\$ 6.41
( The maximum sewer bill for a residential customer will be for monthly water use representing 8,000 gallons )		

Schedule A - 3

Total Monthly Sewer Bill ( at 6,000 gallons usage)	\$ 39.91	\$43.89
Late Payment Fees	current rates n/a	requested rates 10%

Beginning sometime soon, The Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records, and operations of the Company. Based upon that investigation, the Commission Staff will then make its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public Counsel will then make its own recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Any customer who has <sup>below</sup> questions or comments regarding the Company's rate increase requests, or who has experienced recent service problems, should contact the Commission Staff and the Public Counsel within 30 days of the date of this notice. To do so, please use the addresses, telephone numbers, or fax numbers shown ~~at the bottom of this notice~~. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations. 

Upon completion of the Commission Staff's and the Public Counsel's investigations, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission hold a local public hearing.

However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time now to express your views about the Company's rate increase requests, and the operation of its system, to the Commission Staff and the Public Counsel.

Regardless of whether the Company sends out a second notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the approval of the Public Service Commission.

NR1-23-99 09:09 AM

Sincerely,

  
Gary W. Snadon  
President  
Emerald Pointe Utility Company

Missouri Public Service Commission  
Water and Sewer Department  
P.O. Box 360  
Jefferson City, Mo. 65102  
Phone: 573/751-3437 or 800-392-4211  
Fax: 573/751-1847

Office of the Public Counsel  
Attn: John B. Coffman *Shannon Cook*  
P.O. Box 7800  
Jefferson City, Mo. 65102  
Phone: 573/751-4857-1304  
Fax: 573/751-5562

**Emerald Pointe Utility Company**

111 East Main

Branson, Missouri 65616

Phone 417- 335-8398 Fax 417-546-5772

AUG 16 1999

MISSOURI PUBLIC SERVICE COMMISSION

August 13, 1999

Dear Customer,

On May 20, 1999 Emerald Pointe Utility Company submitted a request for permanent increases in its current water and sewer rates and an implementation of a late payment charge, under the Missouri Public Service Commission (Commission) small rat increase procedure.

By its request, the Company is seeking an increase in its customer water rates intended to increase its annual operating water service revenues of \$ 2,500.00. It is also requesting an increase in its customer sewer rates intended to generate an increase in its annual operating sewer service revenues of \$ 2,500.00. The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments.

Set out below is a comparison of the Company's current customer rates and the customer rates it has requested, and the requested addition of a late payment charge. A monthly bill comparison, which is based upon an assumed water usage of 6,000 gallons, is also shown.

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Total Montly Water Bill ( at 6,000 gallons usage )	\$ 20.61	\$22.66
<b>Sewer Rates</b>		
Monthly Charge ( based on up to 2,000 gallons of water )	\$16.59	\$18.25

Usage over 2,000 gallons ( per 1,000 gallons ) ( The maximum sewer bill for a residential customer will be for monthly water use representing 8,000 gallons )	\$ 5.83	\$ 6.41
 Total Monthly Sewer Bill ( at 6,000 gallons usage)	 \$ 39.91	 \$43.89
	Current rates requested rates	
Late Payment Fees	n/a	10% per month

Beginning sometime soon, The Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records, and operations of the Company. Based upon that investigation, the Commission Staff will then make its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public Counsel will then make its own recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Any customer who has questions or comments regarding the Company's rate increase requests, or who has experienced recent service problems, should contact the Commission Staff and the Public Counsel within 30 days of the date of this notice. To do so, please use the addresses, telephone numbers, or fax numbers shown below. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations.

Missouri Public Service Commission Office of the Public Counsel  
Water and Sewer Department  
P.O. Box 360  
Jefferson City, Mo. 65102  
Phone: 573/751-3437 or 1-800/392-4211  
Fax: 573/751-1847

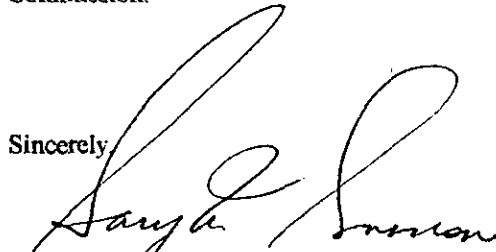
Attn: Shannon Cook  
P.O. Box 7800  
Jefferson City, Mo. 65102  
Phone: 573/751-1304  
Fax: 573/751-5562

Upon completion of the Commission Staff's and the Public Counsel's investigations, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission hold a local public hearing.

However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time now to express your views about the Company's rate increase requests, and the operation of its system, to the Commission Staff and the Public Counsel.

Regardless of whether the Company sends out a second notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the approval of the Public Service Commission.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gary W. Spadon".

Gary W. Spadon  
President  
Emerald Pointe Utility Company



# Emerald Pointe Utility Corporation

Small Company Rate Filing - Water Service

File # 9900915

**W-1 (A)**

## Rate Making Income Statement - Water

	As Adjusted			
<b>Revenue</b>	\$28,753			
<b>Expenses</b>			<b>Minimum</b>	<b>Commodity</b>
Salaries & Wages	\$7,854		\$3,927	\$3,927
Payroll Taxes	\$601		\$301	\$301
Purchased Power	\$2,614			\$2,614
Chemicals	\$123			\$123
Supplies & Expenses	\$243			\$243
Outside Services	\$247		\$124	\$124
Office Supplies & Expenses	\$468		\$468	
Postage Expense	\$234		\$234	
Telephone Expense	\$598		\$598	
Repairs of Water Plant	\$619			\$619
Rents	\$400		\$200	\$200
Transportation Expense	\$866		\$433	\$433
Insurance Expense	\$371			\$371
Regulatory Commission Expense	\$580		\$580	
Miscellaneous Expense	\$200		\$200	
<b>Total Operating &amp; Maintenance Expense</b>	<b>\$16,018</b>		<b>\$7,064</b>	<b>\$8,954</b>
Less: Other Revenues	\$550			\$550
<b>Total O&amp;M Exp. Less other Rev.</b>	<b>\$15,468</b>		<b>\$7,064</b>	<b>\$8,404</b>
<b>Earnings over O&amp;M Exp.</b>	<b>\$12,735</b>			
<b>Total COS Allowed</b>	<b>\$31,253</b>	<b>\$ (550.00)</b>	<b>\$ 7,064</b>	<b>\$23,639</b>
<b>Increase Allowed</b>	<b>\$2,500</b>	<b>8.7%</b>		

January 12, 2000  
Missouri Public Service Commission Staff

Page 1 of 5  
W. R. Hubbs

**Schedule C - 1**

# Emerald Pointe Utility Corporation

Small Company Rate Filing - Water Service

File # 9900915

**W-1 (A)**

## Water Service Rate Development

### Commodity Charge Development

	Cost Collected	Gallons	
Water Commodity Rate	\$ 23,639	6,737,784	\$3.5085
Allocation:			
To Minimum Monthly Charge	\$ 5,718	1,629,723	
Commodity Charge Recovery	\$ 17,922	5,108,061	\$3.5085
Total	\$ 23,639	6,737,784	\$3.5085

### Minimum Monthly Charge Development

Meter Size	Customer	Flow Factor	Meter Equivalents	
5/8"	108	1	108	49.20%
1"	3	2.5	8	3.42%
2"	13	8.0	104	47.38%
Totals	124		220	100%

\$ Amount to Recover	Meter Equivalents	Months Per Year	Cost per Meter Equivalent	
\$ 7,064	220	12	\$ 2.68	Per Meter Equivalent
\$ 5,718	124	12	\$ 3.84	Per Customer
\$ 12,782			\$ 6.52	5/8" rate
5/8" Meter Rate	2.68	\$ 3.84	\$ 6.52	
1" Meter Rate (2.71*2.5)	6.78	\$ 3.84	\$ 10.62	
2" Meter Rate (2.71*8)	21.68	\$ 3.84	\$ 25.52	

### Staff Recommended Water Rates:

Minimum Monthly Charge - (5/8" Meter)	\$ 6.52	per month
Minimum Monthly Charge - (1" Meter)	\$ 10.62	per month
Minimum Monthly Charge - (2" Meter)	\$ 25.52	per month

Commodity Charge	\$3.50	per 1000 gallons for usage over 2000 gal/month
------------------	--------	------------------------------------------------

January 12, 2000  
Missouri Public Service Commission Staff

Page 2 of 5  
W. R. Hubbs

**Schedule C - 2**

# Emerald Pointe Utility Corporation

Small Company Rate Filing - Water Service

File # 9900915

**W-1 (A)**

## Residential Water Customer Impact

Schedule C-3

Assume Monthly Bill Computation For A Typical Residential Consumer Using 6,000 Gallons Per Month

Monthly Bill:	Minimum Charge	Commodity Charge/unit	Typical Usage (billed)	Total Commodity	Total Bill
<b>Proposed Rates</b>	\$6.52	\$3.50	4,000	\$14.00	<b>\$20.52</b>
<b>Current Rates</b>	\$8.93	\$2.32	4,000	\$9.28	<b>\$18.21</b>
<b>Difference</b>	-\$2.41	\$1.18		\$4.72	<b>\$2.31</b>
<b>Percentage Difference from Current Rates</b>	-26.94%	50.86%		50.86%	<b>12.71%</b>

January 12, 2000

Missouri Public Service Commission Staff

modified 3/1/00

Page 3 of 5

W. R. Hubbs

# Emerald Pointe Utility Corporation

Small Company Rate Filing - Water Service

File # 9900915

W-1 (A)

## Proposed Charges - Water Annualized & Normalized Revenues

### Minimum Bill Revenues

Customer Number 5/8" Meters	108
Customer Bills	1296
Times:	
Proposed Minimum Monthly Charge	\$ 6.52
Equals:	
Annualized Minimum Bill Revenue	\$8,456
Customer Number - 1" Meters	3
Customer Bills	36
Times:	
Proposed Minimum Monthly Charge	\$ 10.62
Equals:	
Annualized Minimum Bill Revenue	\$382
Customer Number - 2" Meters	13
Customer Bills	156
Times:	
Proposed Minimum Monthly Charge	\$ 25.52
Equals:	
Annualized Minimum Bill Revenue	\$3,982
Total Monthly Customer Charge Revenue	\$12,820

### Commodity Charge Revenues

Total Gallons Used	5,108,061
Base Gallons Included in Minimum	0
Gallons Billed*	5,108,061 *
Times:	
Proposed Commodity Charge	\$3.50
Equals:	
Annualized Commodity Charge Revenue	\$17,878

Total Water Rate Revenues	\$30,698
---------------------------	----------

Miscellaneous Revenues	\$550
------------------------	-------

Total Water Service Revenues	\$31,248
------------------------------	----------

# Emerald Pointe Utility Corporation

Small Company Rate Filing - Water Service

**W-1 (A)**

File # 9900915

## Accounting Department

## Test Year Annualized & Normalized Revenues

### Minimum Bill Revenues

Customer Number	124
Customer Bills	1488
Times:	
Existing Minimum Monthly Charge	\$8.93
Equals:	
Annualized Minimum Bill Revenue	\$13,288

### Commodity Charge Revenues

Total Gallons Used	6,737,784
Base Gallons Included in Minimum	1,629,723
Gallons Billed*	5,108,061 *
Times:	
Existing Commodity Charge	\$2.92
Equals:	
Annualized Commodity Charge Revenue	\$14,916

Total Water Rate Revenues	\$28,203
---------------------------	----------

Miscellaneous Revenues	\$550
------------------------	-------

Total Water Service Revenues	\$28,753
------------------------------	----------

January 12, 2000

Missouri Public Service Commission Staff

Page 5 of 5

W. R. Hubbs

## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Revenue Requirement

-----

Line	10.25%
	Return

-----

(A)		(B)
1	Net Orig Cost Rate Base (Sch 2)	\$ 285,386
2	Rate of Return	10.25%
*****		
3	Net Operating Income Requirement	\$ 29,252
4	Net Income Available (Sch 8)	\$ 4,121
*****		
5	Additional NOI/RT Needed	\$ 25,131
6	Income Tax Requirement (Sch 10)	
7	Required Current Income Tax	\$ 0
8	Test Year Current Income Tax	\$ 0
*****		
9	Additional Current Tax Required	\$ 0
10	Required Deferred ITC	\$ 0
11	Test Year Deferred ITC	\$ 0
*****		
12	Additional Deferred ITC Required	\$ 0
*****		
13	Total Additional Tax Required	\$ 0
*****		
14	Gross Revenue Requirement	\$ 25,131
*****		

## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Rate Base

Line Description		Amount
(A)		(B)
1	Total Plant in Service (Sch 3)	\$ 529,202
	Subtract from Total Plant	
2	Depreciation Reserve (Sch 6)	\$ 40,191
		-----
3	Net Plant in Service	\$ 489,011
	Add to Net Plant in Service	
4	Cash Working Capital (Sch 11)	\$ 0
5	Materials and Supplies-Exempt	0
6	Prepaid Insurance	0
	Subtract from Net Plant	
7	Federal Tax Offset 0.0000 %	\$ 0
8	State Tax Offset 0.0000 %	0
9	City Tax Offset 0.0000 %	0
10	Interest Expense Offset 0.0000 %	0
11	Customer Advances for Construction	0
12	Contribution in aid of Construction	203,625.
13	Deferred Income Taxes-Depreciation	0
		-----
14	Total Rate Base	\$ 285,386
		=====

14:30 01/10/2000

## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## 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)
Intangible Plant							
1	301.000	Organization	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
2	302.000	Franchises	0	0	100.0000	0	0
3	303.000	Other Plant & Miscellaneous Equip	0	0	100.0000	0	0
4		Total	\$ 0	\$ 0		\$ 0	\$ 0
Source of Supply & Pumping Plant							
5	310.000	Land & Land Rights	\$ 9,218	\$ 0	100.0000	\$ 0	\$ 9,218
6	311.000	Structures & Improvements	10,625	1,004	100.0000	0	11,629
7	312.000	Collecting & Impounding Reservoirs	0	0	100.0000	0	0
8	313.000	Lake, River & Other Intakes	0	0	100.0000	0	0
9	314.000	Wells & Springs	134,975	0	100.0000	0	134,975
10	316.000	Supply Mains	0	0	100.0000	0	0
11	325.000	Pumping Equipment	22,700	0	100.0000	0	22,700
12		Total	\$ 177,518	\$ 1,004		\$ 0	\$ 178,522
Transmission & Distribution Plant							
13	341.000	Structures & Improvements	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
14	342.000	Distribution Reservoirs & Standpipe	133,617	0	100.0000	0	133,617
15	343.000	Transmission & Distribution Mains	215,940	873	100.0000	0	216,813
16	344.000	Fire Mains	0	0	100.0000	0	0
17	345.000	Services	0	0	100.0000	0	0
18	346.000	Meters & Meter Installations	0	0	100.0000	0	0
19	348.000	Hydrants	0	0	100.0000	0	0
20		Total	\$ 349,557	\$ 873		\$ 0	\$ 350,430



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## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## 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)
General Plant							
21	389.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
22	390.000	Structures & Improvements	0	0	100.0000	0	0
23	391.000	Office Furniture & Equipment	0	250	100.0000	0 P-9	250
24	392.000	Transportation Equipment	0	0	100.0000	0	0
25	393.000	Stores Equipment	0	0	100.0000	0	0
26	394.000	Tools, Shop & Garage Equipment	0	0	100.0000	0	0
27	395.000	Laboratory Equipment	0	0	100.0000	0	0
28	396.000	Power Operated Equipment	0	0	100.0000	0	0
29	397.000	Communication Equipment	0	0	100.0000	0	0
30	398.000	Miscellaneous Equipment	0	0	100.0000	0	0
31	399.000	Other Tangible Plant	0	0	100.0000	0	0
32		Total	\$ 0	\$ 250		\$ 0	\$ 250
*****							
33		Total Plant In Service	\$ 527,075	\$ 2,127		\$ 0	\$ 529,202
*****							

Emerald Pointe Utility Company - Water  
Case: WR-99-915  
For the Test Year Ended June 30, 1999

Adjustments to Total Plant

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

\*\*\*\*\*  
Structures & Improvements P-2 \$ 1,004  
\*\*\*\*\*

1. To include the costs associated with repairing and improving a fence damaged by heavy winds. \$ 113
2. To capitalize costs to repair and improve a fence damaged by heavy winds. This item was expensed on Company's books during the test year. \$ 272
3. To capitalize costs to repair and improve a fence damaged by heavy winds. This item was expensed on Company's books during the test year. \$ 619

\*\*\*\*\*  
Transmission & Distribution Mains P-6 \$ 873  
\*\*\*\*\*

1. To reclassify costs associated with meter and meter installations. This item was found in Account 311 on Company's books in 1998. \$ 2,667
2. To reclassify costs associated with meter and meter installations. These items were found in Account 345 on the Company's books in 1998. \$ 1,334
3. To reclassify costs associated with meter and meter installations. These items were found in Account 346 on the Company's books in 1998. \$ 3,194
4. To reclassify costs associated with meter and meter installations. These items were found in Account 347 on the Company's books in 1998. \$ 1,559
5. To reclassify costs associated with meter and meter installations. These items were found in Account 348 on the Company's books in 1998. \$ 169

Emerald Pointe Utility Company - Water  
Case: WR-99-915  
For the Test Year Ended June 30, 1999

Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
6. To reclassify costs associated with meter and meter installations. These items were found in Account 312 on the Company's books in 1999.	\$ 403	
7. To reclassify costs associated with meter and meter installations. This item was found in Account 343 on the Company's Books in 1999.	\$ 32	
8. To reclassify costs associated with meter and meter installations. This item was found in Account 345 on the Company's Books in 1999.	\$ 248	
9. To reclassify costs associated with meter and meter installations. These items were found in Account 345 on the Company's Books in 1999.	\$ 63	
10. To reclassify costs associated with meter and meter installations. These items were found in Account 346 on the Company's Books in 1999.	\$ 412	
11. To reclassify costs associated with meter and meter installations. This item was found in Account 347 on the Company's Books in 1999.	\$ 45	
12. To reclassify costs associated with meter and meter installations. This item was found in Account 347 on the Company's Books in 1999.	\$ 918	
13. To capitalize costs associated with meter and meter installations. This item was expensed on Company's books during 1998 in Account 650.	\$ 350	
14. To reflect reduction in CIAC Plant in 1996.	\$ (10,625)	
15. To reclassify costs associated with meter and meter installations.	\$ 104	

# Schedule C - 12

Accounting Schedule: 4-3

1. To capitalize half of the cost of computer software purchased during the test year. The total amount was expensed for company's Water Operations in Account 681.

Office Furniture & Equipment	P-9	\$	250
------------------------------	-----	----	-----

No Description	Total Co	Mo Juris	Adjustment
			Adjustment

Adjustments to Total Plant

For the Test Year Ended June 30, 1999

Case: WR-99-915

Emerald Pointe Utility Company - Water

Accounting Schedule: 4  
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## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## 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	302.000	Franchises	0	0.0000	0
3	303.000	Other Plant & Miscellaneous Equip	0	0.0000	0
4		Total	\$ 0		\$ 0
Source of Supply & Pumping Plant					
5	310.000	Land & Land Rights	\$ 9,218	0.0000	\$ 0
6	311.000	Structures & Improvements	11,629	2.5000	291
7	312.000	Collecting & Impounding Reservoirs	0	2.0000	0
8	313.000	Lake, River & Other Intakes	0	0.0000	0
9	314.000	Wells & Springs	134,975	2.0000	2,700
10	316.000	Supply Mains	0	2.0000	0
11	325.000	Pumping Equipment	22,700	10.0000	2,270
12		Total	\$ 178,522		\$ 5,261
Transmission & Distribution Plant					
13	341.000	Structures & Improvements	\$ 0	2.5000	\$ 0
14	342.000	Distribution Reservoirs & Standpipe	133,617	2.5000	3,340
15	343.000	Transmission & Distribution Mains	216,813	2.0000	4,336
16	344.000	Fire Mains	0	2.0000	0
17	345.000	Services	0	2.9000	0
18	346.000	Meters & Meter Installations	0	10.0000	0
19	348.000	Hydrants	0	2.5000	0
20		Total	\$ 350,430		\$ 7,676

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## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
		General Plant			
21	389.000	Land & Land Rights	\$ 0	0.0000	\$ 0
22	390.000	Structures & Improvements	0	0.0000	0
23	391.000	Office Furniture & Equipment	250	5.0000	13
24	392.000	Transportation Equipment	0	0.0000	0
25	393.000	Stores Equipment	0	0.0000	0
26	394.000	Tools, Shop & Garage Equipment	0	5.0000	0
27	395.000	Laboratory Equipment	0	0.0000	0
28	396.000	Power Operated Equipment	0	6.7000	0
29	397.000	Communication Equipment	0	6.7000	0
30	398.000	Miscellaneous Equipment	0	5.0000	0
31	399.000	Other Tangible Plant	0	0.0000	0
32		Total	\$ 250		\$ 13
33		Total Depreciation Expense	\$ 529,202		\$ 12,950

Emerald Pointe Utility Company - Water  
Case: WR-99-915  
For the Test Year Ended June 30, 1999

Depreciation Reserve

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	100.0000	\$ 0	\$ 0
2	302.000	Franchises	0	0	100.0000	0	0
3	303.000	Other Plant & Miscellaneous Equip	0	0	100.0000	0	0
4		<b>Total</b>	\$ 0	\$ 0		\$ 0	\$ 0
<b>Source of Supply &amp; Pumping Plant</b>							
5	310.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0 R-1	\$ 0
6	311.000	Structures & Improvements	0	842	100.0000	0 R-2	842
7	312.000	Collecting & Impounding Reservoirs	0	0	100.0000	0	0
8	313.000	Lake, River & Other Intakes	0	0	100.0000	0	0
9	314.000	Wells & Springs	0	8,494	100.0000	0 R-3	8,494
10	316.000	Supply Mains	0	0	100.0000	0	0
11	325.000	Pumping Equipment	0	7,143	100.0000	0 R-4	7,143
12		<b>Total</b>	\$ 0	\$ 16,479		\$ 0	\$ 16,479
<b>Transmission &amp; Distribution Plant</b>							
13	341.000	Structures & Improvements	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
14	342.000	Distribution Reservoirs & Standpipe	0	10,511	100.0000	0 R-5	10,511
15	343.000	Transmission & Distribution Mains	0	13,188	100.0000	0 R-6	13,188
16	344.000	Fire Mains	0	0	100.0000	0	0
17	345.000	Services	0	0	100.0000	0 R-7	0
18	346.000	Meters & Meter Installations	0	0	100.0000	0 R-8	0
19	348.000	Hydrants	0	0	100.0000	0	0
20		<b>Total</b>	\$ 0	\$ 23,699		\$ 0	\$ 23,699

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## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
General Plant							
21	389.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
22	390.000	Structures & Improvements	0	0	100.0000	0	0
23	391.000	Office Furniture & Equipment	0	13	100.0000	0 R-9	13
24	392.000	Transportation Equipment	0	0	100.0000	0	0
25	393.000	Stores Equipment	0	0	100.0000	0	0
26	394.000	Tools, Shop & Garage Equipment	0	0	100.0000	0	0
27	395.000	Laboratory Equipment	0	0	100.0000	0	0
28	396.000	Power Operated Equipment	0	0	100.0000	0	0
29	397.000	Communication Equipment	0	0	100.0000	0	0
30	398.000	Miscellaneous Equipment	0	0	100.0000	0	0
31	399.000	Other Tangible Plant	0	0	100.0000	0	0
32		Total	\$ 0	\$ 13		\$ 0	\$ 13
33		Total Depreciation Reserve	\$ 0	\$ 40,191		\$ 0	\$ 40,191



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## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Adjustments to Depreciation Reserve

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

Structures & Improvements	R-2	\$ 842
---------------------------	-----	--------

1. To adjust account to reflect Commission ordered depreciation rates.	\$	842
------------------------------------------------------------------------	----	-----

Wells & Springs	R-3	\$ 8,494
-----------------	-----	----------

1. To adjust account to reflect Commission ordered depreciation rates.	\$	8,494
------------------------------------------------------------------------	----	-------

Pumping Equipment	R-4	\$ 7,143
-------------------	-----	----------

1. To adjust account to reflect Commission ordered depreciation rates.	\$	7,143
------------------------------------------------------------------------	----	-------

Distribution Reservoirs & Standpipe	R-5	\$ 10,511
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1. To adjust account to reflect Commission ordered depreciation rates.	\$	10,511
------------------------------------------------------------------------	----	--------

Transmission & Distribution Mains	R-6	\$ 13,188
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1. To adjust account to reflect Commission ordered depreciation rates.	\$	13,188
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Office Furniture & Equipment	R-9	\$ 13
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1. To adjust account to reflect Commission ordered depreciation rates.	\$	13
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Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Income Statement

Line	No	Account	Description	Total	Company	Total Co	Alloc	Adjustment	Adjusted
				(A)	(B)	(C)	(D)	(E)	(F)

1			Unmetered Water Revenue	\$ 550	\$ 550	0	100.0000	0 S-1	550
2			Metered Water Revenue	27,502	701	100.0000	0 S-2	28,203	
3			Total	\$ 28,052	\$ 701				28,753

4			Salaries and Wages	\$ 0	\$ 7,854	100.0000	0 S-3	7,854	
5			Payroll Taxes	0	601	100.0000	0 S-4	601	
6			Purchased Power	2,639	(25)	100.0000	0 S-5	2,614	
7			Chemicals	123	0	100.0000	0 S-6	123	
8			Supplies and Expenses	6,496	(6,253)	100.0000	0 S-7	243	
9			Outside Services Employed	495	(248)	100.0000	0 S-8	247	
10			Office Supplies and Expenses	1,174	(706)	100.0000	0 S-9	468	
11			Postage Expense	0	234	100.0000	0 S-10	234	
12			Telephone Expenses	0	598	100.0000	0 S-11	598	
13			Repairs of Water Plant	1,299	(680)	100.0000	0 S-12	619	
14			Rents	0	400	100.0000	0 S-13	400	
15			Transportation Expenses	0	866	100.0000	0 S-14	866	
16			Insurance Expense	1,776	(1,405)	100.0000	0 S-15	371	
17			Regulatory Commission Expenses	580	0	100.0000	0 S-16	580	
18			Miscellaneous Expenses	1,657	(1,457)	100.0000	0 S-17	200	
19			Total	\$ 16,239	\$ (221)				16,018

20			Depreciation Expense	\$ 0	\$ 0	100.0000	12,950 S-18	12,950	
21			CIAIC Related Depreciation Expense	0	(4,336)	100.0000	0 S-19	(4,336)	
22			Total	\$ 0	\$ (4,336)				8,614

23			Other Operating Expenses	\$ 0	\$ 0				0
24			Total Operating Expenses	\$ 16,239	\$ (4,557)				24,632

25			Net Income Before Taxes	\$ 11,813	\$ 5,258				4,121
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## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Current Income Taxes							
26		Current Income Taxes	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
27		Total	\$ 0	\$ 0		\$ 0	\$ 0
Deferred Income Taxes							
28		Deferred Income Taxes	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
29		Total	\$ 0	\$ 0		\$ 0	\$ 0
30		Total Income Taxes	\$ 0	\$ 0		\$ 0	\$ 0
31		Net Operating Income	\$ 11,813	\$ 5,258		\$ (12,950)	\$ 4,121

Emerald Pointe Utility Company - Water  
Case: WR-99-915  
For the Test Year Ended June 30, 1999

Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
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Metered Water Revenue	S-2	\$ 701
-----------------------	-----	--------

1. To normalize revenues.		\$ 701
---------------------------	--	--------

Salaries and Wages	S-3	\$ 7,854
--------------------	-----	----------

1. To include a normalized level of wages for operating the water company.		\$ 6,912
----------------------------------------------------------------------------	--	----------

2. To include a normal level of salary for accounts payable function.		\$ 442
-----------------------------------------------------------------------	--	--------

3. To include a normal level of salary for account reconciliations, financial statement preparation, and accounting tasks.		\$ 500
----------------------------------------------------------------------------------------------------------------------------	--	--------

Payroll Taxes	S-4	\$ 601
---------------	-----	--------

1. To include a normal level of payroll taxes.		\$ 601
------------------------------------------------	--	--------

Purchased Power	S-5	\$ (25)
-----------------	-----	---------

1. To remove costs associated with non-utility operations.		\$ (136)
------------------------------------------------------------	--	----------

2. To remove costs associated with non-utility operations (fuel for mowing).		\$ (300)
------------------------------------------------------------------------------	--	----------

3. To include a normalized level of purchased power for water operations.		\$ 411
---------------------------------------------------------------------------	--	--------

# Schedule C - 21

Accounting Schedule: 9-2

1. To assign half of the costs of preparing Company's tax returns to the Sewer Operations.	\$	(248)
1. To assign half of the costs of preparing Company's tax returns to the Sewer Operations.	\$	(248)
Outside Services Employed	\$	(248)
12. To reclassify costs associated with office supplies and expenses.	\$	(186)
13. To remove costs associated with maintaining non-utility property.	\$	(5)
10. To remove fuel costs associated with non-utility operations.	\$	(119)
9. To remove costs associated with maintaining a swimming pool.	\$	(37)
8. To remove costs associated with non-utility operations.	\$	(39)
7. To capitalize the costs to repair and improve utility property. (Weeks Building).	\$	(272)
6. To reclassify expenses for postage.	\$	(29)
5. To reclassify telephone charges.	\$	(1,928)
4. To remove costs associated with vehicle maintenance because it is included in the Federal mileage rate.	\$	(317)
3. To reclassify mileage expenses.	\$	(2,724)
2. To reclassify the purchase of billing cards. (Blkins-Swyer - 9/98).	\$	(308)
1. To reclassify expenses to repair pumping equipment. (Mar electric - 9/1/98).	\$	(289)
Supplies and Expenses	\$	(6,253)

Adj	No Description	Total Co	Adjustment	No Juris
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## Adjustments to Income Statement

For the Test Year Ended June 30, 1999

Case: WR-99-915

Emerald Pointe Utility Company - Water

Accounting Schedule: 9  
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## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Office Supplies and Expenses S-9	\$	(706)
*****		
1. To reclassify mileage expenses.	\$	(164)
2. To reclassify cellular telephone charges.	\$	(66)
3. To reclassify postage expenses.	\$	(2)
4. To capitalize costs associated with Computer Software.	\$	(500)
5. To reclassify the costs of billing cards. (Elkins-Swyer - 9/98).	\$	308
6. To reclassify the costs associated with office supplies and expenses.	\$	186
7. To remove half of the costs of office supplies and expenses and place in the Sewer Operations.	\$	(468)
*****		
Postage Expense S-10	\$	234
*****		
1. To reclassify expenses for postage.	\$	29
2. To reclassify expenses for postage.	\$	2
3. To include a normalized level of postage expense for the Company's water operations.	\$	203
*****		
Telephone Expenses S-11	\$	598
*****		
1. To reclassify telephone charges.	\$	1,928
2. To reclassify telephone charges.	\$	66

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## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Adjustments to Income Statement

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

3. To remove 40% of the costs associated with telephone expenses.	\$	(798)
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4. To remove 50% of the costs associated telephone expenses to reflect a portion in sewer operations.	\$	(598)
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Repairs of Water Plant	S-12	\$	(680)
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1. To reclassify expenses to repair pumping equipment to the Repair and Maintenance Account (M&R electric - 9/1/98).	\$	289
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2. To reclassify costs incurred to repair and improve utility property.	\$	(619)
-------------------------------------------------------------------------	----	-------

3. To reclassify costs incurred to install meters.	\$	(350)
----------------------------------------------------	----	-------

Rents	S-13	\$	400
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1. To include an annualized level of rent expense for water operations.	\$	400
-------------------------------------------------------------------------	----	-----

Transportation Expenses	S-14	\$	866
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1. To remove 40% of costs associated with vehicle expenses.	\$	(1,155)
-------------------------------------------------------------	----	---------

2. To reclassify mileage expenses.	\$	2,724
------------------------------------	----	-------

3. To reclassify mileage expenses.	\$	164
------------------------------------	----	-----

4. To move 50% of the costs associated with vehicle expense to reflect a portion in the sewer operations.	\$	(867)
-----------------------------------------------------------------------------------------------------------	----	-------

## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Adjustments to Income Statement

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

\*\*\*\*\*

Insurance Expense	S-15	\$ (1,405)
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\*\*\*\*\*

1. To normalize insurance expense using Company's current insurance policy.	\$	(1,405)
-----------------------------------------------------------------------------	----	---------

\*\*\*\*\*

Regulatory Commission Expenses	S-16	
--------------------------------	------	--

\*\*\*\*\*

1. To remove Primacy Fees from expenses.	\$	(497)
------------------------------------------	----	-------

2. To reclassify expenses for MO Rural Water Assoc. dues.	\$	80
-----------------------------------------------------------	----	----

3. To reclassify expenses for the 1999 MO Rural Water Assoc. Legislative Assessment.	\$	50
--------------------------------------------------------------------------------------	----	----

4. To reclassify expenses for Missouri Department of Natural Resources.	\$	200
-------------------------------------------------------------------------	----	-----

5. To include the current PSC Assessment.	\$	167
-------------------------------------------	----	-----

\*\*\*\*\*

Miscellaneous Expenses	S-17	\$ (1,457)
------------------------	------	------------

\*\*\*\*\*

1. To reclassify expenses for MO Rural Water Assoc. dues.	\$	(80)
-----------------------------------------------------------	----	------

2. To remove a check charged back to the bank account.	\$	(7)
--------------------------------------------------------	----	-----

3. To reclassify expenses for the 1999 MO Rural Water Assoc. Legislative Assessment.	\$	(50)
--------------------------------------------------------------------------------------	----	------

4. To remove expenses for the 1998 MO Rural Water Assoc. Legislative Assessment.	\$	(50)
----------------------------------------------------------------------------------	----	------

5. To reclassify expenses for Missouri Department of Natural Resources.	\$	(200)
-------------------------------------------------------------------------	----	-------

6. To remove bank overdraft charges.	\$	(1,070)
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Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Adjustments to Income Statement

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

CIAC Related Depreciation Expense	S-19	\$ (4,336)
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1. To remove depreciation expense related to contributed property.		\$ (4,336)
--------------------------------------------------------------------	--	------------

17	Total Missouri Tax
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## Emerald Pointe Utility Company - Water

Case: WR-99-915

For the Test Year Ended June 30, 1999

## Income Tax

Line		Test Year	10.25% Return
	(A)	(B)	
	Provision for City Income Tax		
18	Net Taxable Income	\$ (25,131)	\$ 0
19	Deduct Federal Income Tax	\$ 0	\$ 0
20	Deduct Missouri Income Tax	0	0
21	City Taxable Income	(25,131)	0
22	Total City Tax	\$ 0	\$ 0
	Summary of Provision for Income Tax		
23	Federal Income Tax	\$ 0	\$ 0
24	Missouri Income Tax	0	0
25	City Income Tax	0	0
26	Total	\$ 0	\$ 0
	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	\$ 0

Emerald Pointe Utility Company - Water  
Case: WR-99-915  
For the Test Year Ended June 30, 1999

Cash Working Capital

Line No	Acct Description	Test Year Expenses	Revenue Lag	Expense Lag	Net Lag (C) - (D)	Factor (Col E/365)	CWC Req (B) x (F)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Operation and Maintenance Expense						
1	Cash Vouchers	\$ 16,018	0.0000	0.0000	0.0000	0.000000	\$ 0
2	Total Operation and Maintenance Expense	\$ 16,018					\$ 0
*****							
3	Total Taxes	\$ 0					\$ 0
*****							
4	Total Cash Working Capital Req						\$ 0
*****							

Emerald Pointe Utility Company  
Corporate Offices  
111 East Main  
Branson, Missouri 65616

# Emerald Pointe Utility Company

January 26, 2000

Wendell R. Hubbs  
Assistant Manager – Rates  
Missouri Public Service Commission  
Post Office Box 360  
Jefferson City, Missouri 65102

**RECEIVED**  
JAN 28 2000  
Missouri Public  
Service Commission

RE: Increases in Water and Sewer Rates  
Mo. PSC Tariff File Nos. 990091 & 9900916

Dear Mr. Hubbs,

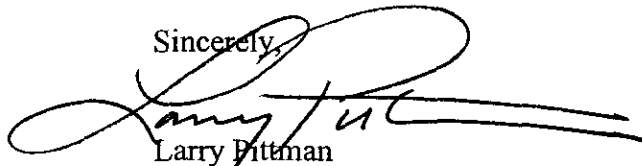
I am in receipt of your letter dated January 21, 2000 regarding our water and sewer rates and your recommendations regarding recordkeeping and operations. We appreciate your time and effort in reviewing and analyzing our utility operation.

Although we are still in the process of reviewing the details of your rate sheets and schedules, we are in agreement with the Staff's proposals.

With that in mind, we look forward to further discussion after the Office of the Public Counsel has had an opportunity to review and form any additional comments.

I will, of course, make myself available at your convenience. In the event you have additional questions or requests, please feel free to contact me directly at 417-339-1062 or Dave Black can be reached at 417-339-3727.

Sincerely,



Larry Pittman

Controller, Shepherd of the Hills Entertainment Group

Cc: Gary Snadon  
Dave Black

**Schedule D**

*Hardy*

**Emerald Pointe Utility Company**

Corporate Offices  
111 East Main  
Branson, Missouri 65616

March 20, 2000

Mr. Dale Hardy Roberts  
Secretary to the Commission  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

RE: **Emerald Pointe Utility Company**  
Small Company Rate Increase Request  
Mo. PSC Tariff File No. 9900915 (Water)

*FILED*  
*RECEIVED*  
MAR 23 2000  
*Records*  
*Public Service Commission*

*WR-2000-594*

Dear Mr. Roberts:

I am enclosing for filing with the Commission an original and three copies of a revised tariff sheet that includes rate and language changes reflecting an agreement between the Emerald Pointe Utility Company (Company) and the Commission Staff (Staff) on the above subject. The Company initiated the subject rate increase request in May 1999, under the Commission's small company rate increase procedure, and the request was assigned the above-referenced file number.

Additionally, consistent with the Commission's small company rate increase procedure, I am enclosing an Agreement Regarding Disposition of Small Company Rate Increase Request (Agreement). This Agreement reflects a "settlement" between the Company and the Staff regarding all matters related to the Company's water service rate increase request.

The Agreement calls for, and the revised tariff sheet contains, customer rates intended to produce an increase of \$2,500 (an approximate 8.7% increase) in the Company's annual operating revenues for its water operations. The Agreement also calls for the implementation of a "late payment charge" and of a "bad check charge" of \$15 per insufficient funds check. The Agreement is between the Company and the Staff; therefore, the enclosed tariff sheets bear an effective date that is greater than 45 days from the issue date.

Also, please note that the Company has consented to the extension of the time period beyond 150 days from the date the letter initiation the procedure was filed with the Commission.

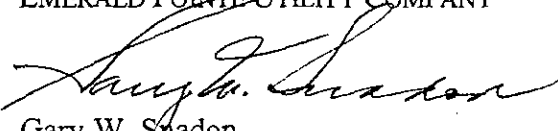
**Schedule E - 1**

*199900915*

It is my understanding that the Staff will be providing additional information about the Company's rate increase request and the related Staff audit and investigation, for filing in the case papers following the creation of a formal docket.

Please contact me at your convenience if you need anything further.

Sincerely,  
EMERALD POINT UTILITY COMPANY



Gary W. Snadon  
President

enclosures

copies (w/enclosures):  
Wendell R. Hubbs - PSC Staff  
Office of the Public Counsel - Shannon Cook

**Agreement Regarding Disposition of**  
**Small Company Rate Increase Request**

**Emerald Pointe Utility Company**

**Tariff File No. 9900915 (Water)**

Emerald Pointe Utility Company (Company) initiated the small company rate increase request (Request) for water service that is the subject of the above-referenced Commission "file" through its submittal of letters to the Commission's Executive Secretary. The Company submitted its Request under the provisions of Commission rule 4 CSR 240-2.200, Small Company Rate Increase Procedure (the informal rate case procedure). The dates the Company's letters were received at the Commission's offices were May 24, 1999 and May 25, 1999. In its Request, the Company represented that it was asking for Commission approval of customer rates intended to generate an increase of \$2,500 in its total annual water service operating revenues.

The Company provides water service to approximately 124 customers.

Upon review and acceptance of the Company's Request, the Commission's Records Department assigned Tariff File No. 9900915 to the Request for purposes of identification and tracking. The Records Department then forwarded the Request to the Commission's Water & Sewer Department for processing under the informal rate case procedure.

Pursuant to the provisions of the informal rate case procedure, the Staff of the Commission (Staff) initiated an audit of the Company's books and records and an inspection of the Company's system and the operation thereof.

Based upon the results of the Staff's audit, the Company and the Staff hereby state their agreement that: (1) an increase of \$2,500 (approximately 8.7%) in the Company's annual water revenues is reasonable; (2) the implementation of a "late payment charge" is reasonable; and (3) the implementation of a "bad check charge" of \$15 per insufficient fund check is reasonable.

The Company and Staff also agree that the Company will keep their books and records in accordance with the Uniform System of Accounts for



Emerald Pointe Utility Company - File No. 9900915 Water  
Small Company Rate Procedure "Agreement"

Class C and D Water Utilities as prescribed by the National Association of Regulatory Utility Commissioners (NARUC), this includes using the Staff's calculation of plant, depreciation reserve and contributions in aid of construction ending balances. The Company also agrees that it will maintain its books and records for their water operations and sewer operations separately.

Additionally, the Company acknowledges that the Staff will file additional information about the details of its audit with the Commission following the creation of a formal docket.

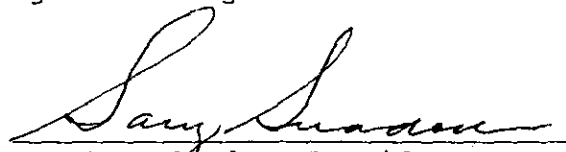
This Agreement is only between the Company and the Staff. However, the Office of the Public Counsel (OPC) has verbally notified the Staff that ~~it~~ does not oppose the increase.


Lastly, the Company and the Staff ask the Commission to note that no action need be taken on the Company's tariff sheet until after the Staff files its formal recommendation for approval of the tariff sheet. That filing will take place soon after filing of this Agreement and the revised tariff sheet.

Other than the specific conditions agreed to by the Company, this agreement is a compromise that has resulted from extensive negotiations between Staff and the Company and no party has agreed to any particular ratemaking principal (except those items specifically stated in this agreement) in arriving at the dollar amount.

This Agreement is effective as of the 10<sup>th</sup> day of March, 2000.

Agreement Signed and Dated:

  
Mr. Gary Snadon, President  
Emerald Pointe Utility Company

  
Dale W. Johansen - Manager  
Water and Sewer Department  
Public Service Commission Staff

Emerald Point Utility Company For Missouri Service Area

Name of Issuing Company

Community, Town or City

## RULES GOVERNING

## RENDERING OF WATER SERVICE

+

## SCHEDULE OF WATER RATES

**Availability: \***

Available to any metered customer located in the Company's certificated service territory.

**Water Service Rates:**

Monthly Customer Charge ( 5/8" meter)	\$ 6.52	per Month	+
Monthly Customer Charge (1" meter)	\$10.62	per Month	+
Monthly Customer Charge (2" meter)	\$25.52	per Month	+

Usage Charge (for all usage > 2,000 gal/month) \$ 3.50 per 1,000 gallons +

**Monthly Minimum Bill: \*** Equals the applicable Monthly Customer Charge  
The minimum monthly billing shall be billed customers based on this Charge.

**Taxes: \***

Any applicable Federal, State or local taxes computed on a billing basis shall be added as separate items in rendering each bill.

**Late Payment Charge: \***

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which the payment is considered delinquent is 21 days after rendition of the bill. A charge of \$3.00 or two percent (2%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

**Bad Check Charge: \***

A bad check charge of \$15 per check will be paid on all checks returned from the bank for insufficient funds.

\* Indicates new rate or text

+ Indicates change

Date of Issue 3/23/00

Date Effective 5/10/00

Issued By: Gary W. Snadon, President

111 East Main, Branson, MO 65616

Name of Officer

Title

Address

Schedule E - 5

**Service List for**  
**Case No. WR-2000-594**  
**May 1, 2000**

Office of the Public Counsel  
P.O. Box 7800  
Jefferson City, MO 65102

Gary Snadon, President  
Emerald Point Utility Co.  
111 East Main  
Branson, MO 65616