

Village Greens Water Company
960 Plaza Drive, Suite A
St. Clair, MO 63077
636-629-6565

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Data Center
Missouri Public
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Mr. Jim Busch
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Dear Mr. Busch,

I am responding to your letter dated May 18, 2017 in regards to File No. WW-2017-0283, In the Matter of Review of the Commission's Rules Regarding Small Water and Sewer Companies rate request rules.

My name is Cindy Bay, and I work for Mr. Jay Rice who owns a small water company, we currently serve 79 customers. Mr. Rice asked me to send you a letter regarding our rate increase request that we submitted on December 1, 2014 asking for a \$2,400.00 per year increase in our revenue. Seemed like a simple request, MPSC said you submit a request letter and a case will be opened. Over the next several months we had contact with two Utility Regulatory Auditors, two representatives of the OPC, and two representatives from Engineering and Management Services Unit. We were told that the audit information would be shared among each other. To be honest, I am not sure this was done. I repeated the same information to both groups MPSC Auditor and OPC Auditor during the process, except one would have different time periods. I don't know if you have sat and asked for a list of all the information that an auditor is requesting from a water/sewer company, but it went all the way back to the beginning and until the date of our request. So for me that was approximately 11 years of information. It's been two years since our request, so even though I can search my files and find these answers, I am just going to sum it up – after hours of searching, organizing, collecting data, printing copies, phone calls just to answer the first initial questions of each group, the process would continue several more months. Many times during this process, Jay and I discussed that the amount of time and money spent for a \$2,400 yearly increase was just not justified.

So after all the questions, some we are not really sure why we had to answer in the first place, for example: Could you please tell me the status of the quad units – are there any long term vacancies? Are there any units which will be uninhabited for a long time due to construction/remodeling? Are all units in use at the moment? Could you give me an idea of how many units were occupied and when over the last 5 years? The landlord pays the monthly water bills for these units, not individual renters, so why would the auditor need this information. Why would they ask for a sales contract and closing documents on the homes that were sold in Village Greens? The list goes on and on.

After the information was all compiled by the MPSC and OPC, they did not agree on the rate increase, one actually said we should be decreasing. Village Greens Water Company received

the following documents which comprised all the numbers and how each group substantiates their findings:

- Rate Design Schedule
- Rate Base Required Return on Investment Schedule
- Rate of Return including Income Tax
- Capital Structure Schedule
- Plant in Service
- Schedule of Adjustments for Plant in Service
- Depreciation Expense
- Accumulated Depreciation Reserve
- Schedule of Adjustments for Accumulated Depreciation Reserve
- Reserve Schedule
- Revenue Adjustment Schedule
- Rate Revenue Feeder Schedule
- Miscellaneous Revenues Feeder
- Expense Schedule
- Expense Adjustment Schedule
- Depreciation Rates
- Schedule of Depreciation Rates
- Plant & CIAC Report (To print approx. 410 pages long)

So at this point, we now have to contact our accountant who needs to review all of these numbers and find out why the MPSC and OPC do not agree on an increase. All of which is costing the water company by the hour as he proceeds to review all of these documents. I believe we had to submit an extension at this time because the deadline was drawing near and our accountant was still working with OPC.

In closing, I know my letter is lengthy, but that is my point to you, after looking closely at all the documents and reviewing numbers (which are referenced on an annual report) it seems to me that this process should be reviewed closely and simplified. The amount of people that were paid to complete an audit which ended up with an increase of .69 cents per 1,000 gallons of water or annually \$1,962.00 costs the State of Missouri how much? We personally dealt with seven people, however every docket typed and entered, and the proceedings by the commission had how many people involved? Your commission has the numbers, has the computer programs, and has the information from the start of our water company, to initiate an increase after 11 years of service. I don't feel this was money well spent by the Village Greens Water Company or by the Missouri Public Service Commission.

Sincerely,

Cindy Bay
Village Greens Water Company