

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

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

**NOTICE OF AGREEMENT REGARDING DISPOSITION  
OF SMALL COMPANY RATE INCREASE REQUEST**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its Notice of Agreement Regarding Disposition of Small Company Rate Increase Request ("Agreement Notice") 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") submitted to the Commission revised tariff sheets to implement increases in its sewer service rates and charges, and other tariff changes, and the instant case was established.

2. As is noted in the Company's tariff filing transmittal letter, the changes contained in the subject revised tariff sheets are based upon a *Company/Staff Agreement Regarding Disposition of Small Sewer Company Rate Increase Request* ("Company/Staff 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 rate increase request that the Company submitted to the Commission on March 22, 2007 (Tracking File No. QS-2007-0008).

3. Included in Appendix A attached hereto is a copy of the above-referenced Company/Staff Agreement. Various documents related to the Company/Staff Agreement are also included in Appendix A as attachments to the agreement. Additionally, affidavits from the Staff

members that participated in the investigation of the Company's Request are included in Appendix A.

4. The Staff notes that the Company and the Staff previously agreed to an extension of the 150-day tariff filing period that normally applies to small company rate increase requests, and that a copy of the extension agreement is included as Item No. 4 in the above-referenced Tracking File for the Company's Request.

5. As ordered by the Commission, the Staff will file its recommendation and memorandum in this case no later than October 15.

**WHEREFORE**, the Staff respectfully submits this Agreement Notice and the attached Appendix for the Commission's information and consideration in this case.

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 copies of this Agreement Notice and the attached Appendix have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 25th day of September 2007.

/s/ **Keith R. Krueger**

# APPENDIX A

## STAFF PARTICIPANT AFFIDAVITS AND DISPOSITION AGREEMENT & ATTACHMENTS

CASE NO. SR-2008-0080

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## Staff Participant Affidavits

James M. Russo – Water & Sewer Department

William V. Harris – Auditing Department

Phillip K. Williams – Auditing Department

Guy Gilbert – Engineering & Management Services Department

Nila Hagemeyer – Engineering & Management Services Department

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

**AFFIDAVIT OF JAMES M. RUSSO**

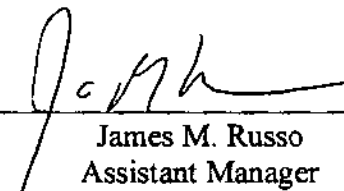
STATE OF MISSOURI )

) SS


CASE NO. SR-2008-0080

COUNTY OF COLE )

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 Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he participated in the preparation of the foregoing Notice of Agreement Regarding Disposition of Small Company Rate Increase Request (Agreement Notice) and the Company/Staff Agreement Regarding Disposition of Small Water Company Rate Increase Request (Disposition Agreement) that is included in the following appendix; (4) that the information presented in the Agreement Notice and the Disposition Agreement is true and correct to the best of his knowledge, information and belief; (5) that he was responsible for the preparation of Attachments A, B, D, E, and F to the Disposition Agreement; (6) that he has knowledge of the matters set forth in Attachment A, B, D, E, and F to the Disposition Agreement; and (7) that the matters set forth in Attachments A, B, D, E, and F to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.

  
James M. Russo  
Assistant Manager  
Water and Sewer Department

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

  
Notary Public



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

**AFFIDAVIT WILLIAM V. HARRIS**

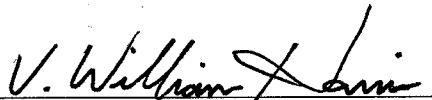
STATE OF MISSOURI )

) ss.

Case No. SR-2008-0080

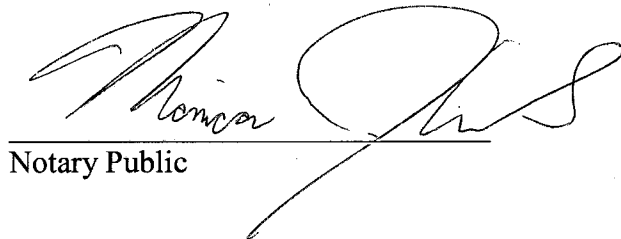
COUNTY OF COLE )

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



William V. Harris  
Utility Regulatory Auditor III  
Auditing Department

Subscribed and sworn to before me this 17<sup>th</sup> day of September, 2007.

  
Notary Public

MONICA J. CURLS  
Notary Public - Notary Seal  
STATE OF MISSOURI  
County of Jackson  
My Commission Expires 3/10/2009  
Commission # 05679768

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

**AFFIDAVIT PHILLIP K. WILLIAMS**

STATE OF MISSOURI )

) ss.

Case No. SR-2008-0080

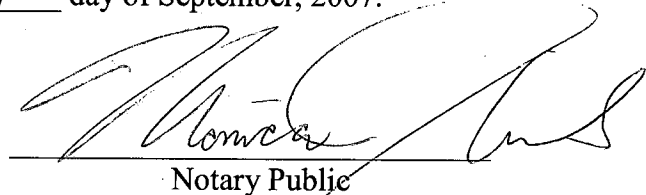
COUNTY OF COLE )

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



Phillip K. Williams  
Utility Regulatory Auditor IV  
Auditing Department

Subscribed and sworn to before me this 17<sup>th</sup> day of September, 2007.

  
Notary Public

MONICA J. CURLS  
Notary Public - Notary Seal  
STATE OF MISSOURI  
County of Jackson  
My Commission Expires 3/10/2009  
Commission # 05679768

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

**AFFIDAVIT GUY C. GILBERT**

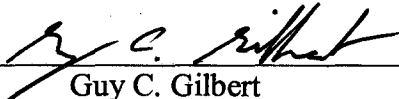
STATE OF MISSOURI )

) ss.

Case No. SR-2008-0080

COUNTY OF COLE )

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

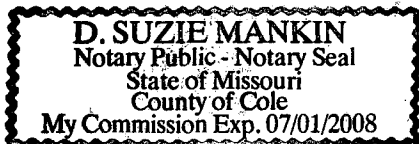



Guy C. Gilbert

Utility Regulatory Engineer II

Engineering and Management Services Department

Subscribed and sworn to before me this 19<sup>th</sup> day of September, 2007.



  
Notary Public



**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

**AFFIDAVIT NILA HAGEMEYER**

STATE OF MISSOURI )

) ss.

Case No. SR-2008-0080

COUNTY OF COLE )

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

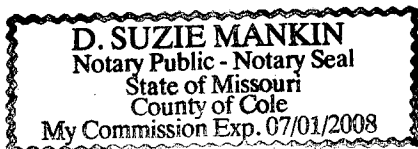
*Nila Hagemeyer*

Nila Hagemeyer

Utility Management Analyst III

Engineering and Management Services Department

Subscribed and sworn to before me this 25<sup>th</sup> day of September, 2007.



*D. Suzie Mankin*  
Notary Public

# Company/Staff Disposition Agreement

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

**TIMBER CREEK SEWER COMPANY**

**MO PSC TRACKING FILE NO. QS-2007-0008**

**BACKGROUND**

Timber Creek Sewer Company ("Company") initiated the small company revenue increase request ("Request") for sewer service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") tracking file by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-3.330, Sewer Utility Small Company Rate Increase Procedure ("Small Company Procedure"). In its request letter, which was received at the Commission's offices on March 22, 2007 (unless noted otherwise, all dates herein refer to the year 2007), the Company set forth its request for an increase of \$120,000 in its total annual sewer service operating revenues, and for an increase in its Contribution in Aid of Construction (CIAC) connection fee from \$1,600 to \$3,200. In its request letter, the Company also acknowledged that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions would be reviewed during the Commission Staff's ("Staff") review of the revenue increase request, and could thus be the subject of Staff recommendations. As of July 23, the Company provides service to approximately 1,235 customers, the vast majority of which are residential customers.

Upon receipt of the Company's request letter, personnel in the Commission's Data Center entered the letter into the Commission's electronic filing and information system ("EFIS") and the system assigned Tracking File No. QX-2007-0008 to the Request.

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

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

**RESOLUTION OF THE COMPANY'S REQUEST**

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

In the Company's initial request for a small company rate increase, the Company requested an increase in annual revenue of \$120,000. Staff's audit of the books and records of the Company indicated an increase in revenue requirement of \$129,837 which is \$9,837 more than the Company originally requested. The \$129,837 is based upon estimates provided by Timber Creek of several items

that will be subject to a true-up audit by the Staff. These estimated items will be specifically identified in the body of the Disposition Agreement. The true-up will reflect actual costs of the Company through September 30, 2007 and will be provided to the Commission subsequent to that date.

Based on the action of the Staff and Commissions for the past 27 years, Staff was of the opinion it would file an increase in revenue recommendation in this case of \$120,000 which is the amount of revenue increase requested by the Company. However, the Commission's General Counsel has made a decision that the recommended rate increase in this case should be \$129,837 which is more than the Company requested. It also must be noted that Public Counsel has not agreed to this General Counsel Office proposed rate increase.

(1) That for the purpose of implementing the agreements set out herein, the Company will file proposed tariff revisions with the Commission containing the rates, charges and language set out in the example tariff sheets attached hereto as Attachment A, with those proposed tariff revisions bearing an effective date of November 1st.

(2) That the ratemaking income statement attached hereto as Attachment B accurately reflects the Company's annualized revenues generated by its current customer rates, the total annualized cost of service for the Company, and the resulting annualized operating revenue increase of \$129,837 needed to recover the Company's cost of service. As noted above, several of the cost elements included in Staff's revenue requirement calculation are estimates supplied by Timber Creek and are subject to a true-up audit that will be completed as of September 30, 2007.

(3) That the audit workpapers attached hereto as Attachment C, which include consideration of a capital structure of 1.79% equity for the Company and a pre-tax rate of return on equity of 11.95%, accurately reflect the total annualized cost of service for the Company and provide the basis for the ratemaking income statement referenced in item (2) above.

(4) That the rates set out in the attached example tariff sheets, the development of which is shown on the rate design worksheet attached hereto as Attachment D, are designed to generate revenues sufficient to recover the total annualized cost of service for the Company.

(5) That the rates included in the attached example tariff sheets will result in the residential customer impacts shown on the billing comparison worksheet attached hereto as Attachment E.

(6) That the Company will implement a grinder pump maintenance fee of \$5.00 per month applicable to customers served off of pressure sewer systems in the Company's Platte County service area.

(7) That the Company's Contribution-in-Aid-of-Construction (CIAC) fee will be changed from \$1,600/connection to \$2,650/connection, with the new fee being based upon the calculations shown in Attachment F hereto.

(8) That the rates included in the attached example tariff sheets are just and reasonable subject to the true-up audit, and that the provisions of the attached example tariff sheets also properly reflect all other agreements set out herein, where necessary.

(9) That the schedule of depreciation rates attached hereto as Attachment G, which includes the depreciation rates used by the Staff in its revenue requirement analysis, should be the prescribed schedule of sewer plant depreciation rates for the Company.

(10) That no later than September 19th the Company will mail its customers a written notice of the proposed rates and charges included in the tariff revisions it will be filing with the Commission as a result of this Disposition Agreement. The notice will include a summary of the impact of the proposed rates on an average residential customer's bill, and will invite the customers to submit comments on the proposed tariff changes to the Staff and the OPC within twenty (20) days after the date of the notice. When the Company mails the notice to its customers, it will also send a copy to the Staff and the Staff will file a copy in the subject case file.

(11) That the Company acknowledges that the OPC has the right to request that the Commission hold a local public hearing regarding the provisions of this Disposition Agreement and the provisions of the tariff revisions that the Company will be filing as a result of this agreement.

(12) That Staff's recommendation includes certain estimated costs for items the Company has agreed to perform and these costs are subject to a true-up provision through September 30, 2007 which will be provided to the Commission by October 19, 2007. Timber Creek will execute contracts for the following on-going maintenance projects, the estimated costs of which are included in the agreed-upon total annualized cost of service for the Company, no later than September 30th.

(a) Annual closed-circuit television inspection of approximately 5% of the total lineal feet of its interceptor mains and collecting mains.

(b) Annual jet-cleaning of approximately 20% of the total lineal feet of its interceptor mains and collecting mains.

(c) Cleaning and equipment inspection/maintenance of each of its three main lift stations at least once every three years, including cleaning and equipment inspection/maintenance of at least one main lift station every year.

(d) Annual cleaning of its main treatment plant's grit chamber.

(e) Annual flow monitoring of one week's flow, preferably in the month of May, received as a result of its treatment contract with Platte City.

(f) Quarterly maintenance checks and annual load-testing of its treatment plant and lift station backup generators.

(13) That the Company will purchase uniforms for its system operators, the estimated cost of which is included in the agreed-upon total annualized cost of service, no later than September 30th.

(14) That the Company will purchase safety equipment related to OSHA requirements pertaining to its system operators' work in its lift stations and manholes, the estimated costs of which are included in the agreed-upon total annualized cost of service, no later than September 30th.

(15) That the Company will implement a 3.5% wage increase for its system operators, the cost of which is included in the agreed-upon total annualized cost of service, no later than September 30th.

(16) That the Company will fill the position of General Manager, the costs of which are included in the agreed-upon total annualized cost of service, no later than September 30th.

(17) That the audit workpapers attached hereto as Attachment C will be updated to reflect the customer numbers, plant-in-service balances, CIAC balances and depreciation reserve balances existing as of September 30th, and to reflect rate case-related expenses incurred by the Company as of September 30th. Additionally, this update will remove from the originally agreed-upon cost of service for the Company the costs associated with any of the actions required by items (12) through (16) that the Company has not completed as of September 30th.

(18) That no later than October 19th the Staff will file a copy of the updated audit workpapers referenced in item (17), and an updated ratemaking income statement, an updated rate design worksheet and an updated residential customer billing comparison, in the case that will be opened when the Company files the proposed revised tariff sheets required by this Disposition Agreement.

(19) That no later than October 19th the Company will submit substitute tariff revisions for the proposed tariff revisions it will be filing as a result of this Disposition Agreement containing the rates included in the updated rate design worksheet referenced in item (18); provided, however, that the Company acknowledges that the substitute tariff revisions cannot contain rates higher than the rates included in its originally-filed proposed tariff revisions.

(20) That the Company will implement the recommendations contained in the Engineering & Management Services Department ("EMSD") Report attached hereto as Attachment H no later than November 1st.

(21) That the Company acknowledges that the Staff will, and the OPC may, conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Disposition Agreement.

(22) That the Company acknowledges that the Staff or the OPC may file a formal complaint against it, if the Company does not comply with the provisions of this Disposition Agreement.

(23) That the above agreements satisfactorily resolve all issues identified by the Staff and the Company regarding the Company's Request, except as otherwise specifically stated.

### **ADDITIONAL MATTERS**

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

The Company and the Staff acknowledge that they have previously agreed to an extension of the normal "Day-150" date by which an agreement regarding the resolution of small company revenue increase requests is to be reached. Further, the Company acknowledges that the extension was needed so that planned Company expenditures could be included in the Staff's revenue requirement analysis and the test year used for the analysis could be updated to September 30th. A copy of the extension agreement can be found in the EFIS Tracking File for the Request.


The Company acknowledges that the Staff will be filing this Disposition Agreement, and the attachments hereto, in the case that will be opened when the Company files the proposed tariff revisions called for in the agreement. The Company also acknowledges that the Staff will be making another filing in that case that will include the following: (a) the Staff's recommendation for approval of the subject proposed tariff revisions, and any related recommendations; (b) background information regarding the Company's Request and the Staff's investigation thereof; (c) information regarding the status of the Company's payment of its Commission assessments; (d) information regarding the status of the Company's submission of its Commission annual reports; (e) information regarding the status of the Company's submission of its Commission annual statement of operating revenues; (f) information regarding any other cases that the Company may have before the Commission; (g) information regarding any recent Notices of Violations that the Department of Natural Resources has issued to the Company; and (h) the status of the Company's corporate standing with the Secretary of State.

Additionally, the Company agrees that the Staff shall have the right to provide whatever oral explanation the Commission may request regarding the rate case that will be opened when the Company files the tariff revisions called for in this Disposition Agreement, at any agenda meeting at which that case is noticed to be considered by the Commission. To the extent reasonably practicable, the Staff will provide the Company with advance notice of any such agenda meeting so that it may have the opportunity to also be represented at the meeting.

**EFFECTIVE DATE AND SIGNATURES**

This Disposition Agreement shall be considered effective as of the date that the Company files the proposed tariff revisions required herein with the Commission.

Agreement Signed and Dated:

  
\_\_\_\_\_  
Derek Sherry

Vice-President  
Timber Creek Sewer Company

September 13th, 2007

\_\_\_\_\_  
Date

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

Assistant Manager - Water & Sewer Department  
Missouri Public Service Commission Staff

9/24/07  
\_\_\_\_\_  
Date

**List of Attachments**

- Attachment A - Example Tariff Sheets
- Attachment B - Ratemaking Income Statement
- Attachment C - Audit Workpapers
- Attachment D - Rate Design Worksheet
- Attachment E - Billing Comparison Worksheet
- Attachment F - CIAC Fee Calculation Worksheet
- Attachment G - Schedule of Depreciation Rates
- Attachment H - EMSD Report



# Agreement Attachment A

## Example Tariff Sheets

P.S.C. MO No. 2

1st Revised Sheet No. 4

Canceling \_\_\_\_\_ Original Sheet No. 4

Timber Creek Sewer Company  
Name of Issuing Company

For: Certificated Areas in Missouri  
Certificated Service Area

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

Schedule of Rates

RESIDENTIAL RATE:

Sewer Service Rate (Platte County).....\$35.80/month +  
Sewer Service Rate (Clay County).....\$26.97/month +

Contribution-in-Aid-of-Construction (CIAC).....\$2,650/connection +  
(applicable to the Platte County service area only)

COMMERCIAL RATE:

Sewer Service Rate.....Residential Rates times Sewer Usage Factor (SUF)

Contribution-in-Aid-of-Construction (CIAC).....Residential CIAC times Sewer Usage Factor (SUF)  
(applicable to the Platte County service area only)

Grinder Pump Fee (Platte County).....\$5.00 \*  
(applicable to those customers served off of a pressure sewer system)

\* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: September 14, 2007  
Month/Day/Year

Effective Date: November 1, 2007  
Month/Day/Year

Issued By: Derek Sherry, Vice-President  
Name & Title of Issuing Officer

P. O. Box 511 Platte City MO 64079  
Company Mailing Address

P.S.C. MO No. 2

1st Revised Sheet No. 5A

Canceling \_\_\_\_\_ Original Sheet No. 5A

Timber Creek Sewer Company  
Name of Issuing Company

For: Certificated Areas in Missouri  
Certificated Service Area

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

Schedule of Service Charges (contd.)

Late Charges

+

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 \$25.00 will be added to delinquent accounts.

Returned Check Charge

+

A returned check charge of up to \$30.00 per check will be due on all checks returned from the bank for insufficient funds.

Disconnection/Reconnection

The charge for reconnection after service disconnection by the Company for violation of Rule 7 herein shall be the total actual cost of disconnection and reconnection of service.

Permit/Inspection Fee

\*

A fee of \$100.00 will be charged for inspection of a new service sewer and connection to the collecting sewer.

Re-inspection Fee

\*

A fee of \$50.00 will be charged for any re-inspection of the new service sewer that is not the fault of the Company.

\* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: September 14, 2007  
Month/Day/Year

Effective Date: November 1, 2007  
Month/Day/Year

Issued By: Derek Sherry, Vice-President  
Name & Title of Issuing Officer

P. O. Box 511 Platte City MO 64079  
Company Mailing Address

P.S.C. MO No. 2

1st Revised Sheet No. 10

Canceling \_\_\_\_\_ Original Sheet No. 10

Timber Creek Sewer Company  
Name of Issuing Company

For: Certificated Areas in Missouri  
Certificated Service Area

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

Rule 2 GENERAL RULES

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

\* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: September 14, 2007  
Month/Day/Year

Effective Date: November 1, 2007  
Month/Day/Year

Issued By: Derek Sherry, Vice-President  
Name & Title of Issuing Officer

P. O. Box 511 Platte City MO 64079  
Company Mailing Address

## Agreement Attachment B

### Ratemaking Income Statement

# TIMBER CREEK SEWER COMPANY

## Rate Making Income Statement-Sewer

### Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$ 400,019
2	Other Operating Revenues *	\$ 52,353
3	<b>Total Operating Revenues</b>	<b>\$ 452,372</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	\$ 5,654
3 Sewer Treatment Plant Repair	\$ 46,734
4 Sewer and Manhole Repair	\$ 39,215
5 Equipment Repair	\$ 4,079
6 Supplies & Expense	\$ 4,983
7 Outside Services	\$ 17,985
8 Transportation Expense	\$ 3,555
9 Permit Fees	\$ 179
10 Administration & General - Salaries	\$ 225,036
11 Office Expense	\$ 6,740
12 Employee Health Insurance	\$ 23,250
13 Liability/Workers Comp Insurance	\$ 7,805
14 Bank Service Charges	\$ 510
15 Telephone Expense	\$ 5,382
16 Water, Trash, & Security	\$ 4,188
17 Utility Locates	\$ 2,427
18 Postage Expense	\$ 4,599
19 Dues and Subscriptions	\$ 256
20 Printing Expense	\$ 198
21 Regulatory Commission Expense	\$ 41,929
22 Miscellaneous General Expenses	\$ 1,266
23 <b>Sub-Total Operating Expenses</b>	<b>\$ 492,581</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	\$ 9,471
30 <b>Sub-Total Taxes</b>	<b>\$ 33,695</b>
31 Depreciation Expense	\$ 122,646
32 Amortization of Utility Plant	\$ (85,229)
33 <b>Sub-Total Depreciation/Amortization</b>	<b>\$ 37,417</b>
34 <b>Return on Rate Base</b>	<b>\$ 18,516</b>
35 <b>Total Cost of Service</b>	<b>\$ 582,209</b>

# Agreement Attachment C

## Audit Workpapers

Harris

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Timber Creek Sewer Co.

Case: QS-07-008U

December 31, 2006

## Revenue Requirement

-----

Line	6.60%
	Return

-----

(A)	(B)
1 Net Orig Cost Rate Base (Sch 2)	\$ 280,545
2 Rate of Return	6.60%
*****	
3 Net Operating Income Requirement	\$ 18,516
4 Net Income Available (Sch 8)	\$ (101,850)
*****	
5 Additional NOI/RT Needed	\$ 120,366
6 Income Tax Requirement (Sch 10)	
7 Required Current Income Tax	\$ 9,471
8 Test Year Current Income Tax	\$ 0
*****	
9 Additional Current Tax Required	\$ 9,471
10 Required Deferred ITC	\$ 0
11 Test Year Deferred ITC	\$ 0
*****	
12 Additional Deferred ITC Required	\$ 0
*****	
13 Total Additional Tax Required	\$ 9,471
*****	
14 Gross Revenue Requirement	\$ 129,837
*****	



Timber Creek Sewer Co.  
Case: QS-07-008U  
December 31, 2006

Rate Base

Line Description		Amount
(A)	(B)	
1    Total Plant in Service    (Sch 3)	\$	2,902,327
Subtract from Total Plant		
2        Depreciation Reserve    (Sch 6)	\$	678,754
-----		
3    Net Plant in Service	\$	2,223,573
Add to Net Plant in Service		
4        Cash Working Capital    (Sch )	\$	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	\$	280,545
=====		

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## Timber Creek Sewer Co.

Case: QS-07-008U

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	1,910,287	(191,000)	100.0000	0 P-2	1,719,287
12		Total	\$ 2,027,081	\$ (191,000)		\$ 0	\$ 1,836,081
<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	3,860	0	100.0000	0 P-3	3,860
16		Total	\$ 89,812	\$ 0		\$ 0	\$ 89,812
17		Total Plant in Service	\$ 3,091,642	\$ (189,315)		\$ 0	\$ 2,902,327

Timber Creek Sewer Co.  
Case: QS-07-008U  
December 31, 2006

Adjustments to Total Plant

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

\*\*\*\*\*  
Structures & Improvements                      P-1                      \$            1,685  
\*\*\*\*\*

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

\*\*\*\*\*  
Treatment & Disposal Facilities                      P-2                      \$            (191,000)  
\*\*\*\*\*

1. To remove from plant-in-service the Timber Park wastewater  
treatment facility that was abandoned and dismantled in  
2002.  
(Harris)                      \$            (191,000)

\*\*\*\*\*  
Miscellaneous Equipment-Safety                      P-3  
\*\*\*\*\*

1. OSHA-required safety equipment for confined space entry.  
(Harris)

Harris

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Timber Creek Sewer Co.

Case: QS-07-008U

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	1,719,287	5.0000	85,964
12		Total	\$ 1,836,081		\$ 94,777
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	3,860	20.0000	772
16		Total	\$ 89,812		\$ 7,261
17		Total Depreciation Expense	\$ 2,902,327		\$ 122,646

## Timber Creek Sewer Co.

Case: QS-07-008U

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	50,820	0	100.0000	0	50,820
5		Total	\$ 50,820	\$ 0		\$ 0	\$ 50,820
Collection Plant							
6	352.100	Collection Sewers (Force)	\$ 40,805	\$ 0	100.0000	\$ 0	\$ 40,805
7	352.200	Collection Sewers (Gravity)	71,358	0	100.0000	0	71,358
8		Total	\$ 112,163	\$ 0		\$ 0	\$ 112,163
Treatment & Disposal Plant							
9	362.000	Receiving Wells	\$ 13,981	\$ 0	100.0000	\$ 0	\$ 13,981
10	363.000	Electric Pumping Equipment	37,151	0	100.0000	0	37,151
11	372.000	Treatment and Disposal Facilities	478,944	(18,174)	100.0000	0 R-1	460,770
12		Total	\$ 530,076	\$ (18,174)		\$ 0	\$ 511,902
General Plant							
13	391.000	Computer, Printer and Scanner	\$ 5,016	\$ 0	100.0000	\$ 0	\$ 5,016
14	396.000	Power Operated Equipment	(1,147)	0	100.0000	0	(1,147)
15		Total	\$ 3,869	\$ 0		\$ 0	\$ 3,869
16		Total Depreciation Reserve	\$ 696,928	\$ (18,174)		\$ 0	\$ 678,754

Timber Creek Sewer Co.  
Case: QS-07-008U  
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)	

Harris

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## Timber Creek Sewer Co.

Case: QS-07-008U

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	\$ 44,974	100.0000	\$ 0 S-1	\$ 400,019
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	1,125	100.0000	0 S-4	34,531
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		Total	\$ 447,380	\$ 4,992		\$ 0	\$ 452,372
<b>Operation &amp; Maintenance Expense</b>							
8		Bank Service Charges	\$ 464	\$ 46	100.0000	\$ 0 S-7	\$ 510
9		Treatment Plant Repair	49,346	(2,612)	100.0000	0 S-8	46,734
10		Sewer and Manhole Repair	8,812	30,403	100.0000	0 S-9	39,215
11		Equipment Repair	3,112	967	100.0000	0 S-10	4,079
12		Licenses and Permits	319	(140)	100.0000	0 S-11	179
13		Postage and Delivery	3,428	1,171	100.0000	0 S-12	4,599
14		Regulatory Expense	30,130	11,799	100.0000	0 S-13	41,929
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	35	100.0000	0 S-17	6,740
19		Sludge Removal	2,330	3,324	100.0000	0 S-18	5,654
20		Health Insurance Premiums	19,679	3,571	100.0000	0 S-33	23,250
21		Liability/Worker Comp Insurance Exp	7,439	366	100.0000	0 S-19	7,805
22		Plant Supplies and Expenses	4,569	414	100.0000	0 S-20	4,983
23		Transportation Expense	3,725	(170)	100.0000	0 S-21	3,555
24		Electric Service	36,477	10,134	100.0000	0 S-22	46,611
25		Telephone/Internet Service	5,524	(142)	100.0000	0 S-23	5,382
26		Water, Trash & Security	3,150	1,038	100.0000	0 S-24	4,188
27		Salaries and Wages	148,247	76,789	100.0000	0 S-25	225,036
28		Outside Services	19,355	(1,370)	100.0000	0 S-26	17,985
29		Utility Locates	2,956	(529)	100.0000	0 S-27	2,427
30		Dues/Subscriptions/Tech trng	415	(159)	100.0000	0 S-28	256
31		Printing Expense	1,051	(853)	100.0000	0 S-29	198
32		Miscellaneous	687	579	100.0000	0 S-30	1,266
33		Total	\$ 374,964	\$ 141,841		\$ 0	\$ 516,805

Harris

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## Timber Creek Sewer Co.

Case: QS-07-008U

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	\$ (8,391) S-31	\$ 122,646
35		Amortization of CIAC	(105,417)	0	100.0000	20,188 S-32	(85,229)
36		Total	\$ 25,620	\$ 0		\$ 11,797	\$ 37,417
*****							
37		Other Operating Expenses	\$ 0	\$ 0		\$ 0	\$ 0
*****							
38		Total Operating Expenses	\$ 400,584	\$ 141,841		\$ 11,797	\$ 554,222
*****							
39		Net Income Before Taxes	\$ 46,796	\$ (136,849)		\$ (11,797)	\$ (101,850)
*****							
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	\$ (136,849)		\$ (11,797)	\$ (101,850)
*****							



Harris

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Timber Creek Sewer Co.

Case: QS-07-008U

December 31, 2006

## Adjustments to Income Statement

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

\*\*\*\*\*

Residential (Flat Rate) Sales	S-1	\$ 44,974
-------------------------------	-----	-----------

\*\*\*\*\*

1. To annualize revenues based on current customer level.	\$ 44,974
---	-----------

(Harris)

\*\*\*\*\*

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

\*\*\*\*\*

1. To update and adjust thru the known and measurable period ended June 30, 2007.	\$ (3,702)
--	------------

(Harris)

\*\*\*\*\*

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

\*\*\*\*\*

1. To update and adjust thru the known and measurable period ended June 30, 2007.	\$ (989)
--	----------

(Harris)

\*\*\*\*\*

Wholesale Sewer Services	S-4	\$ 1,125
--------------------------	-----	----------

\*\*\*\*\*

1. To update and adjust thru the known and measurable period ended June 30, 2007.	\$ 1,125
--	----------

(Harris)

\*\*\*\*\*

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

\*\*\*\*\*

1. To update and adjust thru the known and measurable period ended June 30, 2007.	\$ (6,299)
--	------------

(Harris)

Harris

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## Timber Creek Sewer Co.

Case: QS-07-008U

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	\$ 46
----------------------	-----	-------

1. To update and adjust thru the known and measurable period ended June 30, 2007. (Harris)	\$	46
---	----	----

Treatment Plant Repair	S-8	\$ (2,612)
------------------------	-----	------------

1. To update and adjust thru the known and measurable period ended June 30, 2007. (Harris)	\$	(7,310)
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)	\$	2,720
6. Quarterly maintenance checks and annual load-testing of backup generators. (Harris)	\$	1,723

Harris

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Timber Creek Sewer Co.

Case: QS-07-008U

December 31, 2006

## Adjustments to Income Statement

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

Sewer and Manhole Repair	S-9	\$ 30,403
--------------------------	-----	-----------

1. To update and adjust thru the known and measurable period ended June 30, 2007. (Harris)	\$	(3,572)
---	----	---------

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)	\$	975
---	----	-----

Equipment Repair	S-10	\$ 967
------------------	------	--------

1. To update and adjust thru the known and measurable period ended June 30, 2007. (Harris)	\$	967
---	----	-----

Licenses and Permits	S-11	\$ (140)
----------------------	------	----------

1. To update and adjust thru the known and measurable period ended June 30, 2007. (Harris)	\$	(140)
---	----	-------

Harris

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## Timber Creek Sewer Co.

Case: QS-07-008U

December 31, 2006

## Adjustments to Income Statement

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

\*\*\*\*\*

Postage and Delivery	S-12	\$ 1,171
----------------------	------	----------

\*\*\*\*\*

1. To update and adjust thru the known and measurable period ended June 30, 2007. (Harris)	\$	844
---	----	-----

2. To annualize postage on late notices. (Harris)	\$	60
--	----	----

3. To annualize postage on monthly customer billings. (Harris)	\$	192
---	----	-----

4. To reflect annual cost of post office box overflow. (Harris)	\$	75
--	----	----

\*\*\*\*\*

Regulatory Expense	S-13	\$ 11,799
--------------------	------	-----------

\*\*\*\*\*

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

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

3. To normalize rate case expense. (Harris)	\$	4,500
--	----	-------

\*\*\*\*\*

Payroll Taxes	S-15	\$ 7,192
---------------	------	----------

\*\*\*\*\*

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

December 31, 2006

Timber Creek Sewer Co.  
Case: QS-07-008U  
December 31, 2006

Adjustments to Income Statement

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

\*\*\*\*\*  
Plant Supplies and Expenses S-20 \$ 414  
\*\*\*\*\*

1. To update and adjust thru the known and measurable period \$ 414  
ended June 30, 2007.  
(Harris)

\*\*\*\*\*  
Transportation Expense S-21 \$ (170)  
\*\*\*\*\*

1. To update and adjust thru the known and measurable period \$ (170)  
ended June 30, 2007.  
(Harris)

\*\*\*\*\*  
Electric Service S-22 \$ 10,134  
\*\*\*\*\*

1. To reflect annual increase in electric rates. \$ 10,134  
(Williams)

\*\*\*\*\*  
Telephone/Internet Service S-23 \$ (142)  
\*\*\*\*\*

1. To update and adjust thru the known and measurable period \$ (459)  
ended June 30, 2007.  
(Harris)

2. To annualize internet service expense. \$ 317  
(Harris)

\*\*\*\*\*  
Water, Trash & Security S-24 \$ 1,038  
\*\*\*\*\*

1. To update and adjust thru the known and measurable period \$ 438  
ended June 30, 2007.  
(Harris)

Timber Creek Sewer Co.  
Case: QS-07-008U  
December 31, 2006

Adjustments to Income Statement

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

2.	Cost of uniforms and jackets for company operators. (Harris)	\$ 600	
----	---	--------	--

*****			
Salaries and Wages	S-25	\$ 76,789	
*****			

1.	To establish annualized salary for general manager position. (Harris)	\$ 70,000	
----	--	-----------	--

2.	To reflect a 3.5 percent pay increase for 2007. (Harris)	\$ 5,189	
----	---	----------	--

3.	To reflect board member compensation for quarterly meetings. (Harris)	\$ 1,600	
----	--	----------	--

*****			
Outside Services	S-26	\$ (1,370)	
*****			

1.	To update and adjust thru the known and measurable period ended June 30, 2007. (Harris)	\$ (1,370)	
----	---	------------	--

*****			
Utility Locates	S-27	\$ (529)	
*****			

1.	To update and adjust thru the known and measurable period ended June 30, 2007. (Harris)	\$ (529)	
----	---	----------	--

*****			
Dues/Subscriptions/Tech trng	S-28	\$ (159)	
*****			

1.	To update and adjust thru the known and measurable period ended June 30, 2007. (Harris)	\$ (159)	
----	---	----------	--





Harris

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Timber Creek Sewer Co.

Case: QS-07-008U

December 31, 2006

## Income Tax

Line		Test Year	6.60% Return
(A)		(B)	
1	Net Income Before Taxes (Sch 8)	\$ (101,850)	\$ 27,987
	Add to Net Income Before Taxes		
2	Book Depreciation Expense	\$ 37,417	\$ 37,417
3	Total	\$ 37,417	\$ 37,417
	Subtr from Net Income Before Taxes		
4	Interest Expense 6.3800 %	\$ 17,899	\$ 17,899
5	Total	\$ 17,899	\$ 17,899
6	Net Taxable Income	\$ (82,332)	\$ 47,505
	Provision for Federal Income Tax		
7	Net Taxable Income	\$ (82,332)	\$ 47,505
8	Deduct Missouri Income Tax 100.0 %	\$ 0	\$ 2,759
9	Deduct City Income Tax	0	0
10	Federal Taxable Income	(82,332)	44,746
11	Total Federal Tax	\$ 0	\$ 6,712
	Provision for Missouri Income Tax		
12	Net Taxable Income	\$ (82,332)	\$ 47,505
13	Deduct Federal Income Tax 50.0 %	\$ 0	\$ 3,356
14	Deduct City Income Tax	0	0
15	Missouri Taxable Income	(82,332)	44,149
16	Total Missouri Tax	\$ 0	\$ 2,759

Harris

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Timber Creek Sewer Co.

Case: QS-07-008U

December 31, 2006

## Income Tax

Line	(A)	Test Year	(B)	6.60% Return
Provision for City Income Tax				
17	Net Taxable Income	\$ (82,332)	\$	47,505
18	Deduct Federal Income Tax	\$ 0	\$	6,712
19	Deduct Missouri Income Tax	0		2,759
20	City Taxable Income	(82,332)		38,034
21	Total City Tax	\$ 0	\$	0
Summary of Provision for Income Tax				
22	Federal Income Tax	\$ 0	\$	6,712
23	Missouri Income Tax	0		2,759
24	City Income Tax	0		0
25	Total	\$ 0	\$	9,471
Deferred Income Taxes				
26	Deferred Investment Tax Credit	\$ 0	\$	0
27	Deferred Repair Allowance	0		0
28	Deferred Tax Depreciation	0		0
29	Amort of Deferred Tax Depreciation	0		0
30	Amort of Repair Allowance	0		0
31	Amort of Deferred ITC	0		0
32	Deferred Unbilled	0		0
33	Total	\$ 0	\$	0
*****				
34	Total Income Tax	\$ 0	\$	9,471
*****				

# Agreement Attachment D

## Rate Design Workheet

# **TIMBER CREEK SEWER COMPANY**

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## **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>\$ 396,783</b>
<b>Agreed-Upon Overall Revenue Increase</b>	<b>\$ 129,837</b>
<b>Percentage Increase Needed</b>	<b>32.722%</b>

### **Customer Rates**

<b>Customer Location</b>	<b>Current Service Charge</b>	<b>Proposed Service Charge</b>
Platte County	\$ 26.97	\$ 35.80
Clay County	\$ 26.97	\$ 26.97

# Agreement Attachment 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>\$35.80</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	\$ 35.80
Usage Charge	\$ -
Total Bill	\$ 35.80

#### **INCREASES**

##### **Customer Charge**

<b>\$ Increase</b>	<b>\$8.83</b>
<b>% Increase</b>	<b>32.72%</b>

##### **Usage Charge**

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

##### **Total Bill**

<b>\$ Increase</b>	<b>\$8.83</b>
<b>% Increase</b>	<b>32.72%</b>

## Agreement Attachment F

### CIAC Fee Calculation Worksheet

## CIAC Fee Calculation Worksheet

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### Existing Treatment and Disposal Plant

Account #	Description	Amount
362	Receiving Wells	\$ 47,776
363	Electric Pumping Equipment.	\$ 69,018
372	Treatment & Disposal Facilities	<u>\$ 1,719,287</u>
	Total	\$ 1,836,081

Existing Plant Capacity 530,000 Gallons per Day (GPD)

Existing Plant Customer Capacity 1,432  
(at design usage of 370 gpd/customer)

Price per GPD for Existing Treatment Plant \$3.46

CIAC Requirement per Customer for Existing Plant \$1,282

### New Capacity Charge Calculation

\$8.00 per GPD New Construction Cost x 370 GPD \$2,960

Less: Prior CIAC Over Collection \$310

Amount of CIAC to be Collected \$2,650

Increase from Existing CIAC Fee \$1,050



## Agreement Attachment G

### Schedule of Depreciation Rates

**Timber Creek Sewer Co., Inc**  
**DEPRECIATION RATES**

**(SEWER)**

**Case No. QS-2007-0008**

<u>Acct. No.</u>	<u>Description of Account</u>	<u>Annual Rate</u>
311	Structures & Improvements	2.5%
352.1	Collection Sewers (Force)	2.0%
352.2	Collection Sewers (Gravity)	2.0%
362	Receiving Wells & Pump Pits	4.0%
363	Pumping Equipment	10.0%
373	Treatment & Disposal Facilities	5.0%
391.1	Office Computer Equipment	14.3%
393	Other General Equipment	6.7%

# Agreement Attachment H

## EMSD Report

# **REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW**

## **Engineering & Management Services Department**

### **Small Company Revenue Increase Request**

**Tracking File No. QS-2007-0008**

**Timber Creek Sewer Company**

The Engineering & Management Services Department (EMSD) staff initiated an informal review of the customer service processes, procedures, and practices at Timber Creek Sewer Co., Inc. (Timber Creek or Company) on April 24, 2007. The review was performed in conjunction with a small company rate increase request submitted by Timber Creek on March 22, 2007, and assigned Tracking No. QS-2007-0008. In the course of its review, the EMSD staff examined Company tariffs, annual reports, Missouri Public Service Commission (Commission) complaint and inquiry records, and other documentation provided by the Company in relation to its customer service operations.

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

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

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

- Customer Billing
- Credit and Collections
- Complaint and Inquiry Handling and Recording
- Customer Communications
- Security Issues
- Record Storage

The EMSD staff's prior customer service operations review, performed in conjunction with Timber Creek's 2003 small company rate increase request, Tracking No. QS-2004-0001, noted three findings and recommendations:

- 1.     **Applications for Service.**   Require all customers to sign and date an application for service prior to providing sewer service, as noted in Company's tariffs.*
- 2.     **Customer Billing.**       Institute an automated billing program to bill customers on a monthly basis.*
- 3.     **Invoices to Contractors.**   Add Timber Creek's office telephone number to contractor invoices.*

Timber Creek has taken action on recommendations regarding customer billing and invoices to contractors, but is still not requiring a customer signature prior to providing sewer service as required by Company's tariffs. This report contains the results of the EMSD staff's latest review.

### **Overview**

Timber Creek currently provides sewer service to 1,203 single-family residential customers, including builders for homes currently nearing completion. The Company also provides wastewater treatment for a subdivision of 78 multi-family dwellings (containing 366 units), and two strip malls containing a YMCA, public library, law office, bank, daycare, hardware store, and two restaurants that have been annexed by Platte City. The following table shows the Company's significant growth (344%) in the number of customers since 2000, and expansion continues.

<b><u>Year</u></b>	<b><u>Customers</u></b>	<b><u>% Increase</u></b>
2000	268	
2001	328	22%
2002	548	67%
2003	637	16%
2004	765	20%
2005	930	22%
2006	1,192	28%

With the exception of the contract with Platte City to provide wholesale wastewater treatment for the two strip malls and 78 multi-family dwellings, all current customers are residential. Company management projects that another 125 new homes will be added to its various service areas during 2007.

Timber Creek began in 1990 with a wastewater treatment plant for the Timber Creek Subdivision located east of Platte City, Missouri. The Timber Creek plant has been expanded from 15,000 to 30,000 gallons per day capacity and now also services the Summerset Subdivision.

In 1995, the Timber Park treatment plant was built to service new developments south of Platte City. As expansion of existing subdivisions and new developments continued, the Timber Park treatment plant was taken off-line and replaced in March 2003 by the Prairie Creek treatment plant. The Prairie Creek treatment plant has been expanded from its initial capacity of 250,000 gallons per day to 500,000 gallons per day. The Prairie Creek treatment plant presently services the following subdivisions:

- Oak Creek
- Timber Park
- Timber Park Meadows
- New Bedford Falls
- Lakes at Oakmont
- Estates of Lakes at Oakmont
- Hills of Oakmont
- Brookfield
- Running Horse West
- Copper Ridge
- Summit Way
- Fox Creek Townhomes
- Townhomes of Oak Valley
- Seven Bridges

Company management explained there are multiple developments consisting of approximately 1,700 lots within Seven Bridges, but at the present time approximately 50 homes have been completed. All of these subdivisions are located in Platte County.

On March 9, 2005, Timber Creek filed an application for approval of a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a sewer system in an unincorporated area of Clay County, known as Oakbrook Subdivision (Case No. SA-2005-0297). On January 5, 2006, the Commission issued an Order granting the relief requested. The Oakbrook treatment plant, currently under construction, will have a total capacity of 30,000 gallons per day and serve 75 homes.

On June 6, 2005, Timber Creek filed a separate application for approval to construct, install, own, operate, control, manage and maintain a sewer system in another unincorporated area of Clay County, known as Johnson Ridge Subdivision (Case No. SA-2005-0467). On March 28, 2006, the Commission granted Timber Creek authority to build that treatment plant. The Johnson Ridge treatment plant, with a capacity of 40,000 gallons per day, is now in operation and serving 7 homes. Johnson Ridge Subdivision contains a total of 107 lots that will be eventually serviced by the treatment plant.

Company management appears to have considered its future growth in the additions it has made to both the Timber Creek and Prairie Creek treatment plants. In addition, the new Johnson Ridge and Oakbrook treatment plants have been designed to fully service their respective subdivisions.

Company management stated that in the short-term, they will be spending time getting the Oakbrook treatment plant up and running, as well as fine-tuning operations of the Johnson Ridge treatment plant. They will also be performing routine maintenance, such as cleaning lines, and repairing and replacing grinder pumps. Timber Creek management is researching automating their work order system and plans to eventually map their sewer system on computer. Long-term plans include master planning for their service areas and continued expansion of the plant to remain poised to serve the needs of their customers.

Activities associated with overall Company management are performed by the President and General Manager. The Operations Manager and Plant and Collections System Operator perform outside plant activities. Outside plant activities include repairs to the infrastructure, inspection of pump stations, service lines and manholes, overseeing work of plumbers, and general maintenance of outside plant facilities and property. Subcontractors, such as plumbers, backhoe operators, and mowers, are used on an as-needed basis.

The Office Manager is responsible for business office functions. Business office functions include preparation of customer bills, collection of customer payments, maintenance of customer records, responding to customer inquiries and complaints, and preparation of customer correspondence.

Office hours are Monday through Friday, 9 a.m. to 4 p.m., and customers may contact Timber Creek during those hours or leave a message on the answering machine. In the event of an emergency after hours, the office answering machine directs callers to a cell phone number that is answered at all times by either the Operations Manager or the Plant and Collections System Operator on a rotating basis.

### **Customer Billing**

Contractors of new homes in Timber Creek's service area currently telephone the Office Manager to request a permit for sewer service. The Office Manager completes an Application/Permit for Sewer Service Line Installation at the Company's office, noting the builder, the permanent owner's name (if known), the service address, the billing address, subdivision, and date. Company management stated that contractors sign the application when the appropriate fees are paid. Platte County requires this signed application/permit with Timber Creek prior to issuing a contractor's building permit. This procedure serves as a safeguard for Timber Creek, as a contractor cannot begin construction without a sewer permit.

Once the Operations Manager and/or Plant and Collections System Operator inspect service connections to the new homes, contractors are invoiced a monthly flat rate of \$26.97 for each home in progress where service is provided. The Office Manager stated that contractors may be in the process of building several homes at a time and are billed for each of these homes on separate monthly invoices. When the contractor sells the home, the new homeowner is to notify Timber Creek to have service put in their name.

Timber Creek has a form that is used when new customers request service and for changeovers when a customer moves out and a new customer moves in. This form requests date of closing, whether the customer rents or owns the home, customer name, billing address, address of property, phone number, seller's name, subdivision name, lot number, method of payment (direct withdraw – yes or no), and the date the customer called for service. This form does not require a customer's signature and may be completed by Timber Creek's Office Manager.



A discrepancy currently exists in the Company's tariff between Rule 2.A. on Original Sheet 10 and 4.A. on Original Sheet 12 regarding the requirement for signed applications by customers. Staff from the Commission's Water and Sewer Department will be recommending appropriate changes to Original Sheet 10, Rule 2.A. so that it will not conflict with Original Sheet 12, Rule 4.A. and to make the language in Timber Creek's tariff consistent with the majority of other regulated sewer company tariffs that require signed applications from customers.

Timber Creek charges contractors a \$1,600 contribution in aid of construction fee for each new home. New customers are charged a \$50 service connection fee and a \$25 re-inspection of service connection fee, if necessary. Each customer is currently charged a flat monthly fee of \$26.97 for sewer service in advance of requiring the service. These fees are in agreement with Timber Creek's tariffs.

The portion of Timber Creek's service area that was annexed by Platte City contains 78 multi-family dwellings and the two strip malls mentioned earlier. The City contracted with Timber Creek to continue to provide wholesale wastewater treatment for this annexed area. The City bills these customers for wastewater treatment based on the number of gallons of water used (\$3.15 for the first 1,000 gallons of water used and \$2.75 for each 1,000 gallons of water used thereafter). The City then pays Timber Creek \$2.00 based on every 1,000 gallons of water used. According to Platte City's City Administrator, the City paid Timber Creek \$1.80 per 1,000 gallons used until April 2007, when Timber Creek raised its fee. The City Administrator of Platte City stated the monthly amount generally paid to Timber Creek is in the neighborhood of \$3,000. The City also provides Timber Creek with a general report containing a breakdown of the number of gallons used by commercial and residential customers on a monthly basis, enabling Timber Creek to know how many gallons of water are going through their treatment plant.

Timber Creek purchased a billing software package, Thoroughbred Software Utility Manager XP+, from Thoroughbred, a software company based in Topeka, KS. The first billing using the new system was generated on December 28, 2004. Personnel from Thoroughbred trained the Office Manager and granted her certification in its program. Certification allows the Office Manager to obtain technical support free of charge for five years. The Company Office Manager stated that technical support from Thoroughbred has been excellent, and the billing

package has been a quality tool for efficient billing, as well as tracking customer account information and payment histories. The software package has numerous search capabilities, such as searching the number of accounts by subdivision and accounts that are in arrears by a specified number of days, enabling the Company to compile various management reports.

Timber Creek mails the postcard customer bills on the 28th day of each month (or the 27th of each month when the 28th falls on a weekend). Payments are due upon receipt and are considered delinquent after the 21st day of the following month.

Each bill contains the Company's name, address, telephone number, statement date, service month, "Due Now", and "Amt Due After month/21st". In addition, special messages can be programmed into the software to print on each bill. The Thoroughbred software also barcodes each address to aid in the bulk mailing process.

### **Credit and Collections**

Payment options for Timber Creek customers include paying by mail, in person at the office, or by direct withdraw. The Company stated that approximately 85% to 88% of customers pay by mail, while about 12% to 15% make their payments by direct withdraw. It is rare for customers to come to the office to make their payments. Customers paying by mail may pay by check, cash, money order, or cashier's check. Timber Creek does not charge a security deposit for providing sewer service.

In order to process payments from those customers registered for direct withdraw, the Office Manager runs an ACH program through the Thoroughbred system that compiles customer account information, bank routing numbers, and the amount to be billed. The information is burned to a disk, checked, and taken to the bank each month. The bank handles the transactions and returns the disk to Timber Creek. Payments are deducted from customers' accounts on the 2nd of each month. There is no fee to the customers for this service.

As mentioned earlier, payments are due on receipt and become delinquent after the 21st of the following month. After the 21st of the month, a 10% late fee on the balance owed is assessed and a postcard reminder is mailed, notifying the customer that the current charge to their account is now past due and service is subject to discontinuance on a certain date (after 30 days). This reminder notice also offers the customer the opportunity to register for direct withdraw.

After 48 days from the bill date, a Notice of Delinquent Account letter is mailed notifying the customer of the amount due, that service will be disconnected on a specific date, and the account will be turned over to a collection agent. One week after the Notice of Delinquent Account is mailed, the Office Manager knocks on the customer's door to request payment. A door hanger is left at the residence when contact is not made. Due to the aggressiveness of Timber Creek's collection activities, it has not been necessary to disconnect service to any customers. Company management is also concerned that liability issues may arise due to disconnections. Timber Creek has not written off any uncollectible accounts for at least the last three years.

Payments are posted daily to customer accounts in Thoroughbred Utility Manager XP+, enabling the Office Manager to determine the total amount of arrearages for all accounts on any given day. Bank deposits are made daily.

Timber Creek received a total of 13 insufficient funds checks in 2006 and 7 from January to April 2007. When Timber Creek receives an insufficient funds check, the Office Manager logs the check and calls the customer to request payment. If the customer comes to the office that day to settle the account, Timber Creek charges a fee of \$3. However, if the customer does not make payment on that day, a \$25 fee is assessed. Currently, the \$3 charge is not included in Timber Creek's tariff, but Staff from the Commission's Water and Sewer Department will be reviewing the miscellaneous charges included in the Company's tariff and will be recommending appropriate changes. The Office Manager then mails a certified letter, notifying the customer that their check has been returned for insufficient funds and requesting immediate payment. If the customer does not contact Timber Creek or pay within five days, the account is turned over to the Prosecuting Attorney's office. The Office Manager stated that they have had a 100% collection rate by the Prosecuting Attorney making it unnecessary to use an outside collection agency.

As of April 23, 2007, 149 customer accounts were 21 or more days in arrears. The Office Manager noted that this number includes customers who have any type of balance, even less than \$1.00. The total amount of arrearage was \$3,883.68. The Office Manager stated that 2 properties serviced by Timber Creek are currently in foreclosure status. Personnel from Timber Creek monitor the local newspapers, "Platte County Citizen" and "The Landmark," to watch for foreclosures or bankruptcies. Due to actively monitoring the newspapers, Timber Creek has

been successful in having the banks collect on bills that were due. In one instance, a door hanger from Timber Creek alerted the Title Company that a bill was due, and the Title Company telephoned Timber Creek to verify the account status. Timber Creek eventually received payment in full on that account.

Timber Creek has not had problems with unauthorized service connection to the Company's collecting sewer. The Operations Manager or Plant and Collections System Operator inspect the systems daily and monitor the subdivisions for construction activities. Timber Creek is a member of the Call Before You Dig program.

### **Complaint and Inquiry Handling and Recording**

Customers are able to contact the business office during working hours (Monday through Friday from 9 a.m. to 4 p.m.). After hours, Timber Creek's answering machine provides a cell phone number for emergencies. The Operations Manager and the Plant and Collections System Operator rotate emergency on-call duties 24/7. There are also alarms on the treatment plants and lift stations. In the event a problem occurs, the alarm rings a series of telephone numbers to the office, Operations Manager, Plant and Collections System Operator, General Manager, and President until it is answered.

The Office Manager initially responds to customer inquiries and complaints. If callers need further assistance, they may be referred to the Operations Manager, the Plant and Collections System Operator, or the General Manager. Two separate complaint logs (one for grinder pump problems and the other for everything else) are maintained, as the General Manager wants to specifically track the number of grinder pump problems. The logs list the date of the complaint, the time, name of customer, details of the complaint, and solution. In addition, a folder of the actual forms filled out when customers call with complaints or inquiries is maintained.

A review of the "Consumer Quality" database in the Commission's electronic filing and information system revealed that there have been three informal complaints (two in 2004 and one in 2005) entered into the system regarding the Company from the time the system went into service in April 2002 through April 30, 2007. To date, Timber Creek has received ten public comments regarding the proposed rate increase.

### **Customer Communications**

No public meetings for Timber Creek are held. On occasion, the President and General Manager attend Planning and Zoning Committee Meetings and answer questions posed by City officials or the public. The Office Manager stated that communication to customers is typically by mail. The recent rate increase messages were communicated to customers through a printed letter. Other than the customer calls made to the area office, no indication of the customers' satisfaction level with their service has been determined.

### **Security Issues**

Timber Creek's office is situated in a secluded rural area with woods surrounding it. Shortly after being burglarized in September 2006, Timber Creek purchased a new security gate and security cameras for the main office and the sewer plant locations. A monitor alarm system was added to the office and security gate in 2006. The system is monitored by Advance Security Systems and calls go directly to the Sheriff's Office. The Office Manager, who is often at the office by herself, can monitor a computer screen with four views of the office, grounds, and treatment plant.

To gain access to Timber Creek's office, customers must press an intercom button. The Office Manager answers the intercom and opens the gate by remote control. The Company sees this as a minor inconvenience compared to the security offered; however, customers may see the closed gate and assume Timber Creek's office is closed.

### **Record Storage**

The Office Manager runs a daily back-up of computerized customer account records. The disk containing customer accounts, as well as official Company documents, applications for service, and personnel records are stored in a fireproof safe at the Company's office.

## **FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

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

- Applications for Service
- Security Issues

### **Applications for Service**

Signed applications are not currently being obtained from customers when they purchase their homes from contractors or from an existing customer. Upon purchasing a home, the new homeowners telephone Timber Creek to have service put in their names and pertinent information is taken over the telephone.

A discrepancy currently exists between Original Sheet 10, Rule 2.A. and Original Sheet 12, Rule 4.A. regarding obtaining signed applications from customers. Rule 2.A. currently reads:

Every customer, upon signing an application for service or accepting service rendered by the company, shall be considered to have expressed consent to be bound by these rates and rules. (Emphasis added).

Original Sheet 12, Rule 4.A. reads:

A written application for service, signed by the customer, and accompanied by the appropriate fees as provided in the Schedule of Rates, Schedule of Service Charges, or Rule 11 – Extension of Collecting Sewers, and other information required by these rules, must be received from each customer before service is provided to any unit. Said application must be filed in writing 24 hours in advance stating the street, house number, name of the applicant, name of the property owner, and the time at which connection is to be made . . . (Emphases added).

The Commission's Water and Sewer Department will be recommending changes to make the Company's existing tariff language in Rule 2.A. consistent with Rule 4.A. and to bring Timber Creek's tariff language in line with the majority of other regulated sewer company tariffs regarding the requirement to obtain signed applications.

Present customers will be grandfathered in under the conflicting current tariffs and will not be required to sign applications after the fact. In addition to being required by Rule 4.A. of the tariff, a signed and dated application by the homeowner requesting service will give Timber Creek more leverage to collect monies owed should the need arise.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Require all customers to sign and date an application for service prior to providing sewer service after the effective date of Timber Creek's revised tariff making Rule 2.A. consistent with Rule 4.A.*

### **Security Issues**

A closed, locked security gate to Timber Creek's office may lead customers to believe the office is closed during actual business hours. Although customers may press the intercom button to speak with the Office Manager or other office personnel, this may not be readily apparent to all customers. A sign on the security intercom pedestal directing customers to "press the white button for service during business hours" would let customers know that office personnel are available to assist them.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Post a sign on the intercom pedestal in front of the security gate to inform customers that access to office personnel is available.*