

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

In the Matter of the Application of Suburban     )  
Water and Sewer Company for a Small            )  
Company Rate Increase                                )

**Case No. WR-2009-0197**

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

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

1. On November 17, 2008, the Missouri Public Service Commission (the Commission) received a Rate Increase Request Letter (Request Letter) from Suburban Water and Sewer Company (Suburban or the Company).
2. In its Request Letter, the Company requests the Commission allow an increase of \$23,000.00 in its annual water system operating revenues pursuant to Commission Rule 4 CSR 240-3.050.
3. Upon completion of its investigation of the Company's request, Staff provided Suburban and the Office of the Public Counsel (OPC) with various information, as well as Staff's initial recommendations for the resolution of the revenue increase request.
4. Pursuant to negotiations conducted after the receipt by the Company and OPC of the above-referenced information and recommendations, Staff and Suburban were able to reach an agreement (Disposition Agreement) regarding the resolution of the Company's revenue increase request.

5. Included in Appendix A, attached hereto, is a copy of the above-referenced Disposition Agreement, as well as various attachments related to the Disposition Agreement and Staff's investigation of the revenue increase request. Additionally, Appendix A contains affidavits from Staff members that participated in the investigation.

6. The Disposition Agreement reflects an agreed-upon annualized operating revenue increase in the amount of \$18,769.00

7. Pursuant to Rule 4 CSR 240-3.050, governing disposition agreements executed between Staff and small utility companies utilizing the small utility rate case procedure, Suburban will file tariff sheets seeking to implement the terms of the Disposition Agreement. The tariff sheets will be filed on April 21, 2009, and as required will bear the minimum 45-day effective date of June 5, 2009.

8. Suburban is current on its payment of Commission assessments and on its filings of annual report and statements of revenue. Suburban has no other cases pending before the Commission at this time.

**WHEREFORE**, the Staff respectfully submits this Agreement Notice and the attached Appendix 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 and the Company.

Respectfully submitted,

/s/ Sam Ritchie

Sam Ritchie  
Legal Counsel  
Missouri Bar No. 61167

Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-4140 (Telephone)  
(573) 751-9285 (Fax)  
[samuel.ritchie@psc.mo.gov](mailto:samuel.ritchie@psc.mo.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the Agreement Notice and Appendix A have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 16<sup>th</sup> day of April, 2009.

/s/ Sam Ritchie

# APPENDIX A

## STAFF PARTICIPANT AFFIDAVITS AND DISPOSITION AGREEMENT & ATTACHMENTS

CASE NO. WR-2009-0197

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.

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## Staff Participant Affidavits

David Spratt – Water & Sewer Department

Kimberly K. Bolin – Auditing Department

David Williams – Engineering & Management Services Department

Deborah A. Bernsen – Engineering & Management Services Department

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

**AFFIDAVIT OF DAVID SPRATT**

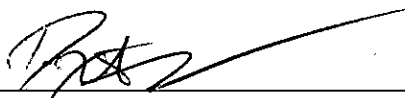
STATE OF MISSOURI     )

) SS

CASE NO. WR-2009-0197

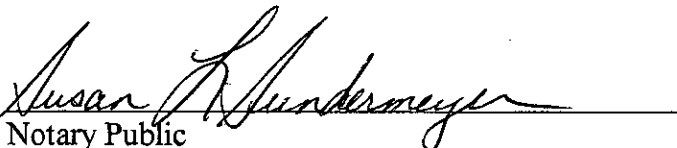
COUNTY OF COLE     )

COMES NOW David Spratt, being of lawful age, and on his oath states the following: (1) that he is a Technical Specialist 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 Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachments A, B, D, E and H 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.



David Spratt  
Technical Specialist  
Water and Sewer Department

Subscribed and sworn to before me this 13rd day of April, 2009.



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 OF KIMBERLY K. BOLIN**

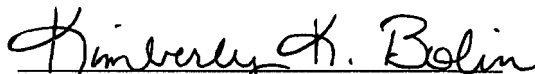
STATE OF MISSOURI

ss.

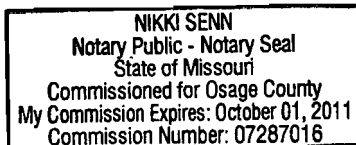
COUNTY OF COLE

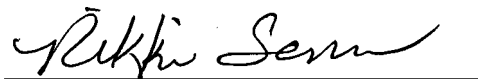
)  
) Case No. WR-2009-0197  
)  
)

**COMES NOW** Kimberly K. Bolin, being of lawful age, and on her oath states the following: (1) that she is a(n) Utility Regulatory Auditor V in the Missouri Public Service Commission's Auditing 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 foregoing *Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that she was responsible for the preparation of Attachment C to the Disposition Agreement; (5) that she 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 her knowledge, information, and belief.

  
Kimberly K. Bolin  
Utility Regulatory Auditor V  
Auditing Department

Subscribed and sworn to before me this 14<sup>th</sup> day of April, 2009.



  
Notary Public

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

**AFFIDAVIT OF DAVID WILLIAMS**


STATE OF MISSOURI

ss.

COUNTY OF COLE

)  
) Case No. WR-2009-0197  
)  
)

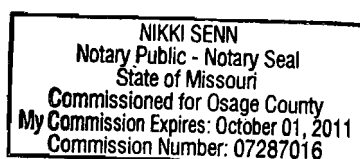
**COMES NOW** David Williams, being of lawful age, and on his oath states the following: (1) that he is a(n) Utility Engineer Specialist II in the Missouri Public Service Commission's Engineering & Management Services Department; (2) that he participated in the Staff's investigation of the small company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



David Williams

Utility Engineer Specialist II  
Engineering & Management  
Services Department

Subscribed and sworn to before me this 14<sup>th</sup> day of April, 2009.



  
Notary Public



Rikki Senn  
Notary Public

# Company/Staff Disposition Agreement

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

**SUBURBAN WATER & SEWER COMPANY, INC.**

**MO PSC CASE NO. WR-2009-0197**

**BACKGROUND**

Suburban Water & Sewer Company, Inc. ("Company") initiated the small company revenue increase request ("Request") for water 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 at the Commission's offices on November 17, 2008, the Company set forth its request for an increase of \$23,000 in its total annual water 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 104 customers, all 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 its initial recommendations for the resolution of the Company's Request.

## **RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST**

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

- (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 June 5, 2009.
- (2) That except as otherwise noted in the agreements below, the ratemaking income statement attached hereto as Attachment B accurately reflects the Company's annualized revenues generated by its current customer rates, the agreed-upon total annualized cost of service for the Company, and the resulting agreed-upon annualized operating revenue increase of \$18,769.00 needed to recover the Company's cost of service.
- (3) That the audit workpapers attached hereto as Attachment C, which include consideration of a capital structure of 100% equity for the Company and a return on that equity of 9.5%, accurately reflect the agreed-upon 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 agreed-upon 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 rates included in the attached example tariff sheets are just and reasonable, and that the provisions of the attached example tariff sheets also properly reflect all other agreements set out herein, where necessary.
- (7) That the schedule of depreciation rates attached hereto as Attachment F, which includes the depreciation rates used by Staff in its revenue requirement analysis, should be the prescribed schedule of water plant depreciation rates for the Company.
- (8) Within thirty (30) days of the effective date of an order approving this Disposition Agreement, The Company will implement the recommendations contained in the Engineering & Management Services Department ("EMSD") Report. These recommendations include the following:

- a. Require any and all employees, contractors and other entities performing work for Suburban Water & Sewer Company, Inc. to maintain detailed documentation noting the work activity and the time expended.
  - b. Report the unclaimed amount of customer deposit funds that the Company is unable to refund to the Missouri State Treasurer's Office, Unclaimed Property Division, under the provisions of the Missouri Revised Statutes, Chapter 447, Sections 447.517 and 539.
- (9) The Company will mail its customers a written notice of the rates and charges included in its proposed tariff revisions within fifteen (15) days of the issuance of the Commission Order approving the terms of this 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 the Staff Case Coordinator who will file a copy in the subject case file.
- (10) That Staff will conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Disposition Agreement.
- (11) That Staff may file a formal complaint against it, if the Company does not comply with the provisions of this Disposition Agreement.
- (12) 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 herein.
- (13) That the Company agrees that it has read the foregoing Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request; that the facts stated therein are true according to the Company's best knowledge and belief; that the foregoing conditions accurately state the agreement made; and that the Company freely and voluntarily enters into this agreement.

#### **ADDITIONAL MATTERS**

Other than the specific conditions agreed upon and expressly set out herein, the terms of this Disposition Agreement reflect compromises between 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.

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

The Company acknowledges that Staff will be filing this Disposition Agreement and the attachments hereto, in the existing case after the Company files the proposed tariff revisions called for in the agreement. The Company also acknowledges that Staff may make other filings in this case. Suburban Water and Sewer Company, Inc. had one (1) non critical DNR violation in 2008.

**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:



Gordon Burnam

President

Suburban Water & Sewer Company, Inc.

4/9/09  
Date



James Busch

Manager

Water & Sewer Department

Missouri Public Service Commission Staff

4/15/09  
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 – Schedule of Depreciation Rates
- Attachment G – EMSD Implementation Review
- Attachment H – Summary of Events

## Agreement Attachment A

### Example Tariff Sheets



P.S.C. MO No. 2  
Canceling P.S.C. No. 1  
Suburban Water and Sewer Company, Inc  
Name of Issuing Company

Original Title Page  
For: Bon-Gor Lake Estates  
Certificated Service Area

## Water Tariff Title Page

### SUBURBAN WATER AND SEWER COMPANY, INC.

#### SCHEDULE OF RATES AND RULES GOVERNING THE PROVISION AND TAKING OF WATER SERVICE

\* Indicates New Rate or Text  
+ Indicates Changed Rate or Text

Issue Date: April 21, 2009  
Month/Day/Year

Effective Date: June 5, 2009  
Month/Day/Year

Issued By: Gordon Burnam  
Name and Title of Issuing Officer

1501 Vandiver Drive #188 Columbia MO 65202  
Company Mailing Address

P.S.C. MO No. 2  
Canceling P.S.C. MO No. 1  
Suburban Water and Sewer Company, Inc.  
Name of Issuing Company

Original Sheet No. 1  
For: Bon-Gor Lake Estates  
Certificated Service Area

**Index**

<u>Sheet Number</u>	<u>Subject</u>
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2	Map of Service Area
3	Legal Description of Service Area
4	Schedule of Rates
5	Schedule of Service Charges

<u>Sheet Number</u>	<u>Rule Number</u>	<u>Rule Subject</u>
6	1.	Definitions
8	2.	General Matters
9	3.	Limited Authority of Company Employees
10	4.	Applications for Service
11	5.	Inside Piping and Customer Water Service Lines
13	6.	Improper or Excessive Use
14	7.	Discontinuance of Service by Company
17	8.	Termination of Water Service at Customer's Request
18	9.	Interruptions in Service
19	10.	Bills for Service
22	11.	Meters and Meter Installations
24	12.	Meter Tests and Test Fees
25	13.	Bill Adjustments Based on Meter Tests
26	14.	Extension of Water Mains

\* Indicates New Rate or Text  
+ Indicates Changed Rate or Text

Issue Date: April 21, 2009  
Month/Day/Year

Effective Date: June 5, 2009  
Month/Day/Year

Issued By: Gordon Burnam  
Name and Title of Issuing Officer

1501 Vandiver Drive #188 Columbia MO 65202  
Company Mailing Address

Cancelling P.S.C.MO. No. \_\_\_\_\_

{ Original } SHEET No. \_\_\_\_\_  
{ Revised }Suburban Water and Sewer Company  
Name of Issuing CorporationFor Bon-Gor Lake Estates  
Community, Town or City  
Boone County, Missouri

## MAP OF AREA TO BE SERVED

RECEIVED

JUN 4 1973

MISSOURI  
Public Service CommissionNorth  
1-660

10.1 Acres

120 ACRES

County Road

Route "V-V"

County Road

FILED

AUG 1 1973

Public Service Commission

\*Indicates new rate or text  
+Indicates change

AUG 1 1973

DATE OF ISSUE June 1, 1973  
month day yearDATE EFFECTIVE July 1, 1973  
month day yearISSUED BY Gordon Burnam  
name of officerPresident Columbia, Missouri  
title address

Suburban Water and Sewer Company

For Bon-Gor Lake Estates

Name of Issuing Corporation

Community, Town or City  
Boone County, Missouri

## LEGAL DESCRIPTION OF AREA TO BE SERVED

JUN 4 1973

All One Hundred Twenty (120) acres, part of New Madrid Claim Number One Hundred Two (102) and the Northeast Fractional Quarter of Section Fourteen (14) and the Southwest part of the Northwest Quarter of Section Thirteen (13) all in Township Forty-nine (49) North of Range Thirteen (13) West of the Fifth Principal Meridian, described as follows: Beginning at the center of Section Fourteen (14), thence South 85° East 50.50 chains to center of Old Hinton and Columbia Road, thence North 16° 30' West 20 chains along center of gravel road, thence North 5° West 13 chains, thence South 84° 30' West 12.12 chains, thence North 33° 30' West 3.30 chains; thence North 1° East 3.77 chains, thence North 81° West 29.05 chains to center of County Road, thence along center of said County road, South 2° West 10.97 chains, thence South 1° 30' East 21 chains to the place of beginning, all in Boone County, Missouri.

ALSO,

Ten and one-tenth (10.1) acres, more or less, being a part of a 62.49 acre tract, a part of New Madrid Claim No. 102, said part lying in the Northeast Quarter of Section Fourteen (14) Township Forty-Nine (49), Range Thirteen (13), in Boone County, Missouri, and described as follows: Commence on the North line of said Section Fourteen (14) in the center of the gravel road, thence along the north line South 84 deg. 30' West 39.01 chains to the center of the county road, thence South 2 deg. West 370 feet to a point in the center of said county road, the point of beginning, thence South 2 deg. West 226 feet to a point in the center of said county road, thence South 81 deg. 0' East 1186.9 feet to a point, thence North 2 deg. 0' East and parallel to the West line 524.5 feet to a point, thence South 84 deg. 30 feet West and parallel to the North line of said Section a distance of 1177 feet to the point of beginning.

\*Indicates new rate or text

+Indicates change

FILED

JUN 11 1973

Public Service Commission

AUG 1 1973

DATE OF ISSUE June 1, 1973  
month day yearDATE EFFECTIVE July 1, 1973  
month day yearISSUED BY Gordon Burnam  
name of officerPresident Columbia, Missouri  
title address

P.S.C. MO No. 2  
Canceling P.S.C. MO No. 1  
Suburban Water and Sewer Company, Inc.  
Name of Issuing Company

Original Sheet No. 4  
For: Bon-Gor Lake Estates  
Certificated Service Area

**Schedule of Rates**

General Service

Availability: This rate is available to any metered water customer on Company's mains suitable for supplying the service requested.

Monthly Minimum                      \$5.41

Commodity Charge                      \$3.42  
(per 1,000 gallons)

Fire Protection Service

Availability: Fire hydrants will be installed by the Company if Bon Gor Development Corporation or any other entity owning or controlling property within the certificated area requests installation in writing.

Rate: For each customer              \$1.00 per month to be billed in  
addition to the above charges.

Taxes:

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

- \* Indicates New Rate or Text
- + Indicates Changed Rate or Text

Issue Date: April 21, 2009  
Month/Day/Year

Effective Date: June 5, 2009  
Month/Day/Year

Issued By: Gordon Burnam  
Name and Title of Issuing Officer

1501 Vandiver Drive #188 Columbia MO 65202  
Company Mailing Address

P.S.C. MO No. 2  
Canceling P.S.C. MO No. 1  
Suburban Water and Sewer Company, Inc.  
Name of Issuing Company

Original Sheet No. 5  
For: Bon-Gor Lake Estates  
Certificated Service Area

**Schedule of Service Charges**

These charges are applicable to the Company's services provided for in the corresponding rules:

Discontinuance of Service for Non-Payment of bill and/or Returned Check \*

Disconnect Turn-off Fee	\$25.00
Reconnect Turn-on Fee	\$25.00

**Late Charges:**

\*

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last due date on which payment will then be considered delinquent. The period after which payment will then be considered delinquent is 21 days after rendition of the bill. A charge of \$5.00 will be added to delinquent amounts.

**Returned Check Charge:**

\*

A returned check charge of \$25 per check will be paid on all checks returned from the bank for insufficient funds.

**Service Connection and Taps:**

+

All taps are to be made by plumbers approved by the Company. Application, accompanied by a \$25.00 tapping and inspection fee, must be filed in writing.

\* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: April 21, 2009  
Month/Day/Year

Effective Date: June 5, 2009  
Month/Day/Year

Issued By: Gordon Burnam  
Name and Title of Issuing Officer

1501 Vandiver Drive #188 Columbia MO 65202  
Company Mailing Address

P.S.C. MO No. 2  
Canceling P.S.C. MO No. 1  
Suburban Water and Sewer Company, Inc.  
Name of Issuing Company

Original Sheet No. 6  
For: Bon-Gor Lake Estates  
Certificated Service Area

**Rules Governing the Provision  
and Taking of Water Service**

\*

**Rule 1 – Definitions**

- A. An "APPLICANT" is a person, firm, corporation, governmental body, or other entity that has applied for service; two or more APPLICANTS may make one application for a main extension.
- B. The "COMPANY" is SUBURBAN WATER AND SEWER COMPANY, INC., acting through its officers, managers, or other duly authorized employees or agents.
- C. A "CUSTOMER" is any person, firm, corporation or governmental body which has contracted with the company for water service or is receiving service from company, or whose facilities are connected for utilizing such service.
- D. The "DATE OF CONNECTION" shall be the date of the permit for installation and connection issued by the company. In the event no permit is taken and a connection is made, the date of connection may be the date of commencement of construction of the building upon the property.
- E. A "DEVELOPER" is any person, firm, corporation, partnership or any entity that, directly or indirectly, holds title to, or sells or leases, or offers to sell or lease, or advertises for sale or lease, any lots in a subdivision.
- F. "DISCONTINUANCE OF SERVICE" is the intentional cessation of service by the company not requested by the customer.
- G. The "MAIN" is a pipeline that is owned and maintained by the company, located on public property or private easements, and used to transport water throughout the company's service area.
- H. The "METER" is a device used to measure and record the quantity of water that flows through the service line, and is installed in the meter setting.
- I. The "METER SETTING" includes the meter box, meter yoke, lid, and appurtenances, all of which shall be owned and maintained by the company.

\* Indicates New Rate or Text  
+ Indicates Changed Rate or Text

Issue Date: April 21, 2009  
Month/Day/Year

Effective Date: June 5, 2009  
Month/Day/Year

Issued By: Gordon Burnam  
Name and Title of Issuing Officer

1501 Vandiver Drive #188 Columbia MO 65202  
Company Mailing Address

P.S.C. MO No. 2  
Canceling P.S.C. MO No. 1  
Suburban Water and Sewer Company, Inc.  
Name of Issuing Company

Original Sheet No. 7  
For: Bon-Gor Lake Estates  
Certificated Service Area

**Rules Governing the Provision  
and Taking of Water Service**

**Rule 1 cont'd**

- J. The "SERVICE CONNECTION" is the pipeline connecting the main to the customer's water service line, or outdoor meter setting including all necessary appurtenances. This service connection will be installed, owned, and maintained by the company. If the property line is in a street, the said service connection shall be deemed to end at the edge of the street abutting the customer's property.
- K. A "SUBDIVISION" is any land in the state of Missouri which is divided or proposed to be divided into two or more lots or other divisions of land, whether contiguous or not, or uniform in size or not, for the purpose of sale or lease, and includes resubdivision thereof.
- L. "TERMINATION OF SERVICE" is cessation of service requested by the customer.
- M. The word "UNIT", or "LIVING UNIT" shall be used herein to define the premises or property of a single water consumer, whether or not that consumer is the customer. It shall pertain to any building whether multi-tenant or single occupancy, residential or commercial, or owned or leased. Each mobile home in a mobile home park, and each rental unit of a multi-tenant rental property are considered as separate units for each single family or firm occupying same as a residence or place of business.
- N. The "WATER SERVICE LINE" is a pipe with appurtenances installed, owned and maintained by the customer, used to conduct water to the customer's unit from the property line or outdoor meter setting, including the connection to the meter setting. If the property line is in a street, then the water service line shall be deemed to begin at the edge of the street abutting the customer's property.

\* Indicates New Rate or Text  
+ Indicates Changed Rate or Text

Issue Date: April 21, 2009  
Month/Day/Year

Effective Date: June 5, 2009  
Month/Day/Year

Issued By: Gordon Burnam  
Name and Title of Issuing Officer

1501 Vandiver Drive #188 Columbia MO 65202  
Company Mailing Address



P.S.C. MO No. 2  
Canceling P.S.C. MO No. 1  
Suburban Water and Sewer Company, Inc.  
Name of Issuing Company

Original Sheet No. 8  
For: Bon-Gor Lake Estates  
Certificated Service Area

**Rules Governing the Provision  
and Taking of Water Service**

**Rule 2 – General Matters**

- A. Every applicant, upon signing an application for any water service rendered by the company, or any customer upon taking of water 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 these numbered sheets. The rates applicable to appropriate water service or service in particular service areas are set forth in rate schedules and constitute a part of these rules.
- C. The company reserves the right, subject to authority of the Missouri Public Service Commission, to prescribe additional rates or rules or to alter existing rates or rules as it may from time to time deem necessary and proper.
- D. After 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 of the Public Service Commission of Missouri. Pre-existing facilities that do not comply with applicable rules may remain, provided that their existence does not constitute a service problem or improper use, and reconstruction is not practical.

\* Indicates New Rate or Text  
+ Indicates Changed Rate or Text

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Original Sheet No. 9  
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**Rules Governing the Provision  
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**Rule 3 – Limited Authority of Company Employees**

- A. Employees or agents of the company are expressly forbidden to demand or accept any compensation for any service rendered to its customers except as covered in the company's rules.
- B. No employee or agent of the company shall have the right or authority to bind it by any promise, agreement or representation contrary to the letter or intent of these rules.

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**Rules Governing the Provision  
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**Rule 4 – Applications for Service**

- A. 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. 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 rates and rules.
- B. If service is requested at a point not already served by a main of adequate capacity, a main of adequate size shall be extended as may be necessary according to the company's rule for extension of water mains.
- C. When, in order to provide the service requested, a main extension or other unusual construction or equipment expense is required, the company shall require a written contract. Said contract may include, but not be limited to the obligations upon the company and the applicant, and shall specify a reasonable period of time necessary to provide such service.

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**Rules Governing the Provision  
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**Rule 5 – Inside Piping and Water Service Lines**

- A. The company will provide water service at the outdoor meter, or at the property line. Separate buildings shall be served through separate water service lines.
- B. The service connection from the water main to the customer's property line, the meter installation and setting shall be constructed, owned and maintained by the company. Water service line construction and maintenance from the property line or meter setting, including the connection to the meter setting, to the building shall be the responsibility of the customer, and is subject to inspection by the company. Customers shall be responsible for the cost of repairing any damage to the company's mains, meters, and meter installations caused by the customer, his agent, or tenant.
- C. Existing water service lines may be used in connecting with new buildings only when they are found by examination and testing not to constitute a hazard to the health and safety of any customer or the company's facilities.
- D. The water service line shall be brought to the unit at a depth of not less than 36 inches and have a minimum inside diameter of 3/4 inch. The customer is responsible for the determination of whether or not a larger size is needed to provide adequate flow to the unit. A valve must be installed in the service line where it enters the unit. This valve must be kept in good repair in order to shut off the water supply and drain the inside plumbing, if necessary.
- E. Water service lines and inside piping shall be of material conforming to recognized standards for potable water service and shall have a pressure rating of at least 160 psi working pressure.
- F. The company will not install a service connection to a vacant lot.
- G. Any change in the location of an existing service connection requested by the customer shall be made at his expense.

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**Rules Governing the Provision  
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**Rule 5 cont'd**

- H. The company shall have the right to enter the customer's premises for the purposes of inspection to ensure compliance with these rules. Company personnel shall identify themselves and make these inspections only at reasonable hours.
- I. Neither water service lines nor service connections may be extended along public streets or roadways or through property of others in connecting with the company's mains. The service connection may, however, extend through the water main easement and roadway easement as necessary in order to be connected to a main located across and adjacent to a street in front of the customer's living unit. The service connection and service line must be laid in a straight line and at right angles to the main and the face of the structure or as nearly so as possible. Any deviation from this because of physical obstruction will be at the discretion of the company.
- J. Any customer having a plumbing arrangement, or a water-using device that could allow backsiphonage of any chemical, petroleum, process water, water from a questionable supply, or other substance that could create a health hazard or damage to the water system; or, any customer's plumbing classified as an actual or potential backflow hazard in the regulations of the Missouri Department of Natural Resources, 10 CSR 60 - 11, shall be required to install and maintain a backflow prevention device. This rule may also apply to customers on whose premises it is impossible or impractical for the company to perform a cross connection survey. The device, installation, location and maintenance program shall be approved by the company.

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**Rules Governing the Provision  
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**Rule 6 – Improper or Excessive Use**

- A. No customer shall be wasteful of the water supplied to the unit by his willful action or inaction. It shall be the responsibility and duty of each customer to maintain all piping and fixtures at the unit in a good and efficient state of repair at all times.
- B. No customer shall make or cause to be made a cross connection between the potable water supply and any source of chemical or bacterial contamination or any other water supply. The company shall deny or discontinue service where customer's water service line or inside piping may, in the opinion of the company, cause a cross-connection with non-potable water or otherwise jeopardize the health and safety of other customers or the company's facilities.
- C. The customer shall not make or cause to be made a connection to a device that will result in excessive water demand or excessive shock, such as water-hammer, to the company's mains.
- D. The customer shall not tamper with, remove, or willfully damage a water meter or attempt to operate the shutoff cock on the meter yoke, or allow any such action.
- E. The customer shall not attempt to take unmetered water from the company mains either by an unauthorized tap or direct connection to service connection nor by connection to a fire hydrant
- F. Customers will not be permitted to supply water in any way to premises other than the service address, nor to permit others to use their hose or attachments, nor leave them exposed to use by others without permission from the water company.

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**Rules Governing the Provision  
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**Rule 7 – Discontinuance of Service by Company**

A. The company may discontinue service for any of the following reasons:

1. Nonpayment of a delinquent account not in dispute.
2. Failure to post a security deposit or guarantee acceptable to the utility.
3. Unauthorized interference, diversion or use of the utility service situated or delivered on or about the customer's premises.
4. Failure to comply with the terms and conditions of a settlement agreement.
5. Refusal to grant access at reasonable times to equipment installed upon the premises of the customer for the purpose of inspection, meter reading, maintenance or replacement.
6. Violation of any of these rules on file with and approved by the Public Service Commission, or for any condition which adversely affects the safety of the customer or other persons, or the integrity of the utility's delivery system.
7. Non-payment of a sewer bill issued by the company, or by a sewer utility requesting discontinuance of water service by an approved agreement between the company and such sewer utility. When water service is discontinued for this reason, any service charges for turn on/off or disconnection/reconnection within these rules shall not apply, and notice to the customer shall be provided by rules and procedure applicable to the customer's sewer service in lieu of notification required by these rules.

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**Rules Governing the Provision  
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**Rule 7 cont'd**

- 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. If the company intends to discontinue service to a multi-tenant dwelling, a notice shall also be conspicuously posted in the building ten (10) days prior to the proposed discontinuance. Service of notice by mail is complete upon mailing. Discontinuance shall not occur more than eleven (11) business days after the date given as the discontinuance date.
- C. The company shall make reasonable effort to communicate with the customer, at least twenty-four (24) hours prior to any discontinuance, regarding the reasons(s) for discontinuance of service, and the resolution. If discontinuance of service would affect an occupant who is not the company's customer, or is not responsible for payment of the bill, then the company shall make reasonable effort to inform such occupant(s).
- D. The company shall postpone the discontinuance if personnel will not be available to restore service the same day, or if personnel will not be available to restore service the following day. The company also shall postpone discontinuance if a medical emergency exists on the premises, however the postponement may be limited to 21 days, and the company may require proof of a medical emergency.
- E. Discontinuance of service will be made during reasonable hours. Company personnel shall identify themselves and announce the intention to disconnect service, or leave a conspicuous notice of the disconnect.
- F. The provisions of paragraphs (c) and (e) above may be waived if safety of company personnel while at the premises is a consideration.
- G. Discontinuance of service to a unit for any reason shall not prevent the company from pursuing any lawful remedy by action at law or otherwise for the collection of monies due from the customer.

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**Rules Governing the Provision  
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**Rule 7 cont'd**

- H. In case the company discontinues its service for any violation of these rules, then any monies due the company shall become immediately due and payable.
- I. The company has the right to refuse or to discontinue service to any unit to protect itself against fraud or abuse of the water system.
- J. The company shall deal with customers and handle customer accounts in accordance with the Public Service Commission's Utility Billing Practices, 4 CSR 240 - 13.

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**Rules Governing the Provision  
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**Rule 8 – Termination of Service at Customer's Request**

- A. Service will be terminated at the customer's request, by giving not less than twenty-four (24) hours notice to the company during its regular office hours. The company shall, on the requested day, read the customer's meter and charges for water service rendered up to and including the time of termination shall be computed and will become due and payable immediately.
- B. A customer may request temporary termination of service for any length of time for his own convenience; however, the customer shall still be charged for service at the appropriate rate during the time the service is turned off. Turn-off and turn-on charges are specified in the schedule of service charges.

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**Rules Governing the Provision  
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**Rule 9 – Interruptions in Service**

- A. The company reserves the right to discontinue water in its mains at any time, without notice, for making emergency repairs to the water system.
- B. Whenever service is interrupted for repairs, all customers affected by such interruptions will be notified in advance whenever it is possible to do so. Every effort will be made to minimize interruption of service.
- C. No refunds of charges for water service will be made for interruptions of service unless due to willful misconduct of the company.
- D. In order to avoid service problems when extraordinary conditions exist, the company reserves the right, at all times, to determine the limit of and regulate in a reasonable and non-discriminatory manner, and where practical, the maximum amounts of water drawn from the company mains.

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**Rules Governing the Provision  
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**Rule 10 – Bills for Service**

- A. The charges for water service shall be at the rates specified in the rate schedules on file with the Missouri Public Service Commission. Other service charges, such as for turn-off or turn-on, are set forth in the Schedule of Service Charges in these rules.
- B. A customer who has made application for water service to a unit shall be responsible for payment for all water service provided to him at said unit from the date of connection until the date requested by the customer by proper notification to the company to terminate service.
- C. Each customer is responsible for furnishing the company with the correct address. Failure to receive bills will not be considered an excuse for non-payment nor reason to permit an extension of the date when the account would be considered delinquent. Bills and notices relating to the company or its business will be mailed or delivered to the mailing address entered in the customer's application unless the company is notified in writing by the customer of a change of address.
- D. Payments shall be made at the office of the company or at such other places conveniently located as may be designated by the company or by ordinary mail. However, payment must be received by the close of business on the date due.
- E. Neither the company nor the customer will be bound by bills rendered under mistake of fact as to the quantity of service rendered or as a result of clerical error. Customers will be held responsible for charges based on service provided.
- F. A separate bill shall be rendered for each customer with itemization of all water service charges. All bills for service shall state the due date. The company shall have the right to render bills monthly.

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**Rules Governing the Provision  
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**Rule 10 cont'd**

- G. Bills shall be due twenty-one (21) calendar days from the date of rendition, unless such due date falls on a Sunday, a legal holiday, or other day when the office is closed, in which case the due date shall be extended to the next business day. Bills unpaid after the stated due date will be delinquent and the company shall have the right to discontinue service in accordance with Rule 7. The company shall not be required to restore or connect any new service for such delinquent customers until the unpaid account due the company under these rules has been paid in full or arrangements satisfactory to the company have been made to pay said account.
- H. When bills are rendered for a period of less than a complete billing period due to the connection or termination of service, the billing shall be the monthly minimum plus an amount based on the water used at the commodity (water usage) rate or one-half (1/2) of the flat rate if applicable.
- I. The company may require a security deposit or other guarantee as a condition of new service if the customer: still has an unpaid account with a utility providing the same type of service accrued within the last five years; or has diverted or interfered with the same type of service in an unauthorized manner within the last five (5) years; or is unable to establish a credit rating with the company. Adequate credit rating for a residential customer shall be established if the customer: owns or is purchasing a home; or is and has been regularly employed full time for at least one year; or has an adequate and regular source of income; or can provide credit references from a commercial credit source.
- J. The company may require a security deposit or other guarantee of payment as a condition of continued service if: the water service of the customer has been discontinued for non-payment of a delinquent account not in dispute; or the utility service to the unit has been diverted or interfered with in an unauthorized manner; or the customer has failed to pay undisputed bills before the delinquency date for five (5) billing periods out of twelve (12) consecutive monthly billing periods, or two (2) out of four (4) consecutive quarterly billing periods.

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**Rule 10 cont'd**

- K. The amount of a security deposit shall not exceed utility charges applicable to two (2) billing periods computed on estimated or actual annual usage.
- L. Interest at the rate of 6% per annum compounded annually shall be payable on all deposits, but shall not accrue after the utility has made reasonable effort to return the deposit. Interest may be credited to the customer's account.
- M. After a customer has paid proper and undisputed utility bills by the due dates, for a period not to exceed one year, credit shall be established or re-established, and the deposit and any interest due shall be refunded. The utility may withhold full refund of the deposit pending resolution of a disputed matter.
- N. The utility shall give a receipt for deposits received, but shall also keep accurate records of deposits, including customer name, service address, amounts, interest, attempts to refund and dates of every activity regarding the deposit.
- O. All billing matters shall be handled in accordance with the Public Service Commission's Utility Billing Practices, 4 CSR 240-13.

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**Rules Governing the Provision  
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**Rule 11 – Meters and Meter Installations**

- A. All permanent service connections shall be metered. The company's installed meter shall be the standard for measuring water used to determine the bill.
- B. All meters and meter installations shall be furnished, installed, maintained and removed by the company and shall remain its property.
- C. The company shall have the right to determine on the basis of the customer's flow requirements the type and size of meter to be installed and location of same. If flow requirements increase or decrease subsequent to installation and a larger or smaller meter is requested by the customer, the cost of installing such meter shall be paid by the customer.
- D. Service to any one customer shall be furnished through a single metering installation. Where a building is occupied by more than one tenant, the building shall be served by one meter. Inside piping may be rearranged at the customer's own expense so as to separate the units and meter tenants, then divide the bill accordingly.
- E. The meters and meter installations furnished by the company shall remain its property, and the owners of premises wherein they are located shall be held responsible for their safekeeping. For failure to protect same against damage, the company may refuse to supply water until the company is paid for such damage. The amount of the charge shall be the cost of the necessary replacement parts and the labor cost necessary to make the repair.
- F. The meter will be installed at or near the customer's property line; it shall be placed in a meter box vault constructed by the company in accordance with its specifications. The company shall furnish and install suitable metering equipment for each customer except where installation in a special setting is necessary, in which case the excess cost of installation shall be paid by the customer.

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**Rules Governing the Provision  
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**Rule 11 cont'd**

- G. The customer shall promptly notify the company of any defect in, or damage to, the meter setting.
- H. Any change in the location of any existing meter or meter setting at the request of the customer shall be made at the expense of the customer, and with the approval of the company.
- I. If an existing basement meter location is determined inadequate or inaccessible by the company, the customer must provide for the installation of a meter to be located at or near the customer's property line. The customer shall obtain from the company, or furnish the necessary meter installation appurtenances conforming to the company's specifications, and said appurtenances and labor shall be paid by the customer.
- J. Approved meter installation locations in dry basements, sufficiently heated to keep the meter from freezing, may remain provided the meter is readily accessible, at the company's and customer's convenience as determined by the company, for servicing and reading and the meter space provided is located where the service line enters the building. The company may, at its discretion, require the customer to install a remote reading device at an approved location, for the purpose of reading the meter. It is the responsibility of the customer and/or the owner of the premises to provide a location for the water meter, which, in the event of water discharge as a result of leakage from the meter or couplings, will not result in damage. The company's liability for damages to any and all property caused by such leakage shall in no event exceed the price of water service to the affected premises for one average billing period in the preceding year. Where damage is caused by the negligence of company personnel at the premises, this limitation will not apply. If a customer refuses to provide an accessible location for a meter as determined by the company, the company will notify the Executive Secretary of the Public Service Commission before ultimately refusing service or proceeding to discontinue service.

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**Rules Governing the Provision  
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**Rule 12 – Meter Tests and Test Fees**

- A. Any customer may request the company to make a special test of the accuracy of the meter through which water is supplied to him. This test will be made in accordance with water industry test procedures, and to check for accuracy as required by regulations of the Public Service Commission.
- B. The company reserves the right to remove and test a meter at any time and to substitute another in its place. In case of a dispute involving a question as to the accuracy of the meter, a test will be made by the company upon the request of the customer without charge if the meter has not been tested within twelve (12) months preceding the requested test; otherwise, an approved charge will be made if the test indicates meter accuracy within five percent (5%).
- C. A meter test requested by the customer may be witnessed by the customer or his duly authorized representative, except for tests of meters larger than two (2) inch inlet, which will be conducted by the water manufacturer. A certified copy of the test report will be provided to the customer.
- D. If a test shall show an average error of more than five percent (5%), billings shall be adjusted as provided by these rules.

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**Rules Governing the Provision  
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**Rule 13 – Bill Adjustments Based on Meter Tests**

- A. Whenever any test by the company of a meter while in service or upon its removal from service shall show such meter to have an average error of more than five percent (5%) on the test streams prescribed by the Public Service Commission, the company shall adjust the customer's bills by the amount of the actual average error of the meter and not the difference between the allowable error and the error as found. The period of adjustment on account of the under-registration or over-registration shall be determined as follows:
1. Where the period of error can be shown, the adjustment shall be made for such period.
  2. Where the period of error cannot be shown, the error found shall be considered to have existed for three (3) months preceding the test.
- B. If the meter is found on any such test to under-register, the company may render a bill to the customer concerned for the estimated consumption not covered by bills previously rendered during the period of inaccuracy as above outlined. Such action shall be taken only when the company was not at fault for allowing the inaccurate meter to remain in service.
- C. If the meter is found faster than allowable, the company shall refund to the customer concerned any overcharge caused thereby during the period of inaccuracy as above defined. Said refund may, at the company's option, be in the form of a credit to the customer's bill.

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Issued By: Gordon Burnam  
Name and Title of Issuing Officer

1501 Vandiver Drive #188 Columbia MO 65202  
Company Mailing Address

P.S.C. MO No. 2  
Canceling P.S.C. MO No. 1  
Suburban Water and Sewer Company, Inc.  
Name of Issuing Company

Original Sheet No. 26

For: Bon-Gor Lake Estates  
Certificated Service Area

**Rules Governing the Provision  
and Taking of Water Service**

**Rule 14– Extension of Water Mains**

- A. This rule shall govern the extension of mains by the company within its certified area where there are no water mains.
- B. Upon receipt of a written application for a main extension, the company will provide the applicant(s) an itemized estimate of the cost of the proposed extension. Said estimate shall include the cost of all labor and materials required, including valves, fire hydrants, booster stations, storage facilities, reconstruction of existing mains (if necessary), and the direct costs associated with supervision, engineering, permits, and bookkeeping. Applicable income tax cost will be added to this estimate calculated at the maximum rate.
- C. Applicant(s) shall enter into a contract with the company for the installation of said extension and shall tender to the company a contribution in aid of construction equal to the amount determined in paragraph (b) above, plus any applicable customer connection fee. The contract may allow the customer to contract with an independent contractor for the installation and supply of material, except that mains of 12" or greater diameter must be installed by the company, and the reconstruction of existing facilities must be done by the company.
- D. The cost to an applicant or applicants connecting to a main extension contributed by other applicant(s) shall be as follows:
1. For single-family residential applicants that are applying for service in a platted subdivision, the company shall divide the actual cost of the extension (including income taxes) by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots that abut existing mains shall be excluded.
  2. For single-family residential applicants that are applying for service in areas that are unplatted in subdivision lots, the applicants' cost shall be equal to the total cost of the main extension divided by the total length of the main extension in feet times 100 feet.

\* Indicates New Rate or Text  
+ Indicates Changed Rate or Text

Issue Date: April 21, 2009  
Month/Day/Year

Effective Date: June 5, 2009  
Month/Day/Year

Issued By: Gordon Burnam  
Name and Title of Issuing Officer

1501 Vandiver Drive #188 Columbia MO 65202  
Company Mailing Address

P.S.C. MO No. 2  
Canceling P.S.C. MO No. 1  
Suburban Water and Sewer Company, Inc.  
Name of Issuing Company

Original Sheet No. 27

For: Bon-Gor Lake Estates  
Certificated Service Area

**Rules Governing the Provision  
and Taking of Water Service**

**Rule 14 cont'd**

3. For industrial, commercial, or multifamily residential applicants, the cost will be equal to the amount calculated for a single-family residence in paragraphs d(1) or d(2) above multiplied times the flow factors of the applicants' meter. The flow factors of the various sizes of meters are as follows:

<u>Meter Size</u>	<u>Flow Factor</u>
5/8	1
1	2.5
1 1/2	5
2	8
3	15
4	25

E. Refunds of contributions shall be made to applicant(s) as follows:

1. Should the actual cost of the extension be less than the estimated cost, the company shall refund the difference as soon as the actual cost has been ascertained.
2. After the company has closed its books for the year in which a contribution was made, it will determine its actual income tax cost associated with each extension and refund any excess income tax costs collected from each applicant.
3. During the first ten years after the main extension is completed, the company will refund to the applicant(s) who paid for the extension moneys collected from applicant(s) in accordance with paragraph (d) above. The refund shall be paid within a reasonable time after the money is collected.
4. The sum of all refunds to any applicant shall not exceed the total contribution, adjusted for taxes associated with the extension, which the applicant(s) has paid.

\* Indicates New Rate or Text  
+ Indicates Changed Rate or Text

Issue Date: April 21, 2009  
Month/Day/Year

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Name and Title of Issuing Officer

1501 Vandiver Drive #188 Columbia MO 65202  
Company Mailing Address

P.S.C. MO No. 2  
Canceling P.S.C. MO No. 1  
Suburban Water and Sewer Company, Inc.  
Name of Issuing Company

Original Sheet No. 28  
For: Bon-Gor Lake Estates  
Certificated Service Area

**Rules Governing the Provision  
and Taking of Water Service**

**Rule 14 cont'd**

- F. Extensions made under this rule shall be and remain the property of the company.
- G. The company reserves the right to further extend the main and to connect mains on intersecting streets and easements. Connecting new customers to such further extensions shall not entitle the applicant(s) paying for the original extension to a refund for the connection of such customers.
- H. Extensions made under this rule shall be of company-approved pipe sized to meet water service requirements. If the company chooses to size the extension larger in order to meet the company's overall system requirements, the additional cost caused by the large size of pipe shall be borne by the company.
- I. No interest will be paid by the company of payments for the extension made by the applicant(s).
- J. If extensions are required on private roads, streets, through private property, or on private property adjacent to public right-of-way, a proper deed of easement must be furnished to the company without cost to the company, before the extension will be made.

\* Indicates New Rate or Text  
+ Indicates Changed Rate or Text

Issue Date: April 21, 2009  
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1501 Vandiver Drive #188 Columbia MO 65202  
Company Mailing Address

## Agreement Attachment B

### Ratemaking Income Statement

# **SUBURBAN WATER & SEWER COMPANY, INC.**

## **Rate Making Income Statement-Water**

### **Operating Revenues at Current Rates**

1	Tariffed Rate Revenues *	\$	22,656
2	Other Operating Revenues *	\$	-
3	<b>Total Operating Revenues</b>	<b>\$</b>	<b>22,656</b>

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

### **Cost of Service**

<b>Item</b>	<b>Amount</b>
1 Pumping Equipment-Purchased Power	\$ 3,435
2 Water Treatment Expense-Chemicals	\$ 2,232
3 Purchased Water	\$ 1,021
4 Salaries and Wages-Operations	\$ 5,201
5 Repairs of Water Plant	\$ 2,496
6 Maintenance Expense-Outside Labor	\$ 6,724
7 Administration & General - Salaries Meter Reading	\$ 960
8 Office Supplies	\$ 262
9 Rent	\$ 1,274
10 Employee Pensions & Benefits	\$ -
11 Regulatory Commission Expense	\$ 147
12 Miscellaneous General Expenses	\$ 325
13 <b>Sub-Total Operating Expenses</b>	<b>\$ 24,077</b>
14 Property Taxes	\$ -
15 MO Franchise Taxes	\$ -
16 Employer FICA Taxes	\$ -
17 Federal Unemployment Taxes	\$ -
18 State Unemployment Taxes	\$ -
19 State & Federal Income Taxes	\$ -
20 <b>Sub-Total Taxes</b>	<b>\$ -</b>
21 Depreciation Expense	\$ 5,353
22 Amortization of Utility Plant	\$ -
23 <b>Sub-Total Depreciation/Amortization</b>	<b>\$ 5,353</b>
24 <b>Return on Rate Base</b>	<b>\$ 11,995</b>
25 <b>Total Cost of Service</b>	<b>\$ 41,425</b>
25 <b>Overall Revenue Increase Needed</b>	<b>\$ 18,769</b>

Agreement Attachment C

Audit Workpapers



**Exhibit No.:**

**Issue:** Accounting Schedules

**Witness:** MO PSC Auditors

**Sponsoring Party:** MO PSC Staff

**Case No:** WR-2009-0197

**Date Prepared:**



**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**STAFF ACCOUNTING SCHEDULES**

**SUBURBAN WATER AND SEWER COMPANY**

**CASE NO. WR-2009-0197**

**Jefferson City, Missouri**

Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Expense Schedule - Water

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		OPERATIONS EXPENSES					
2	600.000	Salaries and Wages	\$4,926	W-2	\$275	100.00%	\$5,201
3	610.000	Purchased Water	\$1,057	W-3	-\$36	100.00%	\$1,021
4	620.000	Electricity-(Pumping)	\$3,435			100.00%	\$3,435
5	630.000	Chemicals-(Chlorine)	\$2,232			100.00%	\$2,232
6		TOTAL OPERATIONS EXPENSE	\$11,650		\$239		\$11,889
7		MAINTENANCE EXPENSES					
8	640.000	Supplies and Expenses	\$0			100.00%	\$0
9	650.000	Repairs of Water Plant	\$10,156	W-9	-\$7,660	100.00%	\$2,496
10	660.000	Transportation Expenses	\$0			100.00%	\$0
11		Labor Meter Replacement	\$8,743	W-11	-\$8,743	100.00%	\$0
12		TOTAL MAINTENANCE EXPENSE	\$18,899		-\$16,403		\$2,496
13		CUSTOMER ACCOUNT EXPENSE					
14	680.000	Administrative & General Salaries (Meter Reading)	\$960			100.00%	\$960
15	681.000	Office Supplies (Postage)	\$262			100.00%	\$262
16	690.000	Uncollectible Accounts	\$0			100.00%	\$0
17		TOTAL CUSTOMER ACCOUNT EXPENSE	\$1,222		\$0		\$1,222
18		ADMINISTRATIVE & GENERAL EXPENSES					
19	680.000	Administration & General Salary	\$0			100.00%	\$0
20	681.000	Office Supplies and Other Expenses (Rent)	\$6,977	W-20	-\$5,703	100.00%	\$1,274
21	682.000	Outside Services Employed	\$109,509	W-21	-\$102,785	100.00%	\$6,724
22	684.000	Insurance Expense	\$0			100.00%	\$0
23	686.000	Employee Pensions and Benefits	\$0	W-23	\$0	100.00%	\$0
24		TOTAL ADMINISTRATIVE AND GENERAL	\$116,486		-\$108,488		\$7,998
25		OTHER OPERATING EXPENSES					
26	688.000	Regulatory Commission Expenses	\$159	W-26	-\$12	100.00%	\$147
27	389.000	Miscellaneous General Expenses	\$763	W-27	-\$438	100.00%	\$325
28		Depreciation	\$0	W-28	\$5,353	100.00%	\$5,353
29		TOTAL OTHER OPERATING EXPENSES	\$922		\$4,903		\$5,825
30		TAXES OTHER THAN INCOME					
31		Real & Personal Property Taxes	\$0			100.00%	\$0
32		Payroll Taxes	\$0			100.00%	\$0
33		TOTAL TAXES OTHER THAN INCOME	\$0		\$0		\$0
34		TOTAL OPERATING EXPENSES	\$149,179		-\$119,749		\$29,430

Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Expense Adjustment Schedule - Water

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-2	Salaries and Wages	600.000		\$275
	To adjust to Staff's annaulized level of expnese.		\$275	
W-3	Purchased Water	610.000		-\$36
	To remove non-recurring charges and late fees.		-\$36	
W-9	Repairs of Water Plant	650.000		-\$7,660
	To remove an out-of-period adjustment.		-\$760	
	To remove non-recurring expenses.		-\$596	
	To remove duplicate charges.		-\$22	
	To remove costs from expenses and capitalize.		-\$4,081	
	To remove meter reading expenses.		-\$290	
	To add expenses items improperly recorded in other accounts.		\$342	
	To remove labor incurred out of test year.		-\$2,030	
	To include labor incurred during the test year.		\$260	
	To remove operator expense.		-\$370	
	To remove labor not supported by time cards.		-\$113	
W-11	Labor Meter Replacement			-\$8,743
	To remove costs from expenses and capitalize.		-\$8,743	
W-20	Office Supplies and Other Expenses (Rent)	681.000		-\$5,703
	To remove duplicate charge.		-\$500	
	To remove Bank fees.		-\$93	
	To annualize rent expense.		-\$4,868	

Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Expense Adjustment Schedule - Water

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	To remove costs that should be recorded in Account 650.		-\$242	
W-21	Outside Services Employed	682.000		-\$102,785
	To remove duplicate charge.		-\$500	
	To remove non-recurring legal fees.		-\$95,601	
	To remove costs from expenses and capitalize.		-\$6,684	
W-23	Employee Pensions and Benefits	686.000		\$0
	Description		\$0	
W-26	Regulatory Commission Expenses	688.000		-\$12
	To adjust to most current assessment.		-\$12	
W-27	Miscellaneous General Expenses	389.000		-\$438
	To remove a non-expense item.		-\$438	
W-28	Depreciation			\$5,353
	1. To Annualize Depreciation		\$5,353	
	2. Description		\$0	
	Description		\$0	
	Description		\$0	
Total Expense Adjustments				<u><u>-\$119,749</u></u>

Suburban Water and Sewer Company  
 Informal Rate Case  
 Case No. WR-2009-0197C  
 Test Year Ending 06-30-2008  
 Revenue Schedule - Water

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
Line Number	Account Number (Optional)	Revenue Description	Company/ Test Year Amount	Adjustment Number	Jurisdictional Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$21,323	Rev-2	\$1,333	100.00%	\$22,656
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$0	100.00%	\$0
Rev-4		TOTAL ANNUALIZED REVENUES	\$21,323		\$1,333		\$22,656

**Suburban Water and Sewer Company**  
**Informal Rate Case**  
**Case No. WR-2009-0197C**  
**Test Year Ending 06-30-2008**  
**Revenue Adjustment Schedule - Water**

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Revenue Adj Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
Rev-2	Annualized Rate Revenues			\$1,333
	1. To Annualize Rate Revenues		\$1,333	
Rev-3	Miscellaneous Revenues			\$0
	1. To Annualize Miscellaneous Revenues		\$0	
	Description		\$0	
	Description		\$0	
Total Revenue Adjustments				<u>\$1,333</u>

Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential 5/8"		Commercial 2"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	105		0	
3	Bills Per Year	12		0	
4	Customer Bills Per year	1,260		0	
5	Current Customer Charge	\$2.96		\$0.00	
6	Annualized Customer Charge Revenues		\$3,730		\$0
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	10,120,971		0	
9	Less: Base Gallons Included In Customer Charge	0		0	
10	Commodity Gallons	10,120,971		0	
11	Block 1, Commodity Gallons per Block	10,120,971		0	
12	Block 1, Number of Commodity Gallons per Unit	1,000		0	
13	Block 1, Commodity Billing Units	10,120.97		0.00	
14	Block 1, Existing Commodity Charge	\$1.87		\$0.00	
15	Block 1, Annualized Commodity Charge Rev.		\$18,926		\$0
16	<b>Total Annualized Water Rate Revenues</b>		<b>\$22,656</b>		<b>\$0</b>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

**Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Miscellaneous Revenues Feeder - Water**

Line Number	<u>A</u> Description	<u>B</u> Amount
3	Total Miscellaneous Revenues	<u><u>\$0</u></u>



Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Rate Design Schedule - Water

A		B	C	D	E	F
Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues		(1) \$22,656			
Rev-3	Miscellaneous Revenues		(1) \$0			
Rev-4	TOTAL ANNUALIZED REVENUES		\$22,656			
1	OPERATIONS EXPENSES		(2)			
2	Salaries and Wages	600.000	\$5,201	\$0	\$5,201	0.00%
3	Purchased Water	610.000	\$1,021	\$0	\$1,021	0.00%
4	Electricity-(Pumping)	620.000	\$3,435	\$0	\$3,435	0.00%
5	Chemicals-(Chlorine)	630.000	\$2,232	\$0	\$2,232	0.00%
6	TOTAL OPERATIONS EXPENSE		\$11,889	\$0	\$11,889	
7	MAINTENANCE EXPENSES					
8	Supplies and Expenses	640.000	\$0	\$0	\$0	0.00%
9	Repairs of Water Plant	650.000	\$2,496	\$0	\$2,496	0.00%
10	Transportation Expenses	660.000	\$0	\$0	\$0	0.00%
11	Labor Meter Replacement		\$0	\$0	\$0	0.00%
12	TOTAL MAINTENANCE EXPENSE		\$2,496	\$0	\$2,496	
13	CUSTOMER ACCOUNT EXPENSE					
14	Administrative & General Salaries (Meter Reading)	680.000	\$960	\$0	\$960	0.00%
15	Office Supplies (Postage)	681.000	\$262	\$0	\$262	0.00%
16	Uncollectible Accounts	690.000	\$0	\$0	\$0	0.00%
17	TOTAL CUSTOMER ACCOUNT EXPENSE		\$1,222	\$0	\$1,222	
18	ADMINISTRATIVE & GENERAL EXPENSES					
19	Administration & General Salary	680.000	\$0	\$0	\$0	0.00%
20	Office Supplies and Other Expenses (Rent)	681.000	\$1,274	\$0	\$1,274	0.00%
21	Outside Services Employed	682.000	\$6,724	\$0	\$6,724	0.00%
22	Insurance Expense	684.000	\$0	\$0	\$0	0.00%
23	Employee Pensions and Benefits	686.000	\$0	\$0	\$0	0.00%
24	TOTAL ADMINISTRATIVE AND GENERAL		\$7,998	\$0	\$7,998	
25	OTHER OPERATING EXPENSES					
26	Regulatory Commission Expenses	688.000	\$147	\$0	\$147	0.00%
27	Miscellaneous General Expenses	389.000	\$325	\$0	\$325	0.00%
28	Depreciation		\$5,353	\$0	\$5,353	0.00%
29	TOTAL OTHER OPERATING EXPENSES		\$5,825	\$0	\$5,825	
30	TAXES OTHER THAN INCOME					
31	Real & Personal Property Taxes		\$0	\$0	\$0	0.00%
32	Payroll Taxes		\$0	\$0	\$0	0.00%
33	TOTAL TAXES OTHER THAN INCOME		\$0	\$0	\$0	
34	TOTAL OPERATING EXPENSES		\$29,430	\$0	\$29,430	
35	Interest Expense		(3) \$0	\$0	\$0	0.00%
36	Return on Equity		(3) \$11,995	\$0	\$11,995	0.00%
37	Income Taxes		(3) \$0	\$0	\$0	0.00%
38	TOTAL INTEREST RETURN & TAXES		\$11,995	\$0	\$11,995	
39	TOTAL COST OF SERVICE		\$41,425	\$0	\$41,425	
40	Less: Miscellaneous Revenues		\$0	\$0	\$0	0.00%
41	COST TO RECOVER IN RATES		\$41,425	\$0	\$41,425	
42	INCREMENTAL INCREASE IN RATE REVENUES		\$18,769			

Suburban Water and Sewer Company  
 Informal Rate Case  
 Case No. WR-2009-0197C  
 Test Year Ending 06-30-2008  
 Rate Design Schedule - Water

Line Number	<u>A</u> Description	<u>B</u> Account Number (Optional)	<u>C</u> Staff Annualized	<u>D</u> Customer Charge	<u>E</u> Commodity	<u>F</u> Percentage Rate
43	PERCENTAGE OF INCREASE		<u>82.84%</u>			
44	REQUESTED INCREASE IN REVENUES		\$23,000			

- (1) From Revenue Schedule  
 (2) From Expense Schedule  
 (3) From PreTax Rate of Return Schedule, Rate Base & Return Schedule

Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Rate of Return Including Income Tax - Water

	A	B	formulas
1 State Income Tax Rate Statutory / Effective	0.00% (2)	0.00%	$(1 - (B2 \times .5)) \times A1$
2 Federal Income Tax Rate Statutory / Effective	0.00% (1) & (2)	0.00%	$(1 - B1) \times A2$
3 Composite Effective Income Tax Rate		0.00%	$B1 + B2$
4 Equity Tax Factor		1.0000	$1 / (1 - B3)$
5 Recommended Weighted Rate of Return on Equity - Common and Preferred		9.50%	From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax		9.50%	$B4 \times B5$
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		0.00%	From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax		9.50%	$B6 + B7$

To Rate Base Schedule

(1) If Sub-Chapter S Corporation, Enter Y:

Y

Equity Income Required \$0  
& Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$0	\$0
\$50,001	\$75,000	25.00%	\$0	\$0
\$75,001	\$100,000	34.00%	\$0	\$0
\$100,001	\$335,000	39.00%	\$0	\$0
\$335,001	\$9,999,999,999	34.00%	\$0	\$0
				\$0
Consolidated Tax Rate:				
Average Tax Rate:				0

**Suburban Water and Sewer Company**  
**Informal Rate Case**  
**Case No. WR-2009-0197C**  
**Test Year Ending 06-30-2008**  
**Rate Base Required Return on Investment Schedule - Water**

Line Number	<u>A</u> Rate Base Description	<u>B</u> Dollar Amount	
1	Plant In Service	\$176,695	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$50,431	From Depreciation Reserve Schedule
3	Net Plant In Service	\$126,264	
4	Other Rate Base Items:	\$0	
5	Total Rate Base	\$126,264	
6	Total Weighted Rate of Return Including Income Tax	9.50%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$11,995	

**Suburban Water and Sewer Company**  
**Informal Rate Case**  
**Case No. WR-2009-0197C**  
**Test Year Ending 06-30-2008**  
**Capital Structure Schedule - Water**

<u>A</u>		<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Line Number	Description	Dollar Amount	Percentage of Total Capital Structure	Embedded Cost of Capital	Weighted Cost of Capital
1	Common Stock	\$118,847	100.00%	9.50%	9.500%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$0	0.00%	0.00%	0.000%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	TOTAL CAPITALIZATION	\$118,847	100.00%		9.500%

To PreTax Return Rate Schedule

Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Plant In Service - Water

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$750			100.00%	\$750
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$750		\$0		\$750
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights SP	\$3,000	P-7	-\$1,500	100.00%	\$1,500
8	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
9	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
10	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
11	314.000	Wells & Springs	\$14,904	P-11	-\$2,285	100.00%	\$12,619
12	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
13	316.000	Supply Mains	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$17,904		-\$3,785		\$14,119
15		PUMPING PLANT					
16	321.000	Structures & Improvements - PP	\$1,200			100.00%	\$1,200
17	325.000	Electric Pumping Equipment	\$14,878	P-17	\$2,582	100.00%	\$17,460
18	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
19	328.000	Other Pumping Equipment	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$16,078		\$2,582		\$18,660
21		WATER TREATMENT PLANT					
22	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
23	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
24	332.000	Water Treatment Equipment	\$3,276	P-24	-\$1,901	100.00%	\$1,375
25		TOTAL WATER TREATMENT PLANT	\$3,276		-\$1,901		\$1,375
26		TRANSMISSION & DISTRIBUTION PLANT					
27	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
28	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
29	342.000	Distribution Reservoirs & Standpipes	\$144,349	P-29	-\$47,475	100.00%	\$96,874
30	343.000	Transmission & Distribution Mains	\$14,980	P-30	-\$168	100.00%	\$14,812
31	344.000	Fire Mains	\$0			100.00%	\$0
32	345.000	Services	\$0			100.00%	\$0
33	346.000	Meters	\$13,747	P-33	\$16,358	100.00%	\$30,105
34	347.000	Meter Installations	\$0			100.00%	\$0
35	348.000	Hydrants	\$0			100.00%	\$0
36	349.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
37		TOTAL TRANS. & DISTRIBUTION PLANT	\$173,076		-\$31,285		\$141,791
38		GENERAL PLANT					
39	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
40	371.000	Structures & Improvements - GP	\$0			100.00%	\$0
41	372.000	Office Furniture & Equipment	\$0			100.00%	\$0
42	373.000	Transportation Equipment - GP	\$0			100.00%	\$0
43	379.000	Other General Equipment	\$0			100.00%	\$0
44		TOTAL GENERAL PLANT	\$0		\$0		\$0
45		TOTAL PLANT IN SERVICE	\$211,084		-\$34,389		\$176,695

To Rate Base & Depreciation Schedules

Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Schedule of Adjustments for Plant in Service - Water

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
P-7	Land & Land Rights SP	310.000		-\$1,500
	To reflect Staff's 12/31/08 plant balance.		-\$1,500	
P-11	Wells & Springs	314.000		-\$2,285
	To reflect Staff's 12/31/08 plant balance.		-\$2,285	
P-17	Electric Pumping Equipment	325.000		\$2,582
	To reflect Staff's 12/31/08 plant balance.		\$2,582	
P-24	Water Treatment Equipment	332.000		-\$1,901
	To reflect Staff's 12/31/08 plant balance		-\$1,901	
P-29	Distribution Reservoirs & Standpipes	342.000		-\$47,475
	To reflect Staff's 12/31/08 plant balance.		-\$47,475	
P-30	Transmissison & Distribution Mains	343.000		-\$168
	To reflect Staff's 12/31/08 plant balance.		-\$168	
P-33	Meters	346.000		\$16,358
	To reflect Staff's 12/31/08 plant balance.		\$16,358	
Total Plant Adjustments				<u><u>-\$34,389</u></u>

Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Accumulated Depreciation Reserve - Water

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights SP	\$0			100.00%	\$0
8	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
9	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
10	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
11	314.000	Wells & Springs	\$0	R-11	\$7,754	100.00%	\$7,754
12	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
13	316.000	Supply Mains	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$7,754		\$7,754
15		PUMPING PLANT					
16	321.000	Structures & Improvements - PP	\$0	R-16	\$120	100.00%	\$120
17	325.000	Electric Pumping Equipment	\$0	R-17	\$21,592	100.00%	\$21,592
18	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
19	328.000	Other Pumping Equipment	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$0		\$21,712		\$21,712
21		WATER TREATMENT PLANT					
22	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
23	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
24	332.000	Water Treatment Equipment	\$0	R-24	\$689	100.00%	\$689
25		TOTAL WATER TREATMENT PLANT	\$0		\$689		\$689
26		TRANSMISSION & DISTRIBUTION PLANT					
27	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
28	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
29	342.000	Distribution Reservoirs & Standpipes	\$0	R-29	\$0	100.00%	\$0
30	343.000	Transmissison & Distribution Mains	\$0	R-30	\$14,712	100.00%	\$14,712
31	344.000	Fire Mains	\$0			100.00%	\$0
32	345.000	Services	\$0			100.00%	\$0
33	346.000	Meters	\$0	R-33	\$5,564	100.00%	\$5,564
34	347.000	Meter Installations	\$0			100.00%	\$0
35	348.000	Hydrants	\$0			100.00%	\$0
36	349.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
37		TOTAL TRANS. & DISTRIBUTION PLANT	\$0		\$20,276		\$20,276
38		GENERAL PLANT					
39	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
40	371.000	Structures & Improvements - GP	\$0			100.00%	\$0
41	372.000	Office Furniture & Equipment	\$0			100.00%	\$0
42	373.000	Transportation Equipment - GP	\$0			100.00%	\$0
43	379.000	Other General Equipment	\$0			100.00%	\$0
44		TOTAL GENERAL PLANT	\$0		\$0		\$0
45		TOTAL DEPRECIATION RESERVE	\$0		\$50,431		\$50,431

To Rate Base Schedule



**Suburban Water and Sewer Company**  
**Informal Rate Case**  
**Case No. WR-2009-0197C**  
**Test Year Ending 06-30-2008**  
**Schedule of Adjustments for Accumulated Depreciation Reserve - Water**

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-11	Wells & Springs	314.000		\$7,754
	To reflect Staff's 12/31/08 reserve balance.		\$7,754	
R-16	Structures & Improvements - PP	321.000		\$120
	To reflect Staff's 12/31/08 reserve balance.		\$120	
R-17	Electric Pumping Equipment	325.000		\$21,592
	To reflect Staff's 12/31/08 reserve balance.		\$23,824	
	To adjust the reserve balance.		-\$2,232	
R-24	Water Treatment Equipment	332.000		\$689
	To reflect Staff's 12/31/08 reserve balance.		\$689	
R-29	Distribution Reservoirs & Standpipes	342.000		\$0
	To reflect Staff's 12/31/08 reserve balance.		-\$2,232	
	To adjust to depreciation reserve.		\$2,232	
R-30	Transmissison & Distribution Mains	343.000		\$14,712
	To reflect Staff's 12/31/08 reserve balance.		\$14,712	
R-33	Meters	346.000		\$5,564
	To reflect Staff's 12/31/08 reserve balance.		\$5,564	
Total Reserve Adjustments				<u><u>\$50,431</u></u>

Suburban Water and Sewer Company  
Informal Rate Case  
Case No. WR-2009-0197C  
Test Year Ending 06-30-2008  
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2	301.000	Organization	\$750	0.00%	\$0
3	302.000	Franchises	\$0	0.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	0.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$750		\$0
6		SOURCE OF SUPPLY PLANT			
7	310.000	Land & Land Rights SP	\$1,500	0.00%	\$0
8	311.000	Structures & Improvements - SSP	\$0	0.00%	\$0
9	312.000	Collection & Impounding Reservoirs	\$0	0.00%	\$0
10	313.000	Lake, River & Other Intakes	\$0	0.00%	\$0
11	314.000	Wells & Springs	\$12,619	2.00%	\$252
12	315.000	Infiltration Galleries & Tunnels	\$0	0.00%	\$0
13	316.000	Supply Mains	\$0	0.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$14,119		\$252
15		PUMPING PLANT			
16	321.000	Structures & Improvements - PP	\$1,200	2.50%	\$30
17	325.000	Electric Pumping Equipment	\$17,460	7.00%	\$1,222
18	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0
19	328.000	Other Pumping Equipment	\$0	0.00%	\$0
20		TOTAL PUMPING PLANT	\$18,660		\$1,252
21		WATER TREATMENT PLANT			
22	330.000	Land & Land Rights-WTP	\$0	0.00%	\$0
23	331.000	Structures & Improvements - WTP	\$0	0.00%	\$0
24	332.000	Water Treatment Equipment	\$1,375	10.00%	\$138
25		TOTAL WATER TREATMENT PLANT	\$1,375		\$138
26		TRANSMISSION & DISTRIBUTION PLANT			
27	340.000	Land & Land Rights-T&D	\$0	0.00%	\$0
28	341.000	Structures & Improvements - T&D	\$0	0.00%	\$0
29	342.000	Distribution Reservoirs & Standpipes	\$96,874	2.50%	\$2,422
30	343.000	Transmissison & Distribution Mains	\$14,812	2.00%	\$296
31	344.000	Fire Mains	\$0	0.00%	\$0
32	345.000	Services	\$0	0.00%	\$0
33	346.000	Meters	\$30,105	3.30%	\$993
34	347.000	Meter Installations	\$0	0.00%	\$0
35	348.000	Hydrants	\$0	0.00%	\$0
36	349.000	Other Transmission & Distribution Plant	\$0	0.00%	\$0
37		TOTAL TRANS. & DISTRIBUTION PLANT	\$141,791		\$3,711
38		GENERAL PLANT			
39	370.000	Land & Land Rights-GP	\$0	0.00%	\$0
40	371.000	Structures & Improvements - GP	\$0	0.00%	\$0

**Suburban Water and Sewer Company**  
**Informal Rate Case**  
**Case No. WR-2009-0197C**  
**Test Year Ending 06-30-2008**  
**Depreciation Expense - Water**

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Line	Account		Adjusted	Depreciation	Depreciation
Number	Number	Plant Account Description	Jurisdictional	Rate	Expense
41	372.000	Office Furniture & Equipment	\$0	0.00%	\$0
42	373.000	Transportation Equipment - GP	\$0	0.00%	\$0
43	379.000	Other General Equipment	\$0	0.00%	\$0
44		TOTAL GENERAL PLANT	\$0		\$0
45		Total Depreciation	\$176,695		\$5,353

Agreement Attachment D

Rate Design Worksheet

# **SUBURBAN WATER & SEWER COMPANY, INC.**

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## **Development of Tariffed Rates-Water**

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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.

<b>Revenues Generated by Current Tariffed Rates</b>	<b>\$ 22,656</b>
<b>Agreed-Upon Overall Revenue Increase</b>	<b>\$ 18,769</b>
<b>Percentage Increase Needed</b>	<b>82.84%</b>

### **Metered Customer Rates**

<b>Meter Size</b>	<b>Current Service Charge</b>	<b>Proposed Service Charge</b>	<b>Current Usage Rate</b>	<b>Proposed Usage Rate</b>
5/8"	\$ 2.96	\$ 5.41	\$ 1.870	\$ 3.42

Agreement Attachment E

Billing Comparison Worksheet

# **SUBURBAN WATER & SEWER COMPANY, INC.**

## **Residential Customer Bill Comparison-Water**

### **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>\$2.96</b>	<b>\$5.41</b>	<b>\$1.870</b>	<b>\$3.420</b>

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	\$ 2.96
Usage Charge	\$ 11.22
Total Bill	\$ 14.18

#### **Proposed Rates**

Customer Charge	\$ 5.41
Usage Charge	\$ 20.52
Total Bill	\$ 25.93

#### **INCREASES**

##### **Customer Charge**

<b>\$ Increase</b>	<b>\$2.45</b>
<b>% Increase</b>	<b>82.84%</b>

##### **Usage Charge**

<b>\$ Increase</b>	<b>\$9.30</b>
<b>% Increase</b>	<b>82.84%</b>

##### **Total Bill**

<b>\$ Increase</b>	<b>\$11.75</b>
<b>% Increase</b>	<b>82.84%</b>

Agreement Attachment F

Schedule of Depreciation Rates



# **Suburban Water & Sewer Company**

## **DEPRECIATION RATES**

**(WATER)**

**WR-2009-0197    Attachment F**

<b><u>ACCOUNT NUMBER</u></b>	<b><u>ACCOUNT DESCRIPTION</u></b>	<b><u>DEPRECIATION RATE</u></b>	<b><u>AVERAGE SERVICE LIFE (YEARS)</u></b>	<b><u>SALVAGE</u></b>
314	Wells & Springs	2.00%	50	0%
321	Structures & Improvements	2.50%	40	0%
325	Electric Pumping Equipment	10.00%	10	0%
332	Water Treatment Equipment	2.90%	35	0%
342	Distribution Reservoirs & Standpipes	2.50%	40	0%
343	Transmission & Distribution Mains	2.00%	50	0%
346	Meters	3.30%	30	0%
347	Meter Installations	2.50%	40	0%

## Agreement Attachment G

### EMSD Implementation Review

## **Engineering and Management Services Department**

### **Implementation Review of Suburban Water Company**

#### **Customer Service Operations Review**

#### **Small Company Rate Increase Request**

#### **Case No. WR-2009-0197**

The Engineering and Management Services Department (EMSD) staff initiated an informal review of the customer services processes, procedures and practices at Suburban Water on February 16, 2005. This review produced a formal report which included a number of recommendations. The Company was directed to address the recommendations.

The EMSD staff recently performed a review of the Company's actions in response to the recommendations in the 2005 report. This review is being conducted in conjunction with the Company's filed request on November 17, 2008, for a rate increase request in Case No. WR-2009-0197. A member of EMSD staff met with employees at the offices of the Suburban Water Company in Columbia, Missouri in January 2009.

The information presented below includes the write-up of the deficiency as stated in the EMSD staff's prior 2005 report followed by the 2005 recommendation. Then, the results of the 2009 Implementation Review with a description of the Company's actions taken to date and an assessment of compliance or any further actions necessary is presented.

In two instances, the EMSD staff has made an additional recommendation to the Company and will conduct follow-up activities on any recommendations not completed or additional requirements noted. These two new recommendations, described in detail below, follow here:

*Require any and all employees, contractors and other entities performing work for Suburban Water Company to maintain detailed documentation noting the work activity and the time expended. This documentation should be initiated within thirty days of the Commission's Order Approving the Disposition Agreement in Case No. WR-2009-0197.*

*Report the unclaimed amount of customer deposit funds that the Company is unable to refund to the Missouri State Treasurer's Office, Unclaimed Property*

Division, under the provisions of the Missouri Revised Statutes, Chapter 447, Sections 447.517 and 539. This action should be completed within thirty days of a Commission Order Approving the Disposition Agreement in Case No. WR-2009-0197.

This follow-up on these recommendations will occur within 90 days of a Commission Order Approving the Disposition Agreement in this case.

### **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's attention:

- Time Reporting
- Customer Records
- Customer Deposits
- Customer Billing
- Refund of Overcharges
- Utility Rights and Responsibilities Brochure

### **Time Reporting**

#### **Audit Report 2005**

The Company does not utilize a detailed timesheet to track the time attributable to activities related to water specific functions performed by the office personnel. As indicated previously, the Company operates with personnel provided under a verbal agreement with Vista Home Management Company and does not directly employ any personnel. The EMSD staff has reviewed the services being provided and finds it reasonable for the customer levels for which services are provided. However, it is still important that personnel keep some detail of work hours and what they are attributable to since these personnel conduct activities for more than one company. Maintenance personnel do keep detailed time records by project or work-order.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Institute time reporting by specific activity for the employees involved in functions associated with the water operations.*

**Implementation Review in 2009:**

The Company developed and currently utilizes time records for its outside service personnel and contractors performing construction and operations field work. Workers use different colored time cards to track the hours attributable to the completion of water company operations.

However, the Company does not utilize time reports for office employees involved in water operations. Office personnel perform their primary duties as employees of Vista Home Management (Vista), a property management company, in the offices owned by Vista. Administrative duties associated with the Suburban Water Company are performed as necessary by two office personnel under a contract with the Burnam Family Co. LP. These duties include calculating, printing and mailing bills, accepting and posting payments, handling inquiries from customers, reading meters, and communicating with the various regulatory authorities that the Company has responsibilities to. Suburban pays a set fee of \$500 per month for these activities to be performed.

The Staff nor the Company is able to determine an actual amount of time expended by office personnel attributable to the completion of activities associated with the water company's operations. At this time, Burnam Family Co. LP charges Suburban Water Company a set amount monthly for the administrative services provided by its office employees to the water company. However, without time reports, it is difficult to determine if these charges are appropriate for the level of activities being performed. Time reporting would allow for a documented record of the specific activities and the hours attributable to them to be developed. Detailed work hour records are important for a number of reasons including providing support for expenses included in ratemaking.

The EMSD staff has determined that this recommendation is incomplete and directs the Company to take additional actions.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Require any and all employees, contractors and other entities performing work for Suburban Water Company to maintain detailed documentation noting the work activity and the time expended. This documentation should be initiated within thirty days of a Commission Order Approving the Disposition Agreement in Case No. WR-2009-0197.*

## **Customer Records**

### **Audit Report 2005**

Customer records are maintained in different formats and the computer billing system does not correlate easily with these records. For example, billing and payment records are separate from usage records. One central record by premise would allow the office personnel to keep all types of updated information on the service location and customer in one place.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Review the present records to determine if there could be a consolidation of the various types of information kept.*

The review of an alternative automated billing system should include an evaluation of record keeping capabilities.

### **Implementation Review in 2009:**

As of February 2009, the Company is in the process of installing an automated billing system to calculate and print its bills. The Company should review the capabilities of this system as they install and become familiar with it. Enhancements to the system may allow them to consolidate different types of information in the future. The Staff is of the opinion that the Company's actions to begin automating its billing functions will allow it to improve its record keeping in the future. This should eventually be explored as the Company becomes comfortable with the use of this new billing program.

The EMSD staff has determined that this recommendation is complete.

## **Customer Deposits**

### **Audit Report 2005**

The Company has not maintained the documentation required under Commission Rule 4 CSR 240-13.030(4)(E) relating to the receipt of customer deposits. The Company is unsure of which customers have deposits still in place and has not attempted to refund customer deposits originally placed with them to secure service. The Company should make an effort to review historical billing records and determine if there are present customers on the water system who have remitted a deposit in the past. If these customers have demonstrated a good payment record, these deposits should be refunded with the appropriate interest.

#### *THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Make a reasonable effort to review customer records to determine if any of its present customers have paid a deposit. If so, these deposits should be refunded with the appropriate interest.*

At the present time, the Company has \$1,400 classified as customer deposits. If these cannot be refunded to the original customers, the amount should be reclassified as Contributions in Aid of Construction (CIAC).

If in the future, the Company determines a necessity to charge deposits, the procedures to charge deposits and refund them should be in compliance with the Commission's Billing Rules. The appropriate documentation regarding deposits should also be issued and maintained.

### **Implementation Review in 2009:**

As a result of the recommendation, the Company stated that it reviewed information that was available regarding the accounts on which the Company held deposits.

The Company provided the EMSD staff with information that was obtained from spreadsheets dating back to 1979. Because of the age of the information and a lack of support documents, the Company is unsure of the accuracy of the information. For example, the spreadsheets do not include any information regarding customers who

moved and left the Company with unpaid balances due on their accounts. The Company is unable to make those types of determinations due to a lack of records. However, based upon the Staff's review, some assumptions can be made.

In 2007, the Company reviewed customer records it had available and developed a list that noted the year the deposit was assessed, the name of the customer, the amount of the deposit, the year refunded, and notes regarding the disposition or present location of the customer. At that time, there was a total of \$1,800 in seventy-two deposits held by the Company. The Company then returned \$350.70 to sixteen customers. An additional \$49.30 was put into income, leaving a balance of \$1,400 in deposits.

An additional review was conducted in mid 2007 of the four customers who paid deposits of \$25 each in the time frame of 1990 through 2000. Three of these customers were still on the system and the Company made refunds of the deposits plus 6% interest. The customers received credits on their bills for the period of 07/18/07 to 08/14/07.

At this time, the Company maintains that it holds \$1,325 in customer deposits and is unable to refund the balance to the customers of record due to a lack of forwarding addresses. General Counsel Staff of the Commission believes that the Company must report these unclaimed funds to the Missouri State Treasurer's Office under the provisions of Missouri Revised Statutes, Chapter 447, Lost and Unclaimed Property, Section 447.517 and Section 447.539.

The EMSD staff believes that the Company has responded to the recommendation in the 2005 Audit Report. As a follow-up, Staff now recommends that the funds remaining with the appropriate interest be conveyed to the proper authorities.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Report the unclaimed amount of customer deposit funds plus the appropriate interest that the Company is unable to refund to the Missouri State Treasurer's Office, Unclaimed Property Division, under the provisions of the Missouri Revised Statutes, Chapter 447, Sections 447.517 and 539. This action should be completed within thirty days of the operation of law date of the Commission Order Approving the Disposition Agreement in Case No. WR-2009-0197.*



## **Customer Billing**

### **Audit Report 2005**

The Company is using a customer billing system that is quite dated and does not maintain the customer data and records in an easily accessible format. Office personnel do the best job possible with this limited software but the Company should evaluate other more current methods available to maintain records and produce customer bills.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Evaluate various alternatives available to maintain customer records and produce bills.*

This evaluation should also include an evaluation of the possible costs and benefits associated with postcard billing. The EMSD staff would recommend that the Company contact other small water companies as well as trade associations to determine what is appropriate for small water companies.

### **Implementation Review in 2009:**

The Company is in the process of installing a new program that will automate the billing function. The system was designed by a local software company that has completed work for the owner's other businesses. The system, as described, will allow the Company to enter meter reading data into customer files that were set up. The programming will calculate the usage, apply the correct rates, calculate the usage and print the bill. The readings obtained by the Company in February 2009 will reflect the first use of the system.

The EMSD staff believes that this action addresses the intent of the Staff's recommendation. However, since the system has not been in operation, the Staff is unable to review its effectiveness. The EMSD staff will verify the system's use approximately 90 days after the Commission's Order in this case.

## **Refund of Overcharges**

### **Audit Report 2005**

The Company has not yet refunded the unauthorized overcharges to the customers that were placed on the April 2004 through October 2004 bills. Commission Rule 4 CSR 240-13.025 on Billing Adjustments requires that these overcharges be refunded. These could be more easily undertaken and tracked within the implementation of a new customer billing system.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Examine the overcharges that occurred during the April through October 2004 timeframe and determine an effective method to refund the monies owed to customers as recommended by the Auditing Department of the MoPSC.*

### **Implementation Review in 2009:**

The Company worked with PSC Auditing staff in March of 2005 to determine the interest charges applicable to the overcharges that occurred on customer bills from April to October 2004. A one time refund including interest was placed as a credit on these customers' bills on April 14, 2005. The Auditing staff indicated that the Company did retain copies of customer bills to provide documentation of the refunds.

The EMSD staff believes that these actions meet the recommendation.

## **Utility Rights and Responsibilities Brochure**

### **Audit Report 2005**

The Company has not prepared a brochure detailing the rights and responsibilities of the Company and its customers. The development of such a brochure and its prominent display and availability to customers is required per Commission Rule 4 CSR 240-13.040(3). Since many of the Company's customers apply for service over the telephone, this brochure could be mailed to them after their service application form is received.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Develop and distribute to all current and future customers a brochure detailing the rights and responsibilities of the utility and its customers.*

**Implementation Review in 2009:**

The Company worked with the EMSD staff to develop a brochure that would meet the requirements of Commission Rule 4 CSR 240-13.040(3). A brochure consisting of two sheets of paper with the appropriate information is available at the office and is mailed to all new customers. The EMSD staff suggests that the Company ensure the brochure be updated as rates or other factors change.

The EMSD staff believes that these actions meet the recommendation.

## Agreement Attachment H

### Summary of Case Events

## Suburban Water & Sewer

## Summary of Case Events

Date Filed	11/17/2008
Day 150	4/16/2009
Extension?	No
If yes, why?	N/A
Amount Requested	\$23,000.00
Amount Agreed Upon	\$18,769.00
Number of Customers	104
Rate of Return	9.50%
Return on Equity	9.50%
Assessments Current	Yes
Annual Reports Filed	Yes
Statement of Revenue Filed	Yes
Other Open Cases before Commission	No
Status with Secretary of State	Good
DNR Violations	None

Significant Service/Quality Issues