

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

In the Matter of Missouri Utilities Company)
Small Company Rate Increase.) **Case No. SR-2009-0153**

**NOTICE OF UNANIMOUS AGREEMENT REGARDING DISPOSITION
OF SMALL SEWER COMPANY REVENUE INCREASE REQUEST**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its *Notice of Unanimous Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* (Notice) states the following:

1. On October 23, 2008, the Missouri Public Service Commission (Commission) received a Rate Increase Request Letter from Missouri Utilities Company (Company) requesting the Commission allow a 100% increase to its annual operating revenues.

2. Subsequent to Staff's investigation and pursuant to negotiations between the Company, Staff, and the Office of Public Counsel (OPC), all parties have been able to reach a *Unanimous Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* (Unanimous Agreement).

3. Included in Appendix A, attached hereto, is a copy of the above-referenced Unanimous Agreement, as well as various attachments related to the Unanimous Agreement. Additionally, Appendix A contains affidavits from Staff members that participated in the investigation of this matter.

4. As agreed-upon by the parties to this case, the Unanimous Agreement provides for an increase of \$4,700 in the Company's annual operating revenues.

5. Pursuant to Rule 4 CSR 240-3.050(13), "[i]f the disposition agreement filed by the staff provides for a full resolution of the utility's request and is executed by the utility, the staff

and the public counsel, the utility shall file new and/or revised tariff sheets, bearing an effective date that is not fewer than (30) days after they are filed, to implement the agreement.” The Company will file substitute tariff sheets No. 4 and No. 5 by July 10, 2009, seeking to implement the terms of the Unanimous Agreement. This tariff sheets will allow for the minimum 30-day effective date, and bear the effective date of August 10, 2009.

6. The Company’s receiver has filed the annual report for only the 2007 and 2008 calendar years. The Company is delinquent on Commission Assessment Fees (“Assessment”) for fiscal years 2000, 2003, 2004, 2005, 2006 and 2007. The receiver paid the Assessment for fiscal year 2008 and has been making payments for fiscal year 2009. The Company has no other cases pending before the Commission.

WHEREFORE, Staff respectfully submits this Notice and the attached Appendix A for the Commission's information and consideration in this case and requests that the Commission enter an Order adopting the terms agreed upon by Staff, the Company, and OPC.

Respectfully submitted,

/s/ **Shelley Syler Brueggemann**

Shelley Syler Brueggemann

Missouri Bar No. 52173

Attorney for the Staff of the

Missouri Public Service Commission

P. O. Box 360

Jefferson City, MO 65102

(573) 526-7393 (Telephone)

(573) 751-9285 (Fax)

shelley.brueggemann@psc.mo.gov (e-mail)

\

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 6th day of July 2009.

/s/ **Shelley Syler Brueggemann**

APPENDIX A

STAFF PARTICIPANT AFFIDAVITS AND DISPOSITION AGREEMENT & ATTACHMENTS

CASE NO. SR-2009-0153

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

Table of Contents

Staff Participant Affidavits

Unanimous Disposition Agreement

Agreement Attachment A: Example Tariff Sheets

Agreement Attachment B: Rate Design Worksheet

Agreement Attachment C: Billing Comparison Worksheet

Agreement Attachment D: EMSD Report

Agreement Attachment E: Summary of Case Events

Staff Participant Affidavits

James M. Russo – Water & Sewer Department

J. Kay Niemeier – Engineering & Management Services Department

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

AFFIDAVIT OF JAMES M. RUSSO

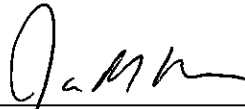
STATE OF MISSOURI)

) SS

CASE NO. SR-2009-0153

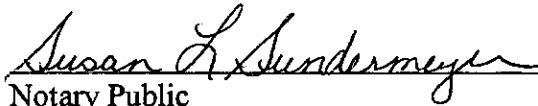
COUNTY OF COLE)

COMES NOW James M. Russo, being of lawful age, and on his oath states the following: (1) that he is the Rate and Tariff Examination Supervisor of 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 was responsible for the preparation of the following *Unanimous Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request ("Disposition Agreement")*; (4) that he was responsible for the preparation of Attachments A, B, C and E to the Disposition Agreement; (5) that he has knowledge of the matters set forth in the Disposition Agreement and the above-referenced attachments thereto; and (6) that the matters set forth in the Disposition Agreement and the above-referenced attachments thereto are true and correct to the best of his knowledge, information and belief.



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

Subscribed and sworn to before me this 6th day of July, 2009.


Notary Public

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

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

AFFIDAVIT OF J. KAY NIEMEIER


STATE OF MISSOURI)

) SS

CASE NO. SR-2009-0153

COUNTY OF COLE)

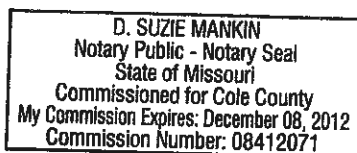
COMES NOW J. Kay Niemeier, being of lawful age, and on her oath states the following: that she is a Utility Management Analyst III of the Missouri Public Service Commission's Engineering and Management Services Department; (2) that she participated in the Staff's investigation of the small company rate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

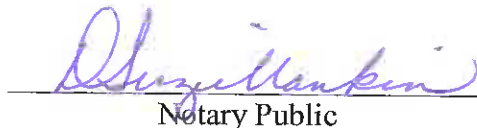


J. Kay Niemeier

Utility Management Analyst III
Engineering and Management Services Dept.

Subscribed and sworn to before me this 6th day of July, 2009.





Notary Public

Unanimous Disposition Agreement

UNANIMOUS AGREEMENT REGARDING DISPOSITION
OF SMALL SEWER COMPANY REVENUE INCREASE REQUEST

MISSOURI UTILITIES COMPANY

MO PSC CASE NO SR-2009-0153

BACKGROUND

Missouri Utilities 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") Case Number by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-3.050, Small Utility Rate Case Procedure ("Small Company Procedure"). In its request letter, which was received by the Commission on October 23, 2008, the Company set forth its request for an increase of 100% in its total annual sewer service operating revenues. 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. The Company provides service to approximately 130 customers, the vast majority of which are residential customers.

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

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

On May 21, 2009, Staff and the Company filed a Company/Staff Disposition Agreement. The Company filed related tariff revisions P.S.C. MO No. 1 1st Revised Sheet No. 4 Canceling

Original Sheet No. 4 (“No.4”) and P.S.C. MO No. 1 1st Revised Sheet No. 5 Canceling Original Sheet No. 5 (“No. 5”) on May 26, 2009.

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

Pursuant to negotiations, Staff, the Company and OPC hereby state the following agreements.

- (1) That for the purpose of implementing the agreements set out herein, the Company will file with the Commission substitute tariff sheets No. 4 and No. 5, intended both to reflect the terms of this agreement and to supersede those revised tariff sheets No. 4 and No. 5, filed with the Commission on May 26, 2009. These substitute tariff sheets shall be filed on or before July 10, 2009, shall bear an effective date of August 10, 2009, and shall contain the rates, charges and language set out in the example substitute tariff sheets attached hereto as Attachment A.
- (2) That the rates set out in the attached example substitute tariff sheets No. 4 and No. 5, attached hereto as Attachment A, are designed to generate additional revenues of \$4,700.
- (3) That the rates set out in the attached example substitute tariff sheet, the development of which is shown on the rate design worksheet attached hereto as Attachment B, are designed to generate revenues sufficient to recover the agreed-upon total annualized cost of service for the Company.
- (4) That the rates included in the attached example substitute tariff sheets will result in the residential customer impacts shown on the billing comparison worksheet attached hereto as Attachment C.
- (5) That the rates included in the attached example substitute tariff sheets are just and reasonable, and that the provisions of the attached example substitute tariff sheets also properly reflect all other agreements set out herein, where necessary.
- (6) The Company will maintain all of its financial records in accordance with the Commission’s Uniform System of Accounts (“USOA”).
- (7) The Company will contract to have the fence repaired around the Company’s waste water facilities in accordance with the requirements of 10 CSR 20-8.020(11)(C) 11 within three (3) months of the effective date of an order approving this Disposition Agreement and provide proof of the installation to the Manager of the Commission’s Water and Sewer Department upon completion.
- (8) Within thirty (30) days of the effective date of an order approving this Unanimous Disposition Agreement, the Company will implement the recommendations contained in the Engineering & Management Services Department (“EMSD”) Report attached hereto as Attachment D. These recommendations include the following:

- a. Develop and distribute to all current and future customers written information specifying the rights and responsibilities of the Company and its customers.
- b. Require a signed customer application prior to service being provided by the Company as provided in its tariff. The Company's customer application shall include the date and the customer's signature indicating that the customer agrees to abide by the Company's rates, rules and regulations and applicable state statutes.
- c. Implement a procedure under which the Company charges its customers the "turn on" and "turn off" fees in a consistent and equitable manner. The procedure shall adhere to the Company's substitute tariff Sheet No. 5.
- d. Develop and implement a process to ensure all customer complaints received by Company personnel are documented and maintained for at least two (2) years. Documentation shall include the customer name, address, nature of the complaint, date of occurrence, as well as an explanation of what the Company has done to address the complaint.

(9) Within six (6) months of the effective date of an order approving this Unanimous Disposition Agreement, the Company will implement the recommendations contained in the Engineering & Management Services Department ("EMSD") Report. These recommendations include the following:

- a. Establish and implement a policy regarding the collection of delinquent accounts and consistently apply the policy to all customers.

(10) The Company will mail its customers a written notice of the rates and charges included in its proposed tariff revisions within fifteen (15) days or during its next billing cycle after the issuance of the Commission Order approving the terms of this Unanimous Disposition Agreement. The notice will include a summary of the impact of the proposed rates on an average residential customer's bill. When the Company mails the notice to its customers, it will also send a copy to Staff Case Coordinator who will file a copy in the subject case file.

(11) That Staff will conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Unanimous Disposition Agreement.

(12) That Staff may file a formal complaint against the Company, if the Company does not comply with the provisions of this Unanimous Disposition Agreement.

(13) That the Company, Staff and OPC agree that all parties have read the foregoing Unanimous Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request; that upon each party's best knowledge and belief the

facts stated therein are true; that the foregoing conditions accurately reflect the agreement reached between the Company, Staff and OPC and that each party freely and voluntarily enters into this agreement.

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

ADDITIONAL MATTERS

Other than the specific conditions agreed upon and expressly set out herein, the terms of this Unanimous Disposition Agreement reflect compromises between Staff, OPC and the Company. In arriving at the amount of the annual operating revenue increase specified herein no party has agreed to any particular ratemaking principle.

The Company has filed the annual report for only for the 2007 and 2008 calendar years. The Company is delinquent on the Missouri Public Service Commission Assessment Fees ("Assessment") for fiscal years 2000, 2003, 2004, 2005, 2006 and 2007. The Receiver paid the Assessment for fiscal year 2008 and has been making payments for fiscal year 2009.

The Company, OPC and Staff acknowledge that the Company and Staff have previously agreed to an extension of the normal "Day-150" date by which an agreement regarding the resolution of a small company revenue increase request is to be reached because the initial customer notice did not meet the requirements of 4 CSR 240-3.050 (7). A copy of the extension agreement can be found in the EFIS docket for this case.

Staff has completed a Summary of Case Events and has included that summary as Attachment E to this Unanimous Disposition Agreement.

The Company and OPC acknowledge that Staff will be filing this Unanimous Disposition Agreement and the attachments hereto, in the existing case after the Company files the proposed tariff revisions mandated by this agreement. The Company and OPC also acknowledge that Staff may make other filings in this case.

Additionally, the Company and OPC agree that Staff shall have the right to provide whatever oral explanation the Commission may request regarding this Unanimous Disposition Agreement at any agenda meeting at which that case is noticed to be considered by the Commission. The parties will be available to answer Commission questions regarding this Unanimous Disposition

Agreement. To the extent reasonably practicable, Staff shall provide the Company and OPC with advanced notice of any such agenda meeting so that they may have the opportunity to also be represented at the meeting.

Small Company Revenue Increase Disposition Agreement
MO PSC Tracking File No. SR-2009-0153
Missouri Utilities Corporation – Page 6 of 6 Pages

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.

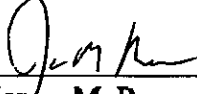
Agreement Signed and Dated:



Gary V. Cover
Receiver
Missouri Utilities Company.

7-6-09

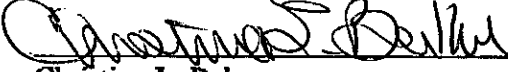
Date



James M. Russo
Rate and Tariff Examination Supervisor
Water & Sewer Department
Missouri Public Service Commission Staff

7-6-09

Date



Christina L. Baker
Senior Public Counsel
Office of the Public Counsel.

7-6-09

Date

List of Attachments

Attachment A – Example Tariff Sheets
Attachment B – Rate Design Worksheet
Attachment C – Billing Comparison Worksheet
Attachment D – EMSD Report
Attachment E – Summary of Events

Agreement Attachment A

Example Tariff Sheets

P.S.C. MO. No. 1

1st Revised Sheet No. 4
Canceling Original Sheet No. 4

Missouri Utilities
Name of issuing Corporation

For Part of Unincorporated Pettis County

RULES GOVERNING RENDERING OF
SEWER SERVICE

SCHEDULE OF RATES

Availability: Sewer service is available to customers adjacent to the Company's collector sewers.

Flat rates for un-metered customers,

sewer – mobile homes in parks and apartments	\$8.80 month	+
Single Family units	\$10.93 month	+
Commercial	\$19.40 month	+

and metered rates:

sewers – based on water usage during January, February, and March the monthly charge would be calculated according to:

a minimum (to include 4500 gal. / mo.) of.....	\$8.80 month	+
plus a usage rate per 1000 gallons of	\$1.41 thousand	+

* Indicates New Rate or Text

+ Indicates Change

DATE OF ISSUE May 26, 2009 DATE EFFECTIVE July 10, 2009.....

Issued by: <u>Gary V. Cover, Receiver</u>	<u>P.O. Box 506 Clinton MO 64735</u>
Name of Officer Title	Address

P.S.C. MO. No. 1

1st Revised Sheet No. 5
Canceling Original Sheet No. 5

Missouri Utilities
Name of issuing Corporation

For Part of Unincorporated Pettis County

RULES GOVERNING RENDERING OF
SEWER SERVICE

SCHEDULE OF SERVICE CHARGES

Construction inspection charge per connection	\$75.00	
New connection, disconnect and reconnect charge	actual cost	
Late Fee.....	\$5.00	*
Returned check charge.....	\$25.00	+

* Indicates New Rate or Text
+ Indicates Change

DATE OF ISSUE May 26, 2009 DATE EFFECTIVE July 10, 2009.....
Issued by: Gary V. Cover, Receiver P.O. Box 506 Clinton MO 64735
Name of Officer Title Address

Agreement Attachment B

Rate Design Worksheet

MISSOURI UTILITIES

Development of Tariffed Rates-Sewer

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

Revenues Generated by Current Tariffed Rates	\$ 10,326
Agreed-Upon Overall Revenue Increase	\$ 4,700
Percentage Increase Needed	45.515%

Metered Customer Rates

Customer Type	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
Mobile Home & Apartments	\$ 6.05	\$ 8.80	\$ 0.97	\$ 1.41
Residential	\$ 7.51	\$ 10.93	\$ 0.97	\$ 1.41
Commercial	\$ 13.33	\$ 19.40	\$ 0.97	\$ 1.41

Agreement Attachment C

Billing Comparison Worksheet

MISSOURI UTILITIES

Residential Customer Bill Comparison-Sewer

Rates for 5/8" Meter

<u>Current Base Customer Charge</u>	<u>Proposed Base Customer Charge</u>	<u>Current Usage Rate</u>	<u>Proposed Usage Rate</u>
\$7.51	\$11.62	\$0.97	\$1.41

current service charge is monthly charge

usage rate is per 1,000 gallons used

MONTHLY BILL COMPARISON

6,000 gallons/month usage

Current Rates

Customer Charge	\$ 7.51
Usage Charge	\$ 1.46
Total Bill	\$ 8.97

Proposed Rates

Customer Charge	\$ 11.62
Usage Charge	\$ 2.12
Total Bill	\$ 13.74

INCREASES

Customer Charge

\$ Increase	\$4.11
% Increase	54.73%

Usage Charge

\$ Increase	\$0.66
% Increase	45.52%

Total Bill

\$ Increase	\$4.77
% Increase	53.23%

Agreement Attachment D

EMSD Report

REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW

Engineering and Management Services Department

Small Company Rate Increase Request

Case Nos: WR-2009-0150 and SR-2009-0153

Missouri Utilities Company

Missouri Utilities Company (Missouri Utilities or Company) filed a rate increase request on October 23, 2008, for water and sewer service it provides in its Missouri service area near Sedalia, Missouri. The Engineering and Management Services Department (EMSD) staff initiated an informal review of customer service processes, procedures, and practices at Missouri Utilities in December 2008. This customer service review was done in conjunction with the Company's rate increase request. Prior to on-site interviews, the EMSD staff examined Company tariffs, annual reports, Missouri Public Service Commission (Commission) complaint records, and other documentation related to the Company's customer service operations.

The purpose of the Engineering and Management Services Department 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 a reasonable 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 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:

- Meter Reading
- Customer Billing
- Credit and Collections
- Complaints and Inquiries
- Customer Communication

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

Overview

Missouri Utilities Company was certificated to provide water and sewer service on December 24, 1992. Mr. Gary Cover, an attorney with an office in Clinton, Missouri, was appointed as Receiver to manage the Company in September 2006. The Company has approximately 47 customers that are responsible for water and sewer service at 152 locations. Some customers are responsible for a group of mobile homes or apartments that serve multiple families. The business office for Missouri Utilities is located at the business location of Show Me Real Estate Agency in Sedalia, Missouri. Local business office hours are 8:00 – 3:00, Monday, Tuesday, Thursday, and Friday. Customers have 24-hour, 7-day access to Company personnel by calling a telephone number provided on the bill.

Missouri Utilities' staffing includes Mr. Cover, an outside contractor, and an office employee of Show Me Real Estate Agency. Mr. Cover has overall responsibility for policy development and general problem solving. The outside contractor's primary responsibilities include daily system checks, chlorination, collecting samples for monthly water tests, routine maintenance, and responding to customer emergency calls. The office employee is responsible for business office functions including taking new service applications, maintaining customer account records, posting customer bill payments, and responding to customer inquiries and complaints.

Company personnel anticipate minimal future growth in the number of customers served by the Company. Applications for new service are typically from customers moving into existing homes. Customers may call the Company with questions about rules and procedures associated with the provision of service; however, the Company has not prepared written information documenting the rights and responsibilities of the Company and its customers.

Meter Reading

All customers receive service at an unmetered, flat monthly rate. Consequently, no meters are read. The Company stated that there have been no problems with theft of water service.

Customer Billing

The Company uses an Excel spreadsheet to track customers' account information. A Word file is used to prepare and print customer bills. Company personnel stated that bills are usually mailed on or shortly after the 22nd of the month and are due on the 20th of the month.

Customer rates for water and sewer service are provided in the Company's tariffs. Customers' water bills are based on a monthly flat rate of \$6.26 per month for mobile homes and apartments and \$7.82 for single family units. Customers' sewer bills are based on a monthly flat rate of \$6.05 for mobile homes and apartments and \$7.51 for single family units. Customers may either mail their bill payments or pay them in person at the Company business office.

Credit and Collections

The Company informed the EMSD staff that it does not utilize a customer application form for customers to complete when initiating service with it, although required by its tariff, and that it is typically informed by the tenant or the property owner of name changes to service locations. The Company does not collect any customer deposit. The Company was provided information from the previous owner that it possibly had collected deposits from three customers, but the deposit funds were not provided by the owners to the Company.

The EMSD staff was informed by the Company that it does not charge a late charge to delinquent paying accounts; the Company stated that approximately 90% of its accounts pay prior to the delinquent date. The Company adds any balances due to the current month's bill.

After three months of nonpayment, accounts are forwarded to the Company's Receiver for collection. The Company's Receiver stated that collection letters for past due accounts are mailed on his laws firm's stationery; these letters are mailed irregularly. A copy of the Receiver's collection letter is shown on the following page. The Company indicated that it had disconnected for nonpayment no customers in 2006, one customer in 2007 and one customer in 2008. The EMSD staff was informed that the Company does not have the ability to disconnect for nonpayment at all of its locations.

The Company received two returned checks during 2007. The returned checks are provided to the Company's Receiver; the Receiver charges the account a \$25.00 returned check charge and mails a letter requesting payment in full. The \$25.00 returned check fee is not included in the Company's tariff; the Commission's Water and Sewer Department will address

this matter during its revision of the Company's tariffs. The Company's bad debt write-offs are shown in the table below:

Bad Debt Write-Offs	
2006	\$248.77
2007	\$312.40
2008	\$61.32

Source: Missouri Utilities Company

Complaints and Inquiries

Customers with questions or concerns may call the Company contact number appearing on the bill. Business office personnel respond to customer contacts; however, customer complaints and inquiries are not documented. Mr. Cover is occasionally involved in responding to customer concerns.

A review of Commission complaint/inquiry records for the past three years showed three customer contacts in 2006, one in 2007, and one in 2008. The three contacts in 2006 included two sewer customer complaints about billing and one complaint about sewer rates. In 2007, there was one inquiry about water service. The customer contact in 2008 was a billing complaint about water service.

Customer Communication

The Company occasionally communicates to customers by incorporating notes on customers' bills. Letters are used to notify customers about rate case activity. Mr. Cover stated that, occasionally, he corresponds with a customer by e-mail.

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 issues that require Company management's attention:

- Customer Rights and Responsibilities Documentation
- Customer Applications
- Delinquent Accounts
- Complaint and Inquiry Documentation

Customer Rights and Responsibilities Documentation

The Company has not prepared written information documenting the rights and responsibilities of the Company and its customers. The development of such information and its prominent display and availability to customers is required by Commission Rule 4 CSR 240-13.040(3) which states:

A utility shall prepare, in written form, information which in layman's terms summarizes the rights and responsibilities of the utility and its customers in accordance with this chapter. . . This written information shall be displayed prominently, and shall be available at all utility office locations open to the general public, and shall be mailed or otherwise delivered to each residential customer of the utility if requested by the customer. The information shall be delivered or mailed to each new customer of the utility upon the commencement of service and shall be available at all times upon request.

The availability of written information would provide useful facts relating to billing procedures, payment requirements, customer deposits, discontinuance of service, inquiries and complaints, and access to the Company, Commission, and the Office of the Public Counsel. Written information would be a valuable educational resource for new and existing customers.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and distribute to all current and future customers written information specifying the rights and responsibilities of the Company and its customers. This recommendation must be completed within thirty (30) days of the Commission order approving the disposition agreement in Case No. WR-2009-0150. This recommendation must be completed within thirty (30) days of the Commission order approving the disposition agreement in Case No. SR-2009-0153.

Customer Applications

The Company does not collect a signed customer applications from its customers. Applications for Service are addressed in the Company's tariff. Sheet No. 10, Rule 4, (a) states:

A written application for service, signed by the customer, stating the type of service required and accompanied by any other pertinent information, will be required from each customer before service is provided to any unit. Every customer, upon signing an application for any service rendered by the Company, or upon taking of service, shall be considered to have expressed consent to the Company's rate and rules.

The customer application should include the customer's signature that the customer agrees to abide by the Company's rates, rules and regulations and state statutes and the date the document was signed. The signed and dated customer application would provide Missouri Utilities Company more leverage to collect monies owed should the need arise.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Require a signed customer application prior to service being provided by the Company as provided in its tariff. The Company's customer application shall include the date and the customer's signature indicating that the customer agrees to abide by the Company's rates, rules and regulations, and applicable state statutes. This recommendation must be completed within thirty (30) days of the Commission order approving the disposition agreement in Case No. WR-2009-0150. This recommendation must be completed within thirty (30) days of the Commission order approving the disposition agreement in Case No. SR-2009-0153.

Delinquent Accounts

The Company lacks an effective policy regarding collection of delinquent accounts. Staff noted two accounts that are unpaid since September 2008, four unpaid accounts since November 2008 and eleven unpaid accounts for December 2008. The Company's December 2008 total arrearage was \$292.54. Rule 7 of the Company's tariff states:

- (a) The company may discontinue service for any of the following reasons: 1. Nonpayment of a delinquent account not in dispute. . . . (b) The company may discontinue service after notice by first class mail is sent to the customer at least ten (10) days prior to the date of the proposed discontinuance. If written notice is hand delivered to the customer, it shall be done at least ninety six (96) hours prior to discontinuance. Service of notice by mail is complete upon mailing.

With established criteria for the handling of delinquent accounts, the Company would be enabled to take a more consistent and aggressive stance toward discontinuance for nonpayment. This action should result in the Company's more likely collection of revenues in a timely fashion.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Establish and implement a policy regarding the collection of delinquent accounts and consistently apply the policy to all customers.

The Company's charge for "turn off" fees and "turn on" fees for disconnection of nonpayment accounts is inconsistently applied to customers. During the Company's interview with the EMSD staff, the staff was informed that no "turn off" or "turn on" fees were charged on one occasion and "turn on" and "turn off" fees of \$200, instead of over \$800, were once charged. The Company should consistently and fairly apply its "turn off" and "turn on" fees to its customers.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Implement a procedure under which the Company charges its customers the "turn on" and "turn off" fees in a consistent and equitable manner. The procedure should adhere to the Company's tariff Sheet No. 5. This recommendation must be completed within thirty (30) days of the Commission order approving the disposition agreement in Case No. WR-2009-0150. This recommendation must be completed within thirty (30) days of the Commission order approving the disposition agreement in Case No. SR-2009-0153.

Complaint and Inquiry Documentation

The Company does not keep a record of customer contacts involving complaints it receives. This violates Commission rules conveying customer contact documentation requirements that are applicable to water companies contained in Commission Rule 4 CSR 240-13. In the section titled "Inquiries" of 4 CSR 240-13.040(5), it states:

A utility shall maintain records on its customers for at least two (2) years which contain information concerning: ... (B) The number and general description of complaints registered with the utility;

Commission Rule 4 CSR 240-60.010(4) applicable to sewer companies states:

"The utility shall maintain a file of customer complaints received on the service it provides. The file shall include the name and address, as well as the nature of the complaint and date of occurrence. A detailed explanation of what the utility did to correct the trouble which originated the complaint shall be recorded."

The availability of documented customer contact information would enable Company management to evaluate why customers contact the Company, determine if any corrective measures could be taken to reduce customer contacts, and improve customer satisfaction. The availability of documentation regarding customer contacts would also help to show the Company's responsiveness in addressing customer issues.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and implement a process to ensure all customer complaints received by Company personnel are documented and maintained for at least two (2) years. Documentation shall include the customer name, address, nature of the complaint, date of occurrence, as well as an explanation of what the Company has done to address the complaint. This recommendation must be completed within thirty (30) days of the Commission order approving the disposition agreement in Case No. WR-2009-0150. This recommendation must be completed within thirty (30) days of the Commission order approving the disposition agreement in Case No. SR-2009-0153.

Follow-Up

The EMSD staff will conduct follow-ups of all of the EMSD recommendations no later than the deadlines as set out for each EMSD recommendation in the disposition agreement in Case No. WR-2009-0150. The EMSD staff will conduct follow-ups of all of the EMSD recommendations no later than the deadlines as set out for each EMSD recommendation in the disposition agreement in Case No. SR-2009-0153.

Agreement Attachment E

Summary of Events

Summary of Case Events
SR-2009-0153

Date Filed	10/23/08
Day 150	3/23/09 5/21/09
Extension?	Yes-60 days
If yes, why?	Amended Customer Notice
Amount Requested	100%
Amount Agreed Upon	\$4,700
Number of Customers	128
Assessments	\$241.03 due for current year \$110.47 due for 2007 \$952.37 due for 2006 \$928.41 due for 2005 \$626.99 due for 2004 \$0.13 due for 2003 \$285.95 due for 2000
Annual Reports Filed	Yes
Statement of Revenue Filed	Yes
Other Open Cases before Commission	No
Status with Secretary of State	Administratively Dissolved 8/29/06
DNR Violations	Yes