

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 \$2,530.

7. Pursuant to Rule 3.050, governing disposition agreements executed between Staff and companies utilizing the small utility rate case procedure, Oakbrier will file tariff sheets seeking to implement the terms of the Disposition Agreement. The tariff sheets will be filed on April 30, 2009, and as required will bear the minimum 45-day effective date of June 15, 2009.

8. Oakbrier is current on its payment of Commission assessments and on its annual report filings (with an extension currently for 2008 annual report), and statements of revenue. Oakbrier 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/ Shelley Syler Brueggemann

Shelley Syler Brueggemann

Missouri Bar No. 52173

Attorney for the Staff of the
Missouri Public Service Commission

P. O. Box 360

Jefferson City, MO 65102

(573) 526-7393 (Telephone)

(573) 751-9285 (Fax)

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

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 27th day of April 2009.

/s/ Shelley Syler Brueggemann

APPENDIX A

STAFF PARTICIPANT AFFIDAVITS AND DISPOSITION AGREEMENT & ATTACHMENTS

CASE NO. WR-2009-0229

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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Agreement Attachment F:	Schedule of Depreciation Rates
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Agreement Attachment H:	Summary of Case Events

Staff Participant Affidavits

David A. Spratt – Water & Sewer Department

Jeremy K. Hagemeyer – Auditing Department

Arthur W. Rice – Engineering & Management Services Department

Lisa A. Kremer – Engineering & Management Services Department

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF DAVID SPRATT

STATE OF MISSOURI

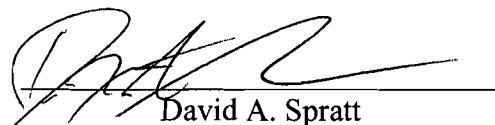
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COUNTY OF COLE

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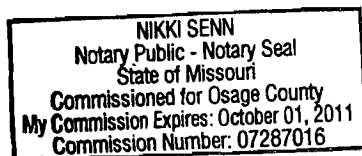
Case No. WR-2009-0229

COMES NOW David Spratt, being of lawful age, and on his oath states the following: (1) that he is a Technical Specialist in the Missouri Public Service Commission's Water & Sewer Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he was responsible for the preparation of the following *Company/Staff Agreement Regarding Disposition of Small Water Company Rate 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 this Disposition Agreement and the above-referenced attachments thereto are true and correct to the best of his knowledge, information, and belief.



David A. Spratt
Technical Specialist
Water and Sewer Department

Subscribed and sworn to before me this 27th day of April, 2009.


Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF JEREMY K. HAGEMEYER

STATE OF MISSOURI


COUNTY OF

ST LOUIS

ss.

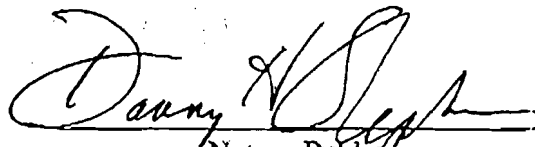
Case No. WR-2009-0229

COMES NOW Jeremy K. Hagemeyer, being of lawful age, and on his oath states the following: (1) that he is a(n) Utility Regulatory Auditor IV in the Missouri Public Service Commission's Auditing Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the 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 C to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment C to the Disposition Agreement; and (6) that the matters set forth in Attachment C to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.


Jeremy K. Hagemeyer
Utility Regulatory Auditor IV
Auditing Department

Subscribed and sworn to before me this 23RD day of April, 2009.




Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF ARTHUR W. RICE, PE


STATE OF MISSOURI

ss.

COUNTY OF COLE

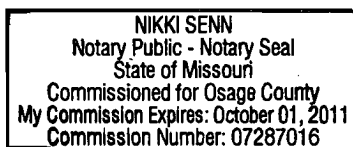
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) Case No. WR-2009-0229
)
)

COMES NOW Arthur W. Rice, being of lawful age, and on his oath states the following: (1) that he is a(n) Utility Regulatory Engineer 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 Revenue 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.



Arthur W. Rice
Utility Regulatory Engineer
Engineering & Management
Services Department

Subscribed and sworn to before me this 24th day of April, 2009.



Notary Public

Company/Staff Disposition Agreement

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

OAKBRIER WATER COMPANY

MO PSC TRACKING FILE NO. WR-2009-0229

BACKGROUND

Oakbrier Water Company ("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") tracking file 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 26, 2008 (unless noted otherwise, all dates herein refer to the year 2009), the Company set forth its request for an increase of \$5,472 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 57 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 15, 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 \$2,530 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) The Company will maintain all of its financial records in accordance with the Commission's Uniform System of Accounts
- (9) The Company shall segregate company purchases from personal purchases.

(10) 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. The Company will implement a bill format that is consistent with Commission Rule 4 CSR 240-13.020(9) and includes 1) the billing period, 2) previous balance owed, and 3) other charges.
- b. Refund and/or credit to customers all fees that have been inappropriately collected of customers including returned check and reconnection fees.
- c. Charge and refund customer deposits consistent with Commission Rule 4 CSR 240-13.040 and the Company's tariffs. Specifically, the Company should ensure that customers are provided the opportunity to establish an acceptable credit rating under standards contained in its tariff. The Company should ensure that deposit amounts are appropriately calculated using criteria specified in its tariff. If determined appropriate to charge a deposit, they should be refunded upon satisfactory payment for 12 billing months and with appropriate interest.
- d. Review all customer deposits currently held with the Company and if they meet criteria specified in 4 CSR 240-13.040(4)(D), refund deposits with interest to its customers
- e. Ensure all customer complaints received by Company personnel are documented and maintained for at least two years. Documentation shall include customer name, address, the nature of the complaint, date of occurrence, as well as an explanation of what the Company has done to address the complaint as explained in Commission Rule 4 CSR 240-13.040(5).
- f.. Ensure that all rates and fees charged to customers, such as returned check and reconnection fees, have been approved by the Missouri Public Service Commission and are present in the Company's tariffs.
- g. Ensure that customers are consistently provided twenty-one (21) days from rendition of bills until payment is due as required by Commission Rule 4 CSR 240-13.020(7)
- h. Develop in written form, the information that summarizes the rights and responsibilities of the utility and its customers and make such documentation available to customers. The document should adhere to Commission Rule 4 CSR 240-13.040(3)

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

- a. Analyze automated billing software and consider use of a cost-effective automated system that would more efficiently and accurately handle the calculation and preparation of customer bills.
- b. Perform monthly bill checking on a sample of bills and correct past billing errors to customers.
- c. Store all critical papers in fire proof storage.
- d. Institute time reporting by specific utility for the Company'

(12) 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 Staff and Staff will file a copy in the subject case file.

(13) 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.

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

(15) 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.

(16) 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.

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:



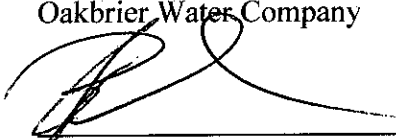
Rodger Owens

Date

04-17-09

President

Oakbrier Water Company



James Busch

Manager

Water & Sewer Department

Missouri Public Service Commission Staff

4/23/09

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 Report

Attachment H – Summary of Events

RECEIVED
APR 23 2009
UTILITY OPERATIONS
DIVISION

Agreement Attachment A

Example Tariff Sheets

FORM NO. 13 P.S.C. MO No. 2

1st Revised Sheet No. 1

Canceling P.S.C.MO. No. 2

Canceling Original Sheet No. 1

Oakbrier Water Company

Name of Issuing Company

For: Oakbrier Estates Subdivision

Certificated Service Area

**SCHEDULE OF RATES
FOR WATER SERVICE****AVAILABILITY**

The following rates are applicable to all residential customers adjacent to the Company's distribution mains using standard water service.

Monthly Minimum (includes 5,000 gal)	\$ 14.98	*
Commodity Charge (per 1,000 gallons over 5,000 gal)	\$ 2.35	*
Flat Rate (Prior to installation per month)	\$ 14.98	*

SERVICE CONNECTION

Charge for new service connection	\$ 600.00	*
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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 30, 2009
Month/Day/YearEffective Date: June 15, 2009
Month/Day/YearIssued By: Rodger Owens - Manager
Name & Title of Issuing OfficerPO Box 24 Wappapello, MO 63966
Company Mailing Address

FORM NO. 13 P.S.C. MO No. 2

1st Revised Sheet No. 2

Canceling P.S.C.MO. No. 2

Canceling Original Sheet No. 2

Oakbrier Water Company

Name of Issuing Company

For: Oakbrier Estates Subdivision

Certificated Service Area

**SCHEDULE OF SERVICE CHARGES
FOR WATER SERVICE**

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

Turn-on Fee	\$25.00	*
Turn-off 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 (or 1% whichever is higher) 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.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: April 30, 2009
Month/Day/Year

Effective Date: June 15, 2009
Month/Day/Year

Issued By: Rodger Owens - Manager
Name & Title of Issuing Officer

PO Box 24 Wappapello, MO 63966
Company Mailing Address

Agreement Attachment B

Ratemaking Income Statement

OAKBRIER WATER

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	11,410
2	Other Operating Revenues *	\$	-
3	Total Operating Revenues	\$	11,410
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount
1 Pumping Equipment-Purchased Power	\$ 1,058
2 Operator Salary-Contract Services	\$ 4,317
3 Water Treatment -Testing/Laboratory Fees	\$ 75
4 Maintenance of Parts/Equipment	\$ 221
5 Missouri One Call	\$ 14
6 Office Supplies	\$ -
7 Billing & Collections	\$ 1,985
8 Accounting Fees	\$ 245
9 Postage	\$ 238
10 Regulatory Commission Expense	\$ 342
11 Miscellaneous General Expenses	\$ 1,417
12 Sub-Total Operating Expenses	\$ 9,912
13 Property Taxes	\$ 85
14 MO Franchise Taxes	\$ -
15 Employer FICA Taxes	\$ 615
16 Federal Unemployment Taxes	\$ -
17 State Unemployment Taxes	\$ -
18 State & Federal Income Taxes	\$ 94
19 Sub-Total Taxes	\$ 794
20 Depreciation Expense	\$ 1,831
21 Interest Expense	
22 Sub-Total Depreciation/Amortization	\$ 1,831
23 Return on Rate Base	\$ 1,403
24 Total Cost of Service	\$ 13,940
25 Overall Revenue Increase Needed	\$ 2,530

Agreement Attachment C

Audit Workpapers

Exhibit No.: 12345667
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staff
Case No: WR-2009-0229
Date Prepared: 2/19/2009



MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

REVISED

STAFF ACCOUNTING SCHEDULES

OAKBRIER

CASE NO. WR-2009-0229

Jefferson City, Missouri

February 2009

Oakbrier
Informal Rate Case
WR-2009-0229
Test Year Ending 12/31/08
Rate Design Schedule - Water

Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues	(1)	\$11,410			
Rev-3	Miscellaneous Revenues	(1)	\$0			
Rev-4	TOTAL ANNUALIZED REVENUES		\$11,410			
1	OPERATIONS EXPENSES	(2)				
2	Administration/Billing/Meter Reading (1)		\$1,985	\$0	\$1,985	0.00%
3	Operators Salary/Contract Services (1)		\$4,317	\$0	\$4,317	0.00%
4	Electricity		\$1,058	\$0	\$1,058	0.00%
5	Chemicals-(Chlorine)		\$75	\$0	\$75	0.00%
6	MO One Call		\$14	\$0	\$14	0.00%
7	TOTAL OPERATIONS EXPENSE		\$7,449	\$0	\$7,449	
8	MAINTENANCE EXPENSES					
9	Outside Services Employed (1)		\$31	\$0	\$31	0.00%
10	System Maintenance		\$190	\$0	\$190	0.00%
11	TOTAL MAINTENANCE EXPENSE		\$221	\$0	\$221	
12	CUSTOMER ACCOUNT EXPENSE					
13	Accounting Service		\$245	\$0	\$245	0.00%
14	Postage		\$238	\$0	\$238	0.00%
15	TOTAL CUSTOMER ACCOUNT EXPENSE		\$483	\$0	\$483	
16	ADMINISTRATIVE & GENERAL EXPENSES					
17	Office Utilities		\$8	\$0	\$8	0.00%
18	Telephone & Pagers		\$186	\$0	\$186	0.00%
19	Vehicle Expense		\$570	\$0	\$570	0.00%
20	Medical Insurance		\$286	\$0	\$286	0.00%
21	Building Rent		\$367	\$0	\$367	0.00%
22	Other Misc. Expenses		\$0	\$0	\$0	0.00%
23	TOTAL ADMINISTRATIVE AND GENERAL		\$1,417	\$0	\$1,417	
24	OTHER OPERATING EXPENSES					
25	MO DNR Fees		\$200	\$0	\$200	0.00%
26	PSC Assessment		\$92	\$0	\$92	0.00%
27	Corporate Registration		\$50	\$0	\$50	0.00%
28	Depreciation		\$1,831	\$0	\$1,831	0.00%
29	TOTAL OTHER OPERATING EXPENSES		\$2,173	\$0	\$2,173	
30	TAXES OTHER THAN INCOME					
31	Real & Personal Property Taxes		\$85	\$0	\$85	0.00%
32	Payroll Taxes		\$615	\$0	\$615	0.00%
33	TOTAL TAXES OTHER THAN INCOME		\$700	\$0	\$700	
34	TOTAL OPERATING EXPENSES		\$12,443	\$0	\$12,443	
35	Interest Expense	(3)	\$0	\$0	\$0	0.00%
36	Return on Equity	(3)	\$1,403	\$0	\$1,403	0.00%
37	Income Taxes	(3)	\$94	\$0	\$94	0.00%
38	TOTAL INTEREST RETURN & TAXES		\$1,497	\$0	\$1,497	
39	TOTAL COST OF SERVICE		\$13,940	\$0	\$13,940	
40	Less: Miscellaneous Revenues		\$0	\$0	\$0	0.00%
41	COST TO RECOVER IN RATES		\$13,940	\$0	\$13,940	
42	INCREMENTAL INCREASE IN RATE REVENUES		\$2,530			

Oakbrier
 Informal Rate Case
 WR-2009-0229
 Test Year Ending 12/31/08
 Rate Design Schedule - Water

Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
43	PERCENTAGE OF INCREASE		22.17%			
44	REQUESTED INCREASE IN REVENUES		\$5,472			

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

Oakbrier
 Informal Rate Case
 WR-2009-0229
 Test Year Ending 12/31/08
 Rate Base Required Return on Investment Schedule - Water

Line Number	A Rate Base Description	B Dollar Amount	
1	Plant In Service	\$26,492	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$11,727	From Depreciation Reserve Schedule
3	Net Plant In Service	\$14,765	
4	Other Rate Base Items:	\$0	
	Contribution In Aid of Construction	\$0	
	CIAC Depreciation	\$0	
5	Total Rate Base	\$14,765	
6	Total Weighted Rate of Return Including Income Tax	10.13%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$1,496	

Oakbrier
Informal Rate Case
WR-2009-0229
Test Year Ending 12/31/08
Rate of Return Including Income Tax - Water

		A	B	formulas
1	State Income Tax Rate Statutory / Effective	6.25% (2)	6.25%	$(1 - (B2 \times .5)) \times A1$
2	Federal Income Tax Rate Statutory / Effective	0.00% (1) & (2)	0.00%	$(1 - B1) \times A2$
3	Composite Effective Income Tax Rate		6.25%	$B1 + B2$
4	Equity Tax Factor		1.0667	$1 / (1 - B3)$
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		10.13%	$B4 \times B5$
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		10.13%	$B6 + B7$

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		Tax Rate	Amount in Range	Tax on Range
Start	End			
\$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	\$0
			Consolidated Tax Rate:	
			Average Tax Rate:	0

Oakbrier
 Informal Rate Case
 WR-2009-0229
 Test Year Ending 12/31/08
 Capital Structure Schedule - Water

Line Number	Description	Dollar Amount	Percentage of Total Capital Structure	Embedded Cost of Capital	Weighted Cost of Capital
1	Common Stock	\$14,765	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	\$14,765	100.00%		9.500%

To PreTax Return Rate Schedule

Oakbrier
Informal Rate Case
WR-2009-0229
Test Year Ending 12/31/08
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	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights SP	\$0			100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Wells & Springs	\$0			100.00%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$0			100.00%	\$0
13		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0		\$0
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
16	325.000	Electric Pumping Equipment	\$4,869			100.00%	\$4,869
17	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
18	328.000	Other Pumping Equipment	\$0			100.00%	\$0
19		TOTAL PUMPING PLANT	\$4,869		\$0		\$4,869
20		WATER TREATMENT PLANT					
21	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
22	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
23	332.000	Water Treatment Equipment	\$661			100.00%	\$661
24		TOTAL WATER TREATMENT PLANT	\$661		\$0		\$661
25		TRANSMISSION & DISTRIBUTION PLANT					
26	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
27	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
28	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
29	344.000	Fire Mains	\$0			100.00%	\$0
30	345.000	Services	\$1,360			100.00%	\$1,360
31	343.000	Transmission & Distribution Mains	\$0			100.00%	\$0
32	346.000	Meters- Bronze Chamber	\$9,113			100.00%	\$9,113
33	346.000	Meters- Plastic Chamber	\$0			100.00%	\$0
34	347.000	Meter Installations- Bronze	\$295			100.00%	\$295
35	347.000	Meter Installations- Plastic	\$0			100.00%	\$0
36	348.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
37	349.000	Hydrants	\$0			100.00%	\$0
38		TOTAL TRANS. & DISTRIBUTION PLANT	\$10,768		\$0		\$10,768
39		GENERAL PLANT					
40	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
41	371.000	Structures & Improvements - GP	\$3,125			100.00%	\$3,125
42	372.000	Office Furniture & Equipment	\$0	P-42	\$21	100.00%	\$21
43		Office Computer Equipment	\$0			100.00%	\$0
44	373.000	Transportation Equipment - GP	\$0	P-44	\$4,270	100.00%	\$4,270
45	379.000	Other General Equipment	\$2,778			100.00%	\$2,778
46		TOTAL GENERAL PLANT	\$5,903		\$4,291		\$10,194
47		TOTAL PLANT IN SERVICE	\$22,201		\$4,291		\$26,492

To Rate Base & Depreciation Schedules

Oakbrier
 Informal Rate Case
 WR-2009-0229
 Test Year Ending 12/31/08
 Schedule of Adjustments for Plant in Service - Water

A Plant Adjustment Number	B Plant In Service Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
P-42	Office Furniture & Equipment	372.000		\$21
	To include HP 640 Fax purchased 2/16/09 (divided equally among the 4 Owens Companies)		\$21	
P-44	Transportation Equipment - GP	373.000		\$4,270
	Rate Base Treatment for Truck		\$4,270	
Total Plant Adjustments				\$4,291

Oakbrier
Informal Rate Case
WR-2009-0229
Test Year Ending 12/31/08
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	\$0	0.00%	\$0
3	302.000	Franchises	\$0	0.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$0		\$0
5		SOURCE OF SUPPLY PLANT			
6	310.000	Land & Land Rights SP	\$0	0.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0	3.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0	0.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0	0.00%	\$0
10	314.000	Wells & Springs	\$0	2.00%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0	0.00%	\$0
12	316.000	Supply Mains	\$0	0.00%	\$0
13		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0
14		PUMPING PLANT			
15	321.000	Structures & Improvements - PP	\$0	3.00%	\$0
16	325.000	Electric Pumping Equipment	\$4,869	10.00%	\$487
17	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0
18	328.000	Other Pumping Equipment	\$0	0.00%	\$0
19		TOTAL PUMPING PLANT	\$4,869		\$487
20		WATER TREATMENT PLANT			
21	330.000	Land & Land Rights-WTP	\$0	0.00%	\$0
22	331.000	Structures & Improvements - WTP	\$0	0.00%	\$0
23	332.000	Water Treatment Equipment	\$661	2.90%	\$19
24		TOTAL WATER TREATMENT PLANT	\$661		\$19
25		TRANSMISSION & DISTRIBUTION PLANT			
26	340.000	Land & Land Rights-T&D	\$0	0.00%	\$0
27	341.000	Structures & Improvements - T&D	\$0	0.00%	\$0
28	342.000	Distribution Reservoirs & Standpipes	\$0	2.50%	\$0
29	344.000	Fire Mains	\$0	0.00%	\$0
30	345.000	Services	\$1,360	2.50%	\$34
31	343.000	Transmission & Distribution Mains	\$0	2.00%	\$0
32	346.000	Meters- Bronze Chamber	\$9,113	10.00%	\$911
33	346.000	Meters- Plastic Chamber	\$0	0.00%	\$0
34	347.000	Meter Installations- Bronze	\$295	2.50%	\$7
35	347.000	Meter Installations- Plastic	\$0	0.00%	\$0
36	348.000	Other Transmission & Distribution Plant	\$0	2.00%	\$0
37	349.000	Hydrants	\$0	0.00%	\$0
38		TOTAL TRANS. & DISTRIBUTION PLANT	\$10,768		\$952
39		GENERAL PLANT			

Oakbrier
 Informal Rate Case
 WR-2009-0229
 Test Year Ending 12/31/08
 Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
40	370.000	Land & Land Rights-GP	\$0	0.00%	\$0
41	371.000	Structures & Improvements - GP	\$3,125	3.00%	\$94
42	372.000	Office Furniture & Equipment	\$21	5.00%	\$1
43		Office Computer Equipment	\$0	20.00%	\$0
44	373.000	Transportation Equipment - GP	\$4,270	0.00%	\$0
45	379.000	Other General Equipment	\$2,778	10.00%	\$278
46		TOTAL GENERAL PLANT	\$10,194		\$373
47		Total Depreciation	\$26,492		\$1,831

Oakbrler
Informal Rate Case
WR-2009-0229
Test Year Ending 12/31/08
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		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights SP	\$0			100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Wells & Springs	\$0			100.00%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$0			100.00%	\$0
13		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0		\$0
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
16	325.000	Electric Pumping Equipment	\$965			100.00%	\$965
17	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
18	328.000	Other Pumping Equipment	\$0			100.00%	\$0
19		TOTAL PUMPING PLANT	\$965		\$0		\$965
20		WATER TREATMENT PLANT					
21	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
22	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
23	332.000	Water Treatment Equipment	\$111			100.00%	\$111
24		TOTAL WATER TREATMENT PLANT	\$111		\$0		\$111
25		TRANSMISSION & DISTRIBUTION PLANT					
26	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
27	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
28	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
29	344.000	Fire Mains	\$0			100.00%	\$0
30	345.000	Services	\$86			100.00%	\$86
31	343.000	Transmission & Distribution Mains	\$0			100.00%	\$0
32	346.000	Meters- Bronze Chamber	\$4,632			100.00%	\$4,632
33	346.000	Meters- Plastic Chamber	\$0			100.00%	\$0
34	347.000	Meter Installations- Bronze	\$16			100.00%	\$16
35	347.000	Meter Installations- Plastic	\$0			100.00%	\$0
36	348.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
37	349.000	Hydrants	\$0			100.00%	\$0
38		TOTAL TRANS. & DISTRIBUTION PLANT	\$4,734		\$0		\$4,734
39		GENERAL PLANT					
40	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
41	371.000	Structures & Improvements - GP	\$508			100.00%	\$508
42	372.000	Office Furniture & Equipment	\$0			100.00%	\$0
43		Office Computer Equipment	\$0			100.00%	\$0
44	373.000	Transportation Equipment - GP	\$0	R-44	\$4,270	100.00%	\$4,270
45	379.000	Other General Equipment	\$1,139			100.00%	\$1,139
46		TOTAL GENERAL PLANT	\$1,647		\$4,270		\$5,917
47		TOTAL DEPRECIATION RESERVE	\$7,457		\$4,270		\$11,727

To Rate Base Schedule

Oakbrier
 Informal Rate Case
 WR-2009-0229
 Test Year Ending 12/31/08
 Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount
R-44	Transportation Equipment - GP	373.000		\$4,270
	Rate Base Treatment for Truck		\$4,270	
	Total Reserve Adjustments			\$4,270

Oakbrier
Informal Rate Case
WR-2009-0229
Test Year Ending 12/31/08
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	58		0	
3	Bills Per Year	12		0	
4	Customer Bills Per year	696		0	
5	Current Customer Charge	\$12.26		\$0.00	
6	Annualized Customer Charge Revenues		\$8,533		\$0
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	4,255,965		0	
9	Less: Base Gallons Included In Customer Charge	2,757,519		0	
10	Commodity Gallons	1,498,446		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	0		0	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	\$0.00		\$0.00	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Block 2, Commodity Gallons per Block	1,498,446		0	
17	Block 2, Number of Commodity Gallons per Unit	1,000		0	
18	Block 2, Commodity Billing Units	1,498.45		0.00	
19	Block 2, Existing Commodity Charge	\$1.92		\$0.00	
20	Block 2, Annualized Commodity Charge Rev.		\$2,877		\$0
21	Total Annualized Water Rate Revenues		\$11,410		\$0

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.

Oakbrier
Informal Rate Case
WR-2009-0229
Test Year Ending 12/31/08
Rate Revenue Feeder Schedule - Water

Line Number	Description	Total	
		F Amount	G Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	58	
3	Bills Per Year		
4	Customer Bills Per year	696	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$8,533
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	4,255,965	
9	Less: Base Gallons Included In Customer Charge	2,757,519	
10	Commodity Gallons	1,498,446	
11	Block 1, Commodity Gallons per Block		
12	Block 1, Number of Commodity Gallons per Unit		
13	Block 1, Commodity Billing Units		
14	Block 1, Existing Commodity Charge		
15	Block 1, Annualized Commodity Charge Rev.		\$0
16	Block 2, Commodity Gallons per Block		
17	Block 2, Number of Commodity Gallons per Unit		
18	Block 2, Commodity Billing Units		
19	Block 2, Existing Commodity Charge		
20	Block 2, Annualized Commodity Charge Rev.		\$2,877
21	Total Annualized Water Rate Revenues		\$11,410

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.

Oakbrier
Informal Rate Case
WR-2009-0229
Test Year Ending 12/31/08
Expense Schedule - Water

A		B		C		D		E		F		G	
Line	Account			Company/						Jurisdictional		Adjusted	
Number	Number			Test Year		Adjustment		Adjustments		Allocation		Jurisdictional	
	(Optional)	Expense Description		Amount		Number							
1		OPERATIONS EXPENSES											
2		Administration/Billing/Meter Reading	(1)	\$575		W-2		\$1,410		100.00%		\$1,985	
3		Operators Salary/Contract Services	(1)	\$900		W-3		\$3,417		100.00%		\$4,317	
4		Electricity		\$1,557		W-4		-\$499		100.00%		\$1,058	
5		Chemicals-(Chlorine)		\$0		W-5		\$75		100.00%		\$75	
6		MO One Call		\$0		W-6		\$14		100.00%		\$14	
7		TOTAL OPERATIONS EXPENSE		\$3,032				\$4,417				\$7,449	
8		MAINTENANCE EXPENSES											
9		Outside Services Employed (1)		\$0		W-9		\$31		100.00%		\$31	
10		System Maintenance		\$36		W-10		\$154		100.00%		\$190	
11		TOTAL MAINTENANCE EXPENSE		\$36				\$185				\$221	
12		CUSTOMER ACCOUNT EXPENSE											
13		Accounting Service		\$0		W-13		\$245		100.00%		\$245	
14		Postage		\$290		W-14		-\$52		100.00%		\$238	
15		TOTAL CUSTOMER ACCOUNT EXPENSE		\$290				\$193				\$483	
16		ADMINISTRATIVE & GENERAL EXPENSES											
17		Office Utilities		\$371		W-17		-\$363		100.00%		\$8	
18		Telephone & Pagers		\$538		W-18		-\$352		100.00%		\$186	
19		Vehicle Expense		\$460		W-19		\$110		100.00%		\$570	
20		Medical Insurance		\$0		W-20		\$286		100.00%		\$286	
21		Building Rent		\$2,268		W-21		-\$1,901		100.00%		\$367	
22		Other Misc. Expenses		\$2,248		W-22		-\$2,248		100.00%		\$0	
23		TOTAL ADMINISTRATIVE AND GENERAL		\$5,885				-\$4,468				\$1,417	
24		OTHER OPERATING EXPENSES											
25		MO DNR Fees		\$200						100.00%		\$200	
26		PSC Assessment		\$192		W-26		-\$100		100.00%		\$92	
27		Corporate Registration		\$50						100.00%		\$50	
28		Depreciation		\$0		W-28		\$1,831		100.00%		\$1,831	
29		TOTAL OTHER OPERATING EXPENSES		\$442				\$1,731				\$2,173	
30		TAXES OTHER THAN INCOME											
31		Real & Personal Property Taxes		\$0		W-31		\$85		100.00%		\$85	
32		Payroll Taxes		\$0		W-32		\$615		100.00%		\$615	
33		TOTAL TAXES OTHER THAN INCOME		\$0				\$700				\$700	
34		TOTAL OPERATING EXPENSES		\$9,685				\$2,758				\$12,443	

Oakbrier
 Informal Rate Case
 WR-2009-0229
 Test Year Ending 12/31/08
 Expense Adjustment Schedule - Water

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
W-2	Administration/Billing/Meter Reading (1)			\$1,410
	To Annualize LaDawn Owens' Salary		\$1,410	
W-3	Operators Salary/Contract Services (1)			\$3,417
	To annualize Rodger Owens' Salary		\$3,417	
W-4	Electricity			-\$499
	To adjust to bills		-\$214	
	To remove late fees/credits		-\$11	
	To remove budget adjustment		-\$23	
	To annualize rate changes		\$75	
	To annualize the water usage adjustment		\$38	
	To allocate 90% usage of 406 S allen to personal use		-\$269	
	To eliminate Lake Office electricity		-\$95	
W-5	Chemicals-(Chlorine)			\$75
	To annualize bleach (5btlts/month @ 1.25)		\$75	
W-6	MO One Call			\$14
	To annualize MO One Call Charges		\$14	
W-9	Outside Services Employed (1)			\$31
	To reallocate Outside Services		\$31	
W-10	System Maintenance			\$154
	To annualize repairs expense		\$154	

Oakbrier
Informal Rate Case
WR-2009-0229
Test Year Ending 12/31/08
Expense Adjustment Schedule - Water

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
W-13	Accounting Service			\$245
	To annualize tax preparation and accounting services		\$245	
W-14	Postage			-\$52
	To annualize postage expense		-\$74	
	To include cost of 3 additional notices over 3 years		\$18	
	To allocate use of single PO Box		\$4	
W-17	Office Utilities			-\$363
	To disallow personal utilities		-\$363	
W-18	Telephone & Pagers			-\$352
	To adjust to bills		-\$52	
	To remove late fees/credits		-\$10	
	To remove non-utility phone lines		-\$154	
	To remove cable and cable fees		-\$75	
	To remove 50% personal usage for telephone		-\$61	
W-19	Vehicle Expense			\$110
	To annualize fuel and insurance cost		\$110	
W-20	Medical Insurance			\$286
	To annualize health insurance		\$286	
W-21	Building Rent			-\$1,901

Oakbrier
 Informal Rate Case
 WR-2009-0229
 Test Year Ending 12/31/08
 Expense Adjustment Schedule - Water

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
	To annualize rent expense		-\$1,901	
W-22	Other Misc. Expenses			-\$2,248
	To remove non-utility misc. spending		-\$2,248	
W-26	PSC Assessment			-\$100
	To annualize PSC Assessment		-\$100	
W-28	Depreciation			\$1,831
	1. To Annualize Depreciation		\$1,831	
	To remove CIAC Depreciation		\$0	
W-31	Real & Personal Property Taxes			\$85
	To include an annual level of property tax and real estate taxes and an allocated portion of 10% of Real Estate taxes for 406 S Allen and property tax on truck		\$85	
W-32	Payroll Taxes			\$615
	To annualize Payroll Taxes		\$615	
	Total Expense Adjustments			\$2,758

Oakbrier
 Informal Rate Case
 WR-2009-0229
 Test Year Ending 12/31/08
 Revenue Schedule - Water

Line Number	A Account Number (Optional)	B Revenue Description	C Company/ Test Year Amount	D Adjustment Number	E Jurisdictional Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$11,233	Rev-2	\$177	100.00%	\$11,410
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$0	100.00%	\$0
Rev-4		TOTAL ANNUALIZED REVENUES	\$11,233		\$177		\$11,410

Oakbrier
 Informal Rate Case
 WR-2009-0229
 Test Year Ending 12/31/08
 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			\$177
	1. To Annualize Rate Revenues		\$177	
Rev-3	Miscellaneous Revenues			\$0
	1. To Annualize Miscellaneous Revenues		\$0	
	Description		\$0	
	Description		\$0	
	Total Revenue Adjustments			\$177

Oakbrier
Informal Rate Case
WR-2009-0229
Test Year Ending 12/31/08
Miscellaneous Revenues Feeder - Water

Line	Description	Amount
Number	Description	Amount

3	Total Miscellaneous Revenues	<u>\$0</u>
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Agreement Attachment D

Rate Design Worksheet

OAKBRIER WATER

Development of Tariffed Rates-Water

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

Revenues Generated by Current Tariffed Rates	\$ 11,410
Agreed-Upon Overall Revenue Increase	\$ 2,530
Percentage Increase Needed	22.174%

Customer Rates

Customer Type	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
Residential	\$ 12.26	\$ 14.98	\$ 1.92	\$ 2.35

Agreement Attachment E

Billing Comparison Worksheet

OAKBRIER WATER

Residential Customer Bill Comparison-Water

Rates for Residential Customers

<u>Current Base Customer Charge</u>	<u>Proposed Base Customer Charge</u>	<u>Current Usage Rate</u>	<u>Proposed Usage Rate</u>
\$12.26	\$14.98	\$1.92	\$2.35

Current customer monthly charge includes 5,000 gallons

usage rate is per 1,000 gallons used

MONTHLY BILL COMPARISON

6,000 gallons/month usage

Current Rates

Customer Charge	\$ 12.26
Usage Charge	\$ 1.92
Total Bill	\$ 14.18

Proposed Rates

Customer Charge	\$ 14.98
Usage Charge	\$ 2.35
Total Bill	\$ 17.32

INCREASES

Customer Charge

\$ Increase	\$2.72
% Increase	22.17%

Usage Charge

\$ Increase	\$0.43
% Increase	22.17%

Total Bill

\$ Increase	\$3.14
% Increase	22.17%

Agreement Attachment F

Schedule of Depreciation Rates

OAKBRIER WATER COMPANY

DEPRECIATION RATES (CLASS D WATER)

WR-2009-0229 TEMPORARY WORK FILE Rev. A 2/26/09

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
311	Structures & Improvements (well house)	3.0%	33	
314	Wells & Springs	2.0%	50	
321	Structures & Improvements (pump house)	3.0%	33	
325	Electric Pumping Equipment	10.0%	10	
332	Water Treatment Equipment	2.9%	35	
342	Distribution Reservoirs & Standpipes	2.5%	40	
343	Transmission & Distribution Mains	2.0%	50	
345	Services	2.5%	40	
346	Meters	10.0%	10	
347	Meter Installations	2.5%	40	
348	Hydrants	2.0%	50	
371	Structures & Improvements (office & shop)	3.0%	33	
272	Office Furniture & Equipment	5.0%	20	
372.1	Office Computer Equipment	20.0%	5	
373	Transportation Equipment	0.0%	7	9%
379	Other General (tools, shop, garage	10.0%	9	10%

Agreement Attachment G

EMSD Implementation Review

REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW

Engineering and Management Services Department

Small Company Rate Increase Request

Case No: WR-2009-0229

Oakbrier Water Company

The Engineering and Management Services Department (EMSD) staff initiated a review of the customer service processes, procedures, and practices of Oakbrier Water Company (Oakbrier Estates, Oakbrier, or the Company) on December 10, 2008. The review was performed in conjunction with a small company rate increase request submitted by the Company on November 24, 2008, and designated by the Commission Case Number WR-2009-0229. The EMSD staff examined Company tariffs, annual reports, Commission complaint and inquiry records, and information provided by the Company in relation to its customer service and business office operations. The EMSD staff met with the Company on January 21, 2009. The Company's rate increase request for annual water system operating revenues is for \$5,472.00.

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

The objectives of the EMSD staff's review were to document and analyze the management control processes, procedures, and practices used by the Company to ensure adequate customer service is provided. The findings of this review provide the Commission with information regarding the Company's customer service operations. This review also includes recommendations, when appropriate, to improve the quality of service that Oakbrier Water Company provides to its customers.

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

- Customer Billing
- Payment Remittance
- Credit and Collections

- Complaint and Inquiry Handling and Recording
- Customer Communications and Information
- Record Storage and Security
- Time Reporting

Overview

Effective July 8, 1989, Oakbrier Water Company was granted a certificate of public convenience and necessity by the Missouri Public Service Commission to provide water service to Oakbrier Estates Subdivision, Poplar Bluff, Missouri in Butler County. In 1996, the Company was purchased by its current owners, whom currently reside in Bernie, Missouri. The Company's owners also own three (3) other utility systems: Whispering Hills Water System, Lakeland Heights Water Company and R.D. Sewer Company. Oakbrier Water Company is operated by the Company's two owners who fulfill all operational, managerial and office duty responsibilities.

One of the Company's owners serves as the Company's President, Manager and Operator. The Company's other owner serves as the Company's Secretary and Billing Clerk and is responsible for general office duties. She also assists in the field to repair leaks and read meters. The Company's President is responsible for operating the system and keeping it in good working order, as well as complying with regulations of the Department of Natural Resources (DNR). The Office Manager is responsible for recording payments, credit and collections and other office functions of the Company. There is currently no mechanism to track hours spent on the owners' work performed for Oakbrier.

The EMSD staff made an on-site visit to Oakbrier Water Company on January 21, 2009. During its visit, the staff conducted interviews with the Company's owners and visited the Company's well house. At the time of the staff's visit, the Company was provided copies of Commission Rules pertaining to water and sewer companies.

The Company indicated that its office hours for all of its utility systems are from 8 a.m. to 4 p.m., Monday through Friday. The Company's business office is located in the owners' residence at 406 South Allen, Bernie, Missouri.

Customer Billing

The Company's customer billing and meter reading is performed by the Company's owners. The Company indicated that all new customers are mailed a customer agreement to sign and return with an appropriate payment, which could include a tap fee and meter deposit or just a meter deposit. Per the Company's tariff, deposits are to be calculated on one month's usage plus thirty (30) days. The Company currently has no deposits on record for any of its customers.

The Company's current water rates are to be calculated in the following manner per the Company's tariff:

Monthly Minimum first 5,000 gallons	\$ 12.26
All over 5,000 gallons per 1,000 gallons	\$ 1.92
Non-metered customers	\$ 12.26
Charge for new service connection	\$250.00

Bills are prepared manually and include: the present reading, the previous reading, the number of gallons used and the corresponding amount of charges. There is a statement at the bottom of the bill which addresses late, reconnection and returned check fees. The Company's owners indicated that they do not employ any bill checking procedures to review the accuracy of the bills.

The Company indicates that meters are read at the end of the month, usually on the 27th or 28th. Billing cards are mailed by the 30th or the 31st of the month; however, the date on the bill indicates that the bill is mailed on the first of month with a due date of the 20th of the month. The bill further indicates that if not paid by the 25th, a 10% late fee will be due.

Meters may be estimated during the winter periods when weather makes accessing the meters difficult.

Payment Remittance

Oakbrier's payment options include cash or check. Payments may be hand delivered to the Company's office or mailed. The Company does accept payments while in the field. No electronic payments are currently offered to customers.

Payments are recorded manually into the Company office records and the Company indicated it usually makes bank deposits two to three times a week; deposits are made concurrently with its other three entities. Customer payments are stored in a small safe at the Company until deposits are made.

Credit and Collections

The Company indicated it collects signed applications or agreements from new customers. The Company's tariff provides the opportunity to charge a deposit that is calculated on one month's historical usage at that location plus thirty (30) days.

While the EMSD staff supports a utility's use of returned check fees and the Company's bill indicates it will charge such fees, the staff did not find a provision for a returned check fee in the Company tariffs. Staff from the PSC's Water and Sewer Department reviewed miscellaneous charges included in the Company's tariff as part of the small company informal rate case process and will be recommending appropriate changes. Oakbrier received three (3) returned checks in 2008.

Customers are considered delinquent if payment is not received by the 25th of the following month that a bill is rendered and the Company's billing statement indicates that service will be disconnected. For customers not making payment of their bill, the amount is added to the next monthly billing statement before service is actually subject to disconnection. The Company provides written delinquent notices indicating service will be subject to disconnection if payment is not received within thirty (30) days. The Company also makes follow-up phone calls requesting payment. The Company performed one non-pay service disconnection in the Oakbrier service territory during 2008. During 2008, four (4) customers had accounts in arrears with a total balance of \$194.24. The Company does not employ the services of an outside collection agency.

Complaint and Inquiry Handling and Recording

Customer calls are primarily handled by the Office Manager; however, the Operations Manager and Assistant Operations Manager also handle customer calls. The Company currently does not track these calls.

Customer Communications and Information

The Company indicates that all new customers are mailed a customer agreement to sign and return with either a tap fee and meter deposit or just a meter deposit. The Company indicated that service is provided as soon as payment and the agreements are received.

Records Storage and Security

Much of the Company's business office work is performed manually and is maintained in hard copy. Customer records, including meter reading, billing, agreements, general ledger and others are not stored in a fireproof location.

Time Reporting

The Company's owners own and operate four (4) regulated utilities. Their work days are often spent performing tasks for more than one utility and presently the Company has no systematic way to track the amount of hours spent on work for any one individual utility.

Findings, Conclusions, and Recommendations

The following discussion contains findings, conclusions and recommendations pertaining to Oakbrier's customer service and business office operations. This section focuses on the following areas that warrant Company management attention:

- Customer Billing
- Credit and Collections
- Complaint and Inquiry Handling and Recording
- Customer Communications and Information
- Records Storage and Security
- Time Reporting

Customer Billing

The Company does not currently perform periodic bill checking on the monthly bills sent to its customers and the Commission staff from the Auditing Department noted some errors in the calculation of customer bills. By performing periodic checks of a sampling of customer bills, the Company will develop additional internal control to help ensure that bills are calculated adequately.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Perform monthly bill checking on a sample of bills and correct past billing errors to customers.

The Company has not taken advantage of the opportunities for improvement to automate the Company's billing process. The Company currently performs its billing for Oakbrier as well as its other three (3) regulated utilities manually. The Company may consider utilizing the capabilities of its current spreadsheet software to assist it in its billing process or may consider the acquisition of a billing package. Implementation of an effective billing system would enhance the Company's customer record keeping activities. Customer records, calculation of the bills, preparation of the billing statements, detection of billing errors, and recording of the payments received could be improved with a more effective billing system.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Analyze automated billing software and consider initiating the use of a cost-effective automated system that would more efficiently and accurately handle the calculation and preparation of customer bills.

The Company's current bill format does not provide information to its customers required by Commission Rule 4 CSR 240-13.020(9). Specifically, the current bill format is lacking the billing period, previous balance owed and amounts due for other authorized charges such as primacy fees.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Implement a bill format that is consistent with Commission Rule 4 CSR 240-13.020(9) and includes 1) the billing period 2) previous balance owed, and 3) other charges.

The Company inaccurately dates its customer bills on the 1st of each month with a due date of the 20th. Although the Company indicates it mails bills prior to the billing date that is documented on customer bills, the current date of the Company's bills provides the appearance that customers are not being provided twenty-one (21) days from rendition or mailing of the bill until the bill is due. Commission Rule 4 CSR 240-13.020(7) provides that "a monthly-billed customer shall have at least twenty-one (21) days and a quarterly-billed customer shall have at least sixteen (16) days from the rendition of the bill to pay the utility charges unless a customer has selected a preferred payment date in accordance with a utility's preferred payment date plan."

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Ensure that customers are consistently provided at least twenty-one (21) days from rendition (or the mailing) of their bills until payment is due as required by Commission Rule 4 CSR 240-13.020(7).

Credit and Collections

The Company is currently charging or indicating it will charge customers for fees that are either not provided in their tariffs or are authorized at rates other than what the utility is charging its customers. Specifically, the Company's bill indicates a service fee of \$10.00 will be charged for all returned checks even though a returned check fee is not provided for in the Company's tariffs. The Company indicates its actual practice is to charge customers \$15.00 for returned checks, however, its bank charges Oakbrier \$25.00 for returned checks. The Company indicates it had received three returned checks during 2008.

The bill also indicates a \$50.00 reconnect fee will be charged for services disconnected for non-payment while the Company's tariff indicates a \$36.00 reconnection fee is currently approved. The Company indicates it has not charged

customers reconnection fees. The Commission's Water and Sewer Department will address matters in the Company's tariff.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Ensure that all rates and fees charged to customers such as returned check and reconnection fees have been approved by the Missouri Public Service Commission and are present in the Company's tariffs.

Refund or credit to customers all fees that have been inappropriately collected of customers including returned check and reconnections fees.

The Company is presently charging all new customers a deposit, but is not refunding deposits to customers with good payment history. The Company is charging inappropriate deposit amounts and is not refunding deposits with appropriate interest as required by Commission Rules, 4 CSR 240-13.040(1)(C), 4 CSR 240-13.040(4)(B)(D) and the Company's tariffs. Of the deposits the Company has on file, all were charged identical amounts of \$35.00 instead of calculated, per the Company's tariff, of not exceeding utility charges applicable to one (1) billing period plus thirty (30) days, computed on estimated or actual annual usage. The Company indicates it has not been refunding deposits until customers leave its system and was not aware that it was required to refund deposits with interest.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Charge and refund customer deposits consistent with Commission rule: 4 CSR 240-13.040(1)(C) and 4 CSR 240-13.040(4)(B,D) and the Company's tariffs. Specifically, the Company should ensure that customers are provided the opportunity to establish an acceptable credit rating under standards contained in its tariff. The Company should ensure that deposit amounts are appropriately calculated using criteria specified in its tariff. If determined appropriate to charge a deposit, they should be refunded upon satisfactory payment for 12 billing months and with appropriate interest.

Review all customer deposits currently held with the Company and if they meet criteria specified in 4 CSR 240-13.040(4)(D), refund deposits with interest to its customers.

Complaint and Inquiry Handling and Recording

The Company cannot demonstrate that documentation of complaints received by the Company is being performed, which is a violation of Commission Rule 4 CSR 240-13.040(5) which states:

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

The lack of a comprehensive complaint log makes it difficult for Company management to evaluate the reasons for customer contacts and to determine if any measures could be taken to improve customer satisfaction.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Ensure all customer complaints received by Company personnel are documented and maintained for at least two (2) years. Documentation shall include customer name, address, the nature of the complaint, date of occurrence, as well as an explanation of what the Company has done to address the complaint as explained in Commission Rules 4 CSR 240-13.040(5).

Customer Communications and Information

The Company lacks an informational brochure, summarizing the rights and responsibilities of the Company and its customers. The Company is in violation of Commission Rule 4 CSR 240-13.040(3) which states:

A utility shall prepare, in written form, information which in layman’s terms summarizes the rights and responsibilities of the utility and its customers in accordance with this chapter. The form shall be submitted to the consumer services department of the Missouri Public Service Commission, and to the Office of the Public Counsel. This written information shall be displayed prominently, and shall be available at all utility office locations open to the general public, and shall be mailed or otherwise delivered to each residential customer of the utility if requested by the customer. The information shall be delivered or mailed to each new customer of the utility upon the commencement of service and shall be available at all times upon request. The written information shall indicate conspicuously that it is being provided in accordance with the rules of the commission, and shall contain information concerning, but not limited to: (A) – (L).

The EMSD staff provided the Company with a sample of this document.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop in written form, the information that summarizes the rights and responsibilities of the utility and its customers and make such documentation available to customers. The document should adhere to Commission Rule 4 CSR 240-13.040(3).

Record Storage and Security

The Company cannot ensure that critical paper records are adequately stored. It is a good business practice to have procedures in place to protect data in the event of a disaster such as a fire.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Store all critical paper files in fireproof storage.

Time Reporting

The Company currently does not have a time reporting system in place to track the amount of time its owners spend on activities related solely to Oakbrier Water Company. Time reporting can have many benefits including determining the number of hours of work, the type of work and compensation that should be incorporated into customer rates, the need for additional personnel as well as compensation paid to outside parties. The Company has indicated its willingness to begin a time reporting process. The time reporting should be utilized for both inside office functions and outside operational activities performed by Company employees as well as any contractors it may employ.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Institute time reporting by specific utility for the Company's owners and any contractors it may employ.

Agreement Attachment H

Summary of Case Events

<u>Oakbrier</u>	Summary of Case Events		
Date Filed		11/26/2008	
Day 150		4/25/2009	
Extension?		No	
If yes, why?			
Amount Requested		\$5,472.00	
Amount Agreed Upon		\$2,530.00	
Number of Customers		58	
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		No	
Significant Service/Quality Issues		No	