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## Missouri Public Service Commission

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Secretary/Chief Regulatory Law Judge  
DANA K. JOYCE  
General Counsel

February 27, 2003

Ann Rudy – President  
Cedar Hill Estates Water Company, Inc.  
5108 Dulin Creek Road  
House Springs, MO 63051

RE: Requests for Increase in Water Rates  
Small Company Rate Case Procedure  
Mo. PSC Work ID No. QW-2003-0007 (water service)

Dear Ann:

Regarding the above-referenced subject, enclosed for your review and comment are the following documents: (1) the Staff's revenue requirement accounting runs, and related supporting documents; (2) the Staff's rate design work papers; and (3) customer bill comparisons based upon the Staff's recommended rates and rate design changes. Staff's audit shows that the Company should have a rate increase to annually generate \$26,052 (approximately a 180% increase) in additional revenue for its water service.

Please look over the detail of the expenses and plant contained in the revenue requirement accounting run. If you find an error or need additional information or explanation regarding the expenses incorporated into the Company's cost of service, our Accounting Staff will be glad to discuss every aspect of its results with you. I have included rate design sheets that show the increase to rates that would affect the increase. The Staff and Company will also be requesting that the Commission authorize the depreciation rates that are contained in the above-mentioned documents.

During our review, we discovered that the Company is billing customers on a quarterly basis. The Staff is insisting that the Company agree to read each customer's meter on a monthly basis and to bill all customers on a monthly basis.

Additionally, we discovered that the Company has been on average over-billing non-metered customers by \$.64 per month. The Staff insists that the Company agree not to bill a commodity rate to customers not served with a meter. Regarding this issue, the Staff also insists that the Company refund over-billings that have occurred for the past 18 months by applying a \$.64 credit to each premise which the Company has billed a non-metered rate over the past 18 months, for a period of 18 monthly billings.

**Attachment E 1-77**

The Staff is also making the following recommendations:

- 1) That the Company's "Late Payment Charge" is amended (see proposed tariff).
- 2) That the Company implements a "Bad Check Charge" of \$20 per bad check
- 3) That the Company modifies its "Door Collection Charge" from \$2 during regular working hours and \$10 after regular working hours, to \$15.
- 4) That the Company implements an "Emergency Call Out Charge," where the emergency exists entirely on the customer owned facilities, of \$25.
- 5) That the Company implements a "Reconnection Charge", for reconnection after a Company discontinuance of service, of \$50.
- 6) That the Company implement a "Temporary Turn-off Charge" where a service trip is made solely for the customer's convenience of \$25, during regular working hours (8:00am to 5:00 pm) and of \$35, during all other hours of the day, weekends and holidays.
- 7) That the Company modifies its "New Service Connection Fee" for the installation of a new service line from the Company's main to the customer's property line, from \$115 to \$475.
- 8) That the Company modifies its "Meter Test Charge" from \$10 to \$25.
- 9) That the Company replace its "Rules and Regulations" to update its tariff.

The Staff is seeking the Company agreement that its operator will keep more detailed time records for all future rate cases. Specifically, these time sheets must show the following items: the number of hours worked by the operator, the date the work was performed, to which specific system these hours relate and the number of hours devoted to capital improvement projects, operation and maintenance, or general office.

The Staff is seeking agreement that the Company will have operable master meters at all sources of water in all its operating systems and keep a monthly log of meter readings for these master meters. This agreement includes the Company repairing any inoperable master meters by June 1, 2003.

The Staff is seeking agreement that the Company maintain a log recording all revenues and separate occurrences by operating system related to each type of charge contained on the proposed "Schedule of Service Charges" tariff sheet, with monthly totals also being kept in this "Schedule of Service Charges" logbook.

Staff is also seeking agreement that when the Company seeks any future increases, that it is aware that it must file for rate changes for all of its operating areas: its water service areas, including Cedar Hill Estates service area, and its sewer service area.

In the current rate case, the Accounting Staff found that Piffel Excavating, which is an affiliated Company, performed a majority of the capital improvement and repair work for KMB. Although, the Staff found most items to be reasonable, in the future the Staff is seeking Company agreement that it will solicit a minimum of three competitive bids for all projects that exceed \$2,000. In the future, the Company should not assume that Piffel is its only option to perform larger repair

and improvement work. Related to this issue of competitive bids, the Company is being notified that the lack of competitive bids may preclude any plant from being included in future rates.

On December 9, 2002, KMB and Cedar Hill Estates Water Company, Inc. filed an application (in Case No. WM-2003-0194) requesting the Commission's authority to merge Cedar Hill into KMB. KMB is to carry on the operations of Cedar Hill. The Staff is of the opinion that proper rates will be established for both KMB and Cedar Hill as part of this informal rate request process and is of the opinion that merger will not affect the rates recommended by the Staff and Company these Small Company Rate Increase Procedures.

Also attached to this document is a Summary Overview of Cedar Hill Estates Water Company's Customer Service Operations. Mr. John Kiebel of the Commission's Engineering and Management Services Department (EMSD) has prepared this document. Please do not be confused by some of his recommendations. You will note that he recommends that the Company determine charge levels for the items of disconnection/reconnection, returned check charges, security deposits and late fees. As you can see in the above numbered items, the charges he recommends that you develop are already being proposed to be changed in this case; therefore, you will not need to determine these charges and file tariff sheets to affect these changes.

Additionally, you will note that Mr. Kiebel's recommendation that the Company evaluate the propriety of billing customers on a monthly basis. I am of the opinion that the Company was tariffed only to provide monthly billing and have built into our "agreements" and your tariff that in the future only monthly billing will occur.

Another area Mr. Kiebel addresses is that the Company develops and implements a "revert-to-owner" policy. The "process of holding the landlord responsible for his tenant's bill" is affected with a change in the definition of "customer" and with a change in the tariffed billing responsibilities. With the approval of the updated rules and regulations, which I am proposing, this change has already been affected.

The following are the recommendations of Mr. Kiebel that have not already been addressed by other members of the staff:

- 1) Make bank deposits on a timelier basis.
- 2) Store customer receipts overnight in a locked fireproof vault.
- 3) Utilize written delinquent notices for past due customers.
- 4) Disconnect service for non-payment when it is deemed appropriate to do so.

Please feel free to contact me by telephone at (573) 751-3437 if you have questions about any of the enclosed documents or if you need additional information. Please respond to me in writing, on or before March 1, 2003, about whether you agree with the Staff's proposals and which rate alternative you are interested in pursuing.

Ann Rudy  
Cedar Hill Estates Water Company, Inc. (KMB)  
Small Company Rate Increase Procedure Request  
February 27, 2003

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I am also providing this same information to the Office of the Public Counsel (OPC) for review and comment. After hearing back from you and the OPC, I will schedule a meeting or telephone conference between the Company, the Staff and the OPC to discuss the final resolution of the Company's rate increase requests.

Sincerely,



Wendell R. "Randy" Hubbs  
Assistant Manager - Rates  
Water and Sewer Department

enclosures

copy (letter only):

Leasha Teel  
Paul Adam  
Lisa Kremer  
Dale Johansen

John Cassidy  
Roberta McKiddy  
Cliff Snodgrass

Jeremy Hagemeyer  
Ron Bible  
Steve Loethen

Joan Wandel  
John Kiebel  
Jim Merciel

# KMB - Cedar Hill Estates Water Co.

Small Company Rate Filing - Water Service

Work ID # QW-2003-0007

W-1

## Rate Making Income Statement - Water

	As Adjusted			
<b>Annual Revenues</b>	\$14,464			
<b>Annual Expenses</b>			<b>Customer</b>	<b>Commodity</b>
			<b>Charge</b>	
Accounting Fees	\$900		\$900	
Legal Fees	\$126		\$126	
Annual Registration	\$45		\$45	
Business Insurance	\$1,019		\$1,019	
Certification	\$123		\$62	\$62
Depreciation Expense	\$5,850			\$5,850
Misc. assessments	\$250			\$250
DNR - Water Testing	\$200			\$200
Electricity Expense	\$1,896			\$1,896
Employee Health Insurance	\$213		\$213	
Freight/Postage/PitneyBows	\$850		\$850	
Miscellaneous	\$400		\$200	\$200
Loan Payment - Ann Rudy	\$0			\$0
Office Supplies	\$192		\$192	
Officer Salaries	\$3,264		\$3,264	
Operating Supplies	\$0			
Outside Services	\$0			
Soutside Services - Mowing	\$0			
Pager	\$99		\$99	
Payroll Taxes	\$1,425		\$1,425	
Payroll Billing Expense	\$6,031		\$6,031	
Payroll - Operator Expense	\$5,621			\$5,621
PSC Assessment	\$48		\$48	
Misc. assessments	\$58		\$58	
Real Estate Taxes	\$912			\$912
Registration	\$91		\$91	
Rent	\$1,150		\$1,150	
Repairs & Maintenance & R.M. Payroll	\$989			\$989
Sales Tax	\$906		\$906	
Telephone Expense	\$712		\$712	
Vehicle Expense	\$633			\$633
Return on Investment	\$6,513			\$6,513
<b>Total Cost of Service</b>	<b>\$40,516</b>		<b>\$17,391</b>	<b>\$23,126</b>
Less: Other Revenues	\$0		\$0	
<b>Cost to Recover in Rates</b>	<b>\$40,516</b>		<b>\$17,391</b>	<b>\$23,126</b>
<b>Increase =</b>	<b>\$26,052</b>	<b>180.12%</b>		
Requested Increase	\$27,615			

January 23, 2003  
Missouri Public Service Commission Staff

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W. R. Hubbs

# KMB - Cedar Hill Estates Water Co.

Small Company Rate Filing - Water Service  
Work ID # QW-2003-0007

W-1

## Water Service Rate Development

### Rate Design

#### Commodity Charge Development

	Commodity Cost	Total Gallons	Rate*
Commodity Cost per Unit	\$23,126	13,648,690	\$1.69

	Gallons
Unmetered - imputed	5,553,690
3/4" Metered - Residential	5,799,000
3/4" Metered - Commercial	1,972,000
1" Metered - Commercial	324,000
<b>TOTAL</b>	<b>13,648,690</b>

#### Customer Charge Development

Customer Charge Cost to Recover	\$17,391
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Customer Charge Development	Cust #'s	Weighting	Weight	Percentage	Allocation
Unmetered - imputed	85	1.5	127.5	46.88%	\$8,151.80
3/4" Metered - Residential	71	1.5	106.5	39.15%	\$6,809.15
3/4" Metered - Commercial	22	1.5	33	12.13%	\$2,109.88
1" Metered - Commercial	2	2.5	5	1.84%	\$319.68
<b>TOTAL</b>	<b>180</b>		<b>272</b>	<b>100.00%</b>	<b>\$17,390.50</b>

	Cust #'s	Allocated \$	Annual / Cust \$	Monthly Customer Chg
3/4" Metered Customers	178	\$17,070.82	\$95.90	\$7.99
1" Metered Customers	2	\$319.68	\$159.84	\$13.32
<b>Totals</b>	<b>180</b>	<b>\$17,390.50</b>		

January 23, 2003  
Missouri Public Service Commission Staff

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W. R. Hubbs

# KMB - Cedar Hill Estates Water Co.

Small Company Rate Filing - Water Service

Work ID # QW-2003-0007

W-1

## Residential Water Customer Impact

### Monthly Bill:

	Monthly Flat Charge			Total Bill	
<b>Proposed Rates</b>	\$7.99	\$1.69	6,000	\$10.17	\$18.16
<b>Current Rates</b>	\$4.28	\$0.64	6,000	\$3.84	\$8.12
<b>Difference</b>	\$3.71	\$1.05		\$6.33	\$10.04
<b>Percentage Difference from Current Rates</b>	86.7%	164.7%		164.7%	123.6%

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W. R. Hubbs

# KMB - Cedar Hill Estates Water Co.

Small Company Rate Filing - Water Service

Work ID # QW-2003-0007

W-1

## Proposed Charges - Water Annualized & Normalized Revenues

Customer Number - Non-metered	85
Monthly Customer Bills Per Year	1020
Times:	
Proposed monthly Charge	\$7.99
Equals:	
Annualized Customer Charge Bill Revenue	\$8,152
Gallons Billed -Imputed Non-metered	Imputed
	5,553,690
Times:	
Proposed Commodity Charge	\$1.69
Equals:	
Annualized Commodity Charge Revenue	\$9,410

Non-Metered Customers - Total Revenue \$17,562

Customer Number - 3/4" Meter Residential	71
Monthly Customer Bills Per Year	852
Times:	
Proposed monthly Charge	\$7.99
Equals:	
Annualized Customer Charge Bill Revenue	\$6,809
Gallons Billed* - 3/4" Meter Residential	5,799,000
Times:	
Proposed Commodity Charge	\$1.69
Equals:	
Annualized Commodity Charge Revenue	\$9,825

3/4" Meter Residential - Total Revenue \$16,635

Customer Number - 3/4" Meter Commercial	22
Monthly Customer Bills Per Year	264
Times:	
Proposed monthly Charge	\$7.99
Equals:	
Annualized Customer Charge Bill Revenue	\$2,110
Gallons Billed* - 3/4" Meter Commercial	1,972,000
Times:	
Proposed Commodity Charge	\$1.69
Equals:	
Annualized Commodity Charge Revenue	\$3,341

3/4" Meter Commercial - Total Revenues \$5,451

Customer Number - 1" Meter Commercial	2
Monthly Customer Bills Per Year	24
Times:	
Proposed monthly Charge	\$13.32
Equals:	
Annualized Customer Charge Bill Revenue	\$320
Gallons Billed* - 3/4" Meter Commercial	324,000
Times:	
Proposed Commodity Charge	\$1.69
Equals:	
Annualized Commodity Charge Revenue	\$549

1" Meter Commercial - Total Revenues \$869

Total Water Rate Revenues \$40,516

Miscellaneous Revenues \$0

Total Water Service Revenues \$40,516

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Missouri Public Service Commission Staff

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W. R. Hubbs



# KMB - Cedar Hill Estates Water Co.

Small Company Rate Filing - Water Service

W-1

Work ID # QW-2003-0007

Accounting Department

Test Year Annualized & Normalized Revenues

Customer Number - Non-metered	85
Monthly Customer Bills Per Year	1020
Times:	
Existing Minimum Monthly Charge	\$4.28
Equals:	
Annualized Customer Charge Bill Revenue	\$4,366

Non-Metered Customers - Total Revenue \$4,366

Customer Number - 3/4" Meter Residential	71
Monthly Customer Bills Per Year	852
Times:	
Existing Monthly Charges	\$4.28
Equals:	
Annualized Customer Charge Bill Revenue	\$3,647

Gallons Billed* - 3/4" Meter Residential	5,799,000
Times:	
Existing Commodity Charge	\$0.64
Equals:	
Annualized Commodity Charge Revenue	\$3,711

3/4" Meter Residential - Total Revenue \$7,358

Customer Number - 3/4" Meter Commercial	22
Monthly Customer Bills Per Year	264
Times:	
Existing Monthly Charges	\$4.28
Equals:	
Annualized Customer Charge Bill Revenue	\$1,130

Gallons Billed* - 3/4" Meter Commercial	1,972,000
Times:	
Existing Commodity Charge	\$0.64
Equals:	
Annualized Commodity Charge Revenue	\$1,262

3/4" Meter Commercial - Total Revenues \$2,392

Customer Number - 1" Meter Commercial	2
Monthly Customer Bills Per Year	24
Times:	
Existing Monthly Charges	\$5.88
Equals:	
Annualized Customer Charge Bill Revenue	\$141

Gallons Billed* - 3/4" Meter Commercial	324,000
Times:	
Existing Commodity Charge	\$0.64
Equals:	
Annualized Commodity Charge Revenue	\$207

1" Meter Commercial - Total Revenues \$348

Total Water Rate Revenues \$14,464

Miscellaneous Revenues \$0

Total Water Service Revenues \$14,464

# Cedar Hill

## Annualized Revenue Summary

April 2001

1.78  
3.50

Annualized Customers (12 months)  
(Flat rate no meters) Flat charge of 14.76 for three months)  
Customer Charge 4.92 per month

1020

86 customers

4.92

20 \$4.28

Annualized Customer Charge Revenue

5018

Base Usage Gallons

0

Commodity Usage Gallons

0

Commodity Usage Gallons

0

Commodity Charge per Gallons

0

Annualized Commodity Revenues

0

**Total Flat Rate Annualized Revenues**

5,018

4,366

Annualized Commercial Customers (12 months)

3/4" meter

264

23 customers

Customer Charge

4.28

(Meter size + customer charge) (1.78+2.50)

Annualized Customer Charge Revenue

1130

Base Usage Gallons

0

Commodity Usage Gallons (thousands)

1,972

Commodity Charge per Gallons

0.64

Annualized Commodity Revenues

1,262

**Total Commercial Rate Annualized Revenues**

1" meter

2392

2 customers

Annualized Commercial Customers (12 months)

24

Customer Charge

5.88

(Meter size + customer charge) (1.78+4.10)

Annualized Customer Charge Revenue

141.12

Base Usage Gallons

0

Commodity Usage Gallons (thousands)

324

Commodity Charge per Gallons 0.64

Annualized Commodity Revenues 207.36

**Total Commercial Rate Annualized Revenues 348.48**

Annualized Residential Customers (12 months)

*3/4" meter*

852

*71 customers*

Customer Charge

4.28

(Meter size + customer charge) (1.78+2.50)

Annualized Customer Charge Revenue

3646.56

Base Usage Gallons

0

Commodity Usage Gallons (thousands)

5799

Commodity Charge per Gallons

0.64

Annualized Commodity Revenues

3711

**Total Residential Rate Annualized Revenues 7,358**

**Total Cedar Hill Annualized Revenues**

~~15,117~~

*14,464*

Cedar Hill Estates  
Income Statement- Water  
Informal Rate Case

	DESCRIPTION	COMPANY	STAFF	DIFFERENCE
A-1	Accounting Fees /	261	900	639
B-1	Legal Fees	1,378	126	-1,253
	Annual Registration	45	45	-
C-1	Bank Charges	358	0	-358
D-1	business insurance	1,177	1,019	-158
	Certification	123	123	-
E-1	Depreciation Expense	3,929	5,850	1,921
F-1	Misc. Assessment	259	250	-9
G-1	DNR-Water Testing	817	200	-617
H-1	Electricity Expense	2,223	1,896	-327
I-1	Employee Health Insurance	346	213	-133
J-1	Freight/Postage/Pitney Bowes	812	850	38
K-1	Misc.	415	400	-15
L-1	Loan Payments-Ann Rudy	2,157	0	-2,157
M-1	Office Supplies	215	192	-23
N-1	Officer Salaries	2,906	3,264	358
O-1	Operating Supplies	123	0	-122
P-1	Outside Services	3,000	0	-3,000
Q-1	Outside Services-mowing	8	0	-8
R-1	Pager	113	99	-14
S-1	Payroll taxes	4,514	1,425	-3,089
T-1	Payroll-Billing Expense	5,244	6,031	787
U-1	Payroll-Operator Expense	4,163	5,621	1,458
	PSC Assessment	48	48	-
	Misc.-Assessment	58	58	-
	Real Estate Taxes	912	912	-
	Registration	91	91	-
	Rent	1,037	1,150	113
V-1	Repairs & Maintenance & R.M Paya	8,731	989	-7,742
W-1	Sales Tax	906	906	-
X-1	Telephone Expense	810	712	-98
Y-1	Vehicle Expense	703	633	-70
	Total Expenses	47,882	34,001	-13,880
	Total Revenues	16,579	<del>15,157</del> 14,464	
	Late Fees		0	0
	Net Income (Loss)	-31,303	<del>18,844</del>	-19,537
	Revenue Requirement		6,513	6,513
	Net Revenue Requirement- Water		<del>25,857</del>	26,050

**Cedar Hill Estates**

**Rate Base for KMB**

Total Plant in Service	\$ 122,237.00
Less: Depreciation Reserve	<u>\$ 71,292.00</u>
Net Plant	\$ 50,945.00
Less: CIAC	0
Rate Base	\$ 50,945.00
ROR-Debt (Rate Base 50,945 x 8.08 Equity Return Factored for Taxes)	\$ 4,485.60
ROR-Debt (Rate Base 39,894 x 3.98 ROR Debt)	\$ 2,027.61
Revenue Requirement	<u>\$ 6,513</u>

KMB  
2002 Informal Rate Case

Adjustment Summaries  
Cedar Hill

Accounting Fees

Company	261	
Staff	900	
^(3,574*25.10%)		
Staff Accounting Fees Adjustment	<u>639</u>	A-1

Legal Fees

Company	1,378	
Staff	126	
^(500.00*25.10%)		
Staff Legal Fee Adjustment	<u>(1,253)</u>	B-1

Bank Charges

Company	358	
Staff	0	
Not a reoccurring expense		
Staff Bank Charges Adjustment	<u>(358)</u>	C-1

Business Insurance

Company	1,177	
Staff	1,019	
^(4058*25.10%)		
Staff Business Insurance Adjustment	<u>(158)</u>	D-1

Depreciation Expense

Company	3,929	
Staff	5,850	
Staff Depreciation Expense Adjustment	<u>1,921</u>	E-1

Miscellaneous Assessment Adjustment

Company	259	
Staff	250	
^(Mo Rural \$200.90*25.10%)+\$200 to Dept. of Nat. Resources		
Staff Miscellaneous Assessment Adjustment	<u>(9)</u>	F-1

DNR-Water Testing

Company	817	
Staff	200	
Allowance of \$200 to have water samples sent to DNR		
Staff DNR-Water Testing Adjustment	<u>(617)</u>	G-1

^ Allocated Annual test year  
amount to each segment by customer

# Allocated to each segment by Staff  
Salary Allocation

**Electricity Expense**

Company	2,223	
Staff	1,896	
Calculation was based on the rate of reduction provided by AmerenUE (7.14%) * by the Company's energy charges, excluding the service charges which remain unchanged.		
Staff Electricity Expense Adjustment	<u>(327)</u>	H-1

**Employee Health Insurance**

Company	346	
Staff	213	
Covers Donnie only -#(\$1192*17.90%)		
Staff Employee Health Insurance Adjustment	<u>(133)</u>	I-1

**Freight/Postage/Pitney Bowes**

Company	812	
Staff	850	
^(\$3460.80*25.10%)		
Staff Freight/Postage/Pitney Bowes Adjustment	<u>38</u>	J-1

**Misc.**

Company	415	
Staff	400	
Removed Distributions for Ann Rudy and recategorized them under Loan Payments-Ann Rudy		
Most of the dollars included in Miscellaneous went into Repairs & Maint. or were reimbursements for expenses		
Staff Misc. Adjustment	<u>(15)</u>	K-1

**Loan Payments-Ann Rudy**

Company	2,157	
Staff	0	
This loan payment will be captured in the Company's rate of return		
Staff Loan Payments-Ann Rudy Adjustment	<u>(2,157)</u>	L-1

**Office Supplies**

Company	215	
Staff	192	
^(\$765*25.10%)		
Staff Office Supplies Adjustment	<u>(23)</u>	M-1

**Officer Salaries**

Company	2,906	
Staff	3,264	
Annualized Ann's Salary to \$13,000 $^{\wedge}(\$13,000*25.10\%)$		
Staff Officer Salaries Adjustment	<u>358</u>	N-1

**Operating Supplies**

Company	123	
Staff	0	
These amounts were allocated to repairs and maintenance		
Staff Operating Supplies Adjustment	<u>(123)</u>	O-1

**Outside Services-Mowing**

Company	8	
Staff	0	
Costs in this category were either put into Repairs & Maintenance		
Costs associated with Tim McKenna were disallowed		
Staff Outside Services-Mowing Adjustment	<u>(8)</u>	P-1

**Pager**

Company	113	
Staff	99	
$^{\wedge}(\$395.73*25.10\%)$		
Staff Pager Adjustment	<u>(14)</u>	Q-1

**Payroll-Taxes**

Company	4,514	
Staff	1,425	
$(532.60(\text{Donnie})+574.95(\text{Vicki})+(\text{Ann's})317.57)$		
Staff Payroll-Taxes Adjustment	<u>(3,089)</u>	R-1

**Payroll-Billing Expense**

Company	5,244	
Staff	6,031	
Annualized Salary to \$24,024 $^{\wedge}(\$24,024*25.10\%)$		
Staff Payroll-Billing Expense Adjustment	<u>787</u>	S-1

**Payroll-Operator Expense**

Company	4,163	
Staff	5,621	
Annualized Salary to \$32,000		
$^{\wedge}(\$32,000*17.90\%=\$5726.68*1.84\%=\$5621.15)$		
Staff Payroll-Operator Expense Adjustment	<u>1,458</u>	T-1

**Rent**

Company	1,037	
Staff	1,150	
$^{\wedge}(\$4580*25.10\%)$		
Staff Rent Adjustment	<u>113</u>	U-1



**Repairs & Maintenance & R.M. Payable**

Company	8,731	
Staff	989	
Staff Repairs & Maintenance Adjustment	<u>(7,742)</u>	V-1

**Telephone Expense**

Company	810	
Staff	712	
^(\$2835.61*25.10%)		
Staff Telephone Expense Adjustment	<u>(98)</u>	X-1

**Vehicle Expense**

Company	703	
Staff	633	
^(\$2619*25.10%)		
Staff Vehicle Expense Adjustment	<u>(70)</u>	Y-1

# CALCULATION OF EFFECTIVE TAX RATE

FIT	=	.15(TI-SIT)
SIT	=	.0625*(TI-FIT)
FIT	=	[TI(1-.0625TI+TI(.0625FIT))]
FIT	=	.15(.9375TI+.0625FIT)
FIT	=	.140625TI+.009375
.990625FIT	=	.140625TI
FIT	=	14.20%
SIT	=	.0625(1-(.1420TI*.50))
SIT	=	.0625(.929TI)
SIT	=	5.81% TI
FIT	=	(1-SIT)*.15
FIT	=	(1-.0581)*.15
FIT	=	14.13% TI
FIT	=	14.13%
SIT	=	5.81%
EFFECTIVE TAX RATE	=	19.93%

## TAX FACTOR UP CALCULATION

1	=	1	=	1.248907
1-EFFECTIVE TAX RATE		1-.1993		
EQUITY		7.05%		
*TAX FACTOR UP		1.248907		
TAX FACTORED UP EQUITY RETURN		8.80%		

## CALCULATION OF EFFECTIVE TAX RATE

KMB Utility  
Informal Rate Case  
Phone Expense

Ameritech - Pagers

	Current	Late Fees	Total
Aug '01	36.93	0.00	36.93
Sep	40.85	0.00	40.85
Oct	30.90	0.00	30.90
Nov	30.90	0.00	30.90
Dec	30.90	0.00	30.90
Jan '02	30.90	0.00	30.90
Feb	30.90	0.00	30.90
Mar	39.85	0.00	39.85
Apr	30.90	0.00	30.90
May	30.90	0.00	30.90
Jun	30.90	0.00	30.90
Jul	30.90	0.00	30.90
Total	395.73	0.00	395.73

AT&T

	Current	Late Fees	Total
Aug '01	21.57	0.00	21.57
Sep	23.68	0.00	23.68
Oct	13.81	0.00	13.81
Nov	13.79	0.00	13.79
Dec	15.46	0.00	15.46
Jan '02	34.18	0.00	34.18
Feb	32.90	0.00	32.90
Mar	15.89	0.00	15.89
Apr	15.03	0.00	15.03
May	26.88	0.00	26.88
Jun	32.23	0.00	32.23
Jul	32.28	0.00	32.28
Total	277.70	0.00	277.70

Nextel

	Phone Charge	Staff Charge	Tax	Company Paid	Late Fees	Total
Aug '01	84.56	2.19	8.47	95.22	0.00	95.22
Sep	53.54	12.04	6.41	71.99	0.00	71.99
Oct	52.50	23.80	7.45	83.75	0.00	83.75
Nov	52.75	21.00	7.20	80.95	0.00	80.95
Dec	60.71	7.91	6.73	75.35	0.00	75.35 *
Jan '02	85.61	0.00	0.00	85.61	0.00	85.61
Feb	61.10	6.09	6.59	73.78	0.00	73.78
Mar	60.04	11.87	7.05	78.96	0.00	78.96
Apr	60.61	8.29	6.75	75.65	0.00	75.65

May	61.10	5.38	6.52	73.00	0.00	73.00
Jun	60.71	7.91	6.73	75.35	0.00	75.35 *
Jul	60.71	7.91	6.73	75.35	0.00	75.35 *
Total				944.95	0.00	944.95

\*Used an average based on Feb 2002 - May 2002

Southwestern Bell

	Current	Late Fees	Total
Aug '01	130.68	0.00	130.68
Sep	130.69	0.00	130.69
Oct	140.49	0.00	140.49
Nov	134.65	0.00	134.65
Dec	77.96	0.00	77.96
Jan '02	145.03	0.00	145.03
Feb	135.13	0.00	135.13
Mar	157.82	0.00	157.82
Apr	128.87	0.00	128.87
May	146.19	0.00	146.19
Jun	152.17	0.00	152.17
Jul	133.28	0.00	133.28
Total	1612.96	0.00	1612.96

KMB Utility  
Informal Rate Case

PSC Assessment	Amount	Allocation	Allocated Amount
CHE	48.29	100.00%	48.29
CRV	3588.91	100.00%	3588.91
CVA	498.29	16.72%	83.31032
HRM	498.29	20.19%	100.6011
HSC	498.29	9.15%	45.58489
LWH	498.29	35.33%	176.052
SCT	498.29	11.67%	58.16003
WWS	498.29	6.94%	34.58164
Total			<u>4135.49</u>

KMB Utility  
Informal Rate Case  
Personal Property and Real Estate Taxes

System	Real Estate Tax	Personal Property Tax
Cedar Hill	893.24	16.37
Cape Rock	121.74	20.01
Crestview Acres	37.72	4.82
High Ridge	741.09	5.82
Hillshine	23.34	2.64
Lakewood Hills	0	10.19
Scotsdale	338.24	3.37
Warren Woods	<u>359.93</u>	<u>2.00</u>
Totals	<u><u>2515.30</u></u>	<u><u>65.21</u></u>

KMB Utility  
Informal Rate Case  
Misc. Expense Reimbursement

Date	Description	Fuel	Lodging
8/13/2002	Gas T-Rex	8.32	
6/7/2002	Rhodes 101 Stop-Gas	6.01	
5/3/2002	Ace Hardware/Buchheit		
4/4/2002	Texaco-Gas	20.96	
4/8/2002	Sears/True Value/Buchheit		
3/27/2002	Walmart-Batteries		
1/14/2002	Walmart-Misc. Cleaning Products		
12/13/2001	County Decorating-Paint		
12/13/2001	Hood's-Misc Painting stuff		
12/5/2001	Hood's/Lewis Electric Motor		
10/12/2001	Hood's		
10/3/2001	Buchheit		
9/17/2001	Buchheit		
8/14/2001	Rhodes 101 Stop-Gas	15.83	
7/9/2001	Buchheit		
6/6/2001	Walmart/Buchheit		
5/30/2001	Walmart/Buchheit		
4/30/2001	Outside Labor - Sam Allison		
4/20/2001	Pacific Lumber/Hood's		
3/26/2001	R&S MiniMart		
3/23/2001	Buchheit		
3/12/2001	Buchheit		
2/21/2001	The Family Center Rent's It - Backhoe attachment		
1/3/2001	Hood's - Door for HSC		
11/22/2000	Hill Behan - Nails		
11/16/2000	Paul Piffel Exp. Reimbursement	40.00	43.14
8/10/2000	Jan Dowell Exp. Reimbursement		
3/4/2000	Scott Robart - Exp. Reimbursement	270.41	
3/4/2000	Scott Robart - Exp. Reimbursement	177.43	
2/9/2000	Scott Robart - Exp. Reimbursement	209.37	
	<b>TOTALS</b>	<b>748.33</b>	<b>43.14</b>

Category						
Rep/Maint.	Office Supplies	Travel Rep/Maint.	Misc.	Tools	Outside Labor	TOTAL
						8.32
						6.01
				13.82	13.82	27.64
						20.96
20.09			15.78			35.87
			11.03			11.03
			8.84			8.84
			42.30			42.30
			23.82			23.82
			31.80			31.80
				27.88	27.88	55.76
121.42						121.42
177.20						177.20
						15.83
31.81						31.81
			18.80	72.31	72.31	163.42
58.61			54.47			113.08
					80.00	80.00
			47.06			47.06
			6.31			6.31
42.86						42.86
89.51						89.51
				44.82		44.82
85.37						85.37
			6.32			6.32
35.55			11.62			130.31
			175.00			175.00
			325.00			595.41
			63.44			240.87
			42.2			251.57
662.42	0.00	0.00	883.79	158.83	194.01	2690.52



KMB Utility  
Informal Rate Case  
Electric Expense

Cedar Hill Estates

	Current	Sales Tax	Late Fees	Total
Aug '01	194.4	11.13	0.00	205.53
Sep	187.11	11.28	0.00	208.39
Oct	131.44	7.52	0.00	138.96
Nov	137.17	7.85	0.00	145.02
Dec	144.03	8.25	0.00	152.28
Jan '02	198.37	11.36	0.00	209.73
Feb	199.34	11.41	0.00	210.75
Mar	215.86	12.36	0.00	228.22
Apr	213.51	12.22	0.00	225.73
May	136.65	7.82	0.00	144.47
Jun	157.56	9.02	0.00	166.58
Jul	176.74	10.12	0.00	186.86
Total	2102.18	120.34	0.00	2222.52
Less: U.E. Customer Charge				181.20
Sub Total				2041.32
Less: Permanent Rate reduction				145.75
TOTAL				1895.57

Cape Rock Village

CRV -- Lift Station				
	Current	Sales Tax	Late Fees	Sub Total
Aug '01	222.68	10.52	0.00	233.20
Sep	227.71	10.76	0.00	238.47
Oct	132.09	6.24	0.00	138.33
Nov	155.00	7.32	0.00	162.32
Dec	177.26	8.38	0.00	185.64
Jan '02	210.27	9.94	0.00	220.21
Feb	317.19	14.99	0.00	332.18
Mar	381.05	18.00	0.00	399.05
Apr	399.68	18.88	0.00	418.56
May	376.28	17.78	0.00	394.06
Jun	585.73	28.15	0.00	623.88
Jul	200.23	9.46	0.00	209.69
Sub Total	3,395.17	160.42	0.00	3,555.59
Less: U.E. Customer Charge				181.20
Sub Total				3,374.39
Less: Permanent Rate reduction				240.93
Sub Total				3,133.46

CRV -- Lagoons (B & H)				
	Current	Sales Tax	Late Fees	Sub Total
Aug '01	464.94	21.97	0.00	486.91
Sep	508.80	24.04	0.00	532.84
Oct	317.19	14.99	0.00	332.18
Nov	361.66	17.09	0.00	378.75
Dec	486.83	23.00	0.00	509.83
Jan '02	260.37	12.30	0.00	272.67
Feb	153.73	7.26	0.00	160.99
Mar	126.79	5.99	0.00	132.78
Apr	127.58	6.03	0.00	133.61
May	137.97	6.52	0.00	144.49
Jun	229.87	10.86	0.00	240.73
Jul	236.26	11.16	0.00	247.42
Sub Total	3,411.99	161.21	0.00	3,573.20
Less: U.E. Customer Charge				181.20
Sub Total				3,392.00
Less: Permanent Rate reduction				242.19
Sub Total				3,149.81

CRV -- Total				
	Current	Sales Tax	Late Fees	Sub Total
Aug '01	687.62	32.49	0.00	720.11
Sep	736.51	34.80	0.00	771.31
Oct	448.28	21.23	0.00	470.51
Nov	516.66	24.41	0.00	541.07
Dec	664.09	31.38	0.00	695.47
Jan '02	470.64	22.24	0.00	492.88
Feb	470.92	22.25	0.00	493.17
Mar	507.84	23.99	0.00	531.83
Apr	527.26	24.91	0.00	552.17
May	514.25	24.30	0.00	538.55
Jun	825.60	39.01	0.00	864.61
Jul	436.49	20.62	0.00	457.11
Sub Total	6,807.16	321.63	0.00	7,128.79
Less: U.E. Customer Charge				362.40
Sub Total				6,766.39
Less: Permanent Rate reduction				483.12
TOTAL				6,283.27

Crestview Acres

	Current	Sales Tax	Late Fees	Total
Aug '01	93.70	5.13	0.00	98.83
Sep	96.50	5.28	0.00	101.78
Oct	58.57	3.21	0.00	61.78
Nov	61.13	3.35	0.00	64.48
Dec	70.92	3.88	0.00	74.80
Jan '02	87.38	4.78	0.00	92.16
Feb	89.48	4.90	0.00	94.38
Mar	96.93	5.31	0.00	102.24
Apr	86.45	4.73	0.00	91.18
May	73.65	4.03	0.00	77.68
Jun	88.43	4.84	0.00	93.27
Jul	95.30	5.22	0.00	100.52
Total	988.44	54.66	0.00	1053.10
Less: U.E. Customer Charge				87.00
Sub Total				966.10
Less: Permanent Rate reduction				68.98
TOTAL				897.12

High Ridge Manor

	Current	Sales Tax	Late Fees	Total
Aug '01	133.73	7.66	0.00	141.39
Sep	123.58	7.07	0.00	130.65
Oct	102.31	5.86	0.00	108.17
Nov	72.81	4.17	0.00	76.98
Dec	81.33	4.66	0.00	85.99
Jan '02	104.59	5.99	0.00	110.58

Feb	97.37	5.57	0.00	102.94
Mar	114.08	6.53	0.00	120.61
Apr	109.01	6.24	0.00	115.25
May	79.78	4.57	0.00	84.35
Jun	121.91	6.98	0.00	128.89
Jul	148.27	8.49	0.00	156.76
Total	1288.77	73.79	0.00	1362.56
Less: U.E. Customer Charge				87.00
Sub Total				1275.56
Less: Permanent Rate reduction				91.07
TOTAL				1184.49

#### Hill Shine Community

	Current	Sales Tax	Late Fees	Total
Aug '01	38.25	2.09	0.00	40.34
Sep	40.09	2.19	0.00	42.28
Oct	30.08	1.65	0.00	31.73
Nov	27.93	1.53	0.00	29.46
Dec	31.15	1.71	0.00	32.86
Jan '02	62.56	3.43	0.00	65.99
Feb	77.79	4.26	0.00	82.05
Mar	70.44	3.86	0.00	74.30
Apr	78.72	4.31	0.00	83.03
May	34.84	1.91	0.00	36.75
Jun	36.81	2.02	0.00	38.83
Jul	40.25	2.20	0.00	42.45
Total	568.91	31.16	0.00	600.07
Less: U.E. Customer Charge				87.00
Sub Total				513.07
Less: Permanent Rate reduction				36.63
TOTAL				476.44

#### Lakewood Hills - Does not include Gem Lake

	Dogwood			
	Current	Sales Tax	Late Fees	Sub Total
Aug '01	98.42	5.63	0.00	104.05
Sep	139.01	7.96	0.00	146.97
Oct	111.43	6.38	0.00	117.81
Nov	96.29	5.51	0.00	101.80
Dec	105.23	6.02	0.00	111.25
Jan '02	103.15	5.91	0.00	109.06
Feb	95.64	5.48	0.00	101.12
Mar	81.51	4.67	0.00	86.18
Apr	83.72	4.79	0.00	88.51
May	87.29	5.00	0.00	92.29
Jun	104.09	5.96	0.00	110.05
Jul	7.25	0.42	0.00	7.67
Sub Total	1,113.03	63.73	0.00	1,176.76
Less: U.E. Customer Charge				87.00
Sub Total				1,089.76
Less: Permanent Rate reduction				77.81
Sub TOTAL				1,011.95

	NS Wade			
	Current	Sales Tax	Late Fees	Sub Total
Aug '01	243.83	13.96	0.00	257.79
Sep	113.52	6.50	0.00	120.02
Oct	94.03	5.38	0.00	99.41
Nov	78.23	4.48	0.00	82.71
Dec	85.33	4.89	0.00	90.22
Jan '02	95.03	5.44	0.00	100.47
Feb	121.87	6.98	0.00	128.85
Mar	111.76	6.40	0.00	118.16
Apr	98.72	5.65	0.00	104.37
May	70.19	4.02	0.00	74.21
Jun	144.28	8.26	0.00	152.54
Jul	262.45	15.03	0.00	277.48
Sub Total	1,519.24	86.99	0.00	1,606.23
Less: U.E. Customer Charge				87.00
Sub Total				1,519.23
Less: Permanent Rate reduction				108.47
Sub TOTAL				1,410.76

	Total Lakewood Hills			
	Current	Sales Tax	Late Fees	Total
Aug '01	342.25	19.59	0.00	361.84
Sep	252.53	14.46	0.00	266.99
Oct	205.46	11.76	0.00	217.22
Nov	174.52	9.99	0.00	184.51
Dec	190.56	10.91	0.00	201.47
Jan '02	198.18	11.35	0.00	209.53
Feb	217.51	12.46	0.00	229.97
Mar	193.27	11.07	0.00	204.34
Apr	182.44	10.44	0.00	192.88
May	157.48	9.02	0.00	166.50
Jun	248.37	14.22	0.00	262.59
Jul	269.70	15.45	0.00	285.15
Sub Total	2,632.27	150.72	0.00	2,782.99
Less: U.E. Customer Charge				174.00
Sub Total				2,608.99
Less: Permanent Rate reduction				186.28
TOTAL				2,422.71

#### Scotsdale

	Current	Sales Tax	Late Fees	Total
Aug '01	106.99	6.66	0.00	113.65
Sep	111.30	6.93	0.00	118.23
Oct	81.01	5.04	0.00	86.05
Nov	75.46	4.70	0.00	80.16
Dec	80.53	5.01	0.00	85.54
Jan '02	90.02	5.60	0.00	95.62
Feb	112.48	7.00	0.00	119.48
Mar	103.06	6.42	0.00	109.48
Apr	94.68	5.89	0.00	100.57
May	84.88	5.28	0.00	90.16
Jun	81.82	5.09	0.00	86.91
Jul	105.79	6.59	0.00	112.38
Total	1,128.02	70.21	0.00	1,198.23
Less: U.E. Customer Charge				181.20
Sub Total				1017.03
Less: Permanent Rate reduction				72.62
TOTAL				944.41

Warren Woods

	Current	Sales Tax	Late Fees	Total
Aug '01	219.78	12.58	0.00	232.36
Sep	158.34	9.06	0.00	167.40
Oct	200.29	11.47	0.00	211.76
Nov	140.99	8.07	0.00	149.06
Dec	106.07	6.07	0.00	112.14
Jan '02	127.58	7.30	0.00	134.88
Feb	144.48	8.27	0.00	152.75
Mar	118.58	6.79	0.00	125.37
Apr	127.17	7.28	0.00	134.45
May	119.06	6.82	0.00	125.88
Jun	99.15	5.68	0.00	104.83
Jul	152.91	8.75	0.00	161.66
Total	1,714.40	98.14	0.00	1,812.54
	Less: U.E. Customer Charge			87.00
	Sub Total			1725.54
	Less: Permanent Rate reduction			123.20
	TOTAL			1602.34

KMB Utility  
 Informal Rate Case  
 Legal & Accounting Costs

SYSTEM	Company Actual		Staff Adjusted	
	Blumenfeld, Kaplan & Sandweiss, P.C.	Stephen Finch & Associates, Inc.	Blumenfeld, Kaplan & Sandweiss, P.C.*	Stephen Finch & Associates, Inc.†
Cedar Hill	510.91	750	125.52	900
Cape Rock	494.03	1001.2	153.42	1,147.11
Crestview Acres	141.10	282.8	36.96	276.35
High Ridge	125.16	277.6	44.63	333.71
Hillshine	70.72	134.8	20.22	151.21
Lakewood Hills	282.90	593.2	78.10	583.99
Scotsdale	88.65	203.2	25.80	192.92
Warren Woods	53.15	107.2	15.34	114.71
	1766.62	3350.00	500.00	3700.00

Lakewood Hills Easement Bills

12/31/2001	1498.00	Blumenfeld, Kaplan & Sandweiss, P.C.
1/31/2002	526.50	Blumenfeld, Kaplan & Sandweiss, P.C.

\*Staff has included \$500 as normal and recurring legal expenses

† Estimates are based on 1) CHE: \$75/per month  
 payments 2) KMB: \$200/month and a \$400 payment  
 for tax prep. for KMB

*Customer Allocators	Customers	Customer Allocation	Customer Allocation no CHE
Cedar Hill	180	25.10%	
Cape Rock	220	30.68%	40.97%
Crestview Acres	53	7.39%	9.87%
High Ridge	64	8.93%	11.92%
Hillshine	29	4.04%	5.40%
Lakewood Hills	112	15.62%	20.86%
Scotsdale	37	5.16%	6.89%
Warren Woods	22	3.07%	4.10%
	717	100.00%	100.00%

KMB Utility  
Informal Rate Case  
Test Year Ending 7/31/02

Salary Allocation and  
Capitalization Analysis

	a	b	c (*see below)	d (b*c) Reallocate G/O Hours By Customers	e (a+d) Reallocated Hours	f Operator's Reported Salary Allocation	g Staff Adjusted Hours	h Staff Salary Allocation
Total Operator Hours Aug 1, 2001 - Jul 31, 2002	Total Reported Hours	General Office Hours	Customer Allocation					
Cedar Hill	300	102	25.10%	26	326	17.66%	330	17.90%
Cape Rock	489	102	30.68%	31	520	28.22%	546	29.61%
Crestview Acres	130	102	7.39%	8	138	7.46%	150	8.13%
High Ridge	159	102	8.93%	9	168	9.12%	105	5.69%
Hillshine	35	102	4.04%	4	39	2.12%	95	5.15%
Lakewood Hills	301	102	15.62%	16	317	17.19%	506	27.44%
Scotsdale	193	102	5.16%	5	198	10.75%	60	3.25%
Warren Woods	135	102	3.07%	3	138	7.49%	52	2.82%
General Office & Classes	102							
	1844		100.00%	102	1844	100.00%	1844	100.00%

Total Operator Capital Projects	Capitalized Hours	Reallocated Hours	Capitalization Percentage
Cedar Hill	6	326	1.84%
Cape Rock	132	520	25.27%
Crestview Acres	17	138	12.00%
High Ridge	41	168	24.24%
Hillshine	9	39	23.00%
Lakewood Hills	41	317	12.78%
Scotsdale	22	198	10.97%
Warren Woods	10	138	7.24%
	276	1844	

*Customer Allocators	Customers	Customer Allocation
Cedar Hill	180	25.10%
Cape Rock	220	30.68%
Crestview Acres	53	7.39%
High Ridge	64	8.93%
Hillshine	29	4.04%
Lakewood Hills	112	15.62%
Scotsdale	37	5.16%
Warren Woods	22	3.07%
	717	100.00%

Ann's Salary = \$13,000	Ann's Annualized Salary	Ann's Salary Allocation	Ann's Allocated Salary
Cedar Hill	13,000	25.10%	3,263.60
Cape Rock	13,000	30.68%	3,988.84
Crestview Acres	13,000	7.39%	960.95
High Ridge	13,000	8.93%	1,160.39
Hillshine	13,000	4.04%	525.80
Lakewood Hills	13,000	15.62%	2,030.68
Scotsdale	13,000	5.16%	670.85
Warren Woods	13,000	3.07%	398.88
		100.00%	13,000.00

KMB Utility  
Informal Rate Case  
Postage Expense

	25.10%	30.68%	7.39%	8.93%	4.04%	15.62%	5.16%	3.07%	
Postage	CHE	CRV	CVA	HRM	HSC	LWH	SCT	WWS	TOTAL
Billings	496.8	607.2	146.28	176.64	80.04	309.12	102.12	60.72	1978.92
Other Mailings	15.91	50.17	12.09	14.60	6.61	25.54	8.44	5.02	138.38
Customer Notification samples (also see testing exp)*	66.60	81.40	19.61	23.68	10.73	41.44	13.69	8.14	265.29
									0
<b>Sub Total</b>	<b>579.31</b>	<b>738.77</b>	<b>177.98</b>	<b>214.92</b>	<b>97.38</b>	<b>376.10</b>	<b>124.25</b>	<b>73.88</b>	<b>2382.59</b>
Pitney Bowes Meter Lease	270.68	330.83	79.70	96.24	43.61	168.42	55.64	33.08	1078.21
<b>Total Postage Expense</b>	<b>849.99</b>	<b>1069.61</b>	<b>257.68</b>	<b>311.16</b>	<b>140.99</b>	<b>544.53</b>	<b>179.89</b>	<b>106.96</b>	<b>3460.80</b>

\*There was no postage expense for sample mailings

Postage Meter Lease  
Pitney Bowes

	Current	Late Fees	Total
Qtr 1 7/20/01-10/20/01	264.73	0.00	264.73
Qtr 2 10/20/01-1/20/02	264.73	0.00	264.73
Qtr 3 1/20/02-4/20/02	264.73	0.00	264.73
Qtr 4 4/20/02-7/20/02	264.73	0.00	264.73
Lease Taxes	19.29	0.00	19.29
<b>Total</b>	<b>1078.21</b>	<b>0.00</b>	<b>1078.21</b>

*Customer Allocators	Customers	Customer Allocation no CHE
Cedar Hill	180	
Cape Rock	220	40.97%
Crestview Acres	53	9.87%
High Ridge	64	11.92%
Hillshine	29	5.40%
Lakewood Hills	112	20.86%
Scotsdale	37	6.89%
Warren Woods	22	4.10%
	<b>717</b>	<b>100.00%</b>

KMB Utility  
 Informal Rate Case  
 Test year ending 7/31/02  
 Repairs - Sorted by System & Vendor

Vendor	Description	ORG. CODED	Srv Date	Check #	Date Paid	System	Repairs	C/I	Outside of TY	Meter Reading	Vehicle Repairs	Tools	Misc. Supp	Chemicals	Late Fees	Mowing	Misc.	System Repairs
Cedar Hill Hard...	Misc.	REPAIRS	9/5/2001	1026	9/7/2001	Cedar Hill Estates	58.81											58.81
Cedar Hill Hard...	Chain Proof Sq Pail	REPAIRS	9/6/2001	1029	9/17/2001	Cedar Hill Estates	25.27											25.27
Cedar Hill Hard...	Misc.	REPAIRS	9/6/2001	1035	10/23/2001	Cedar Hill Estates	98.67											98.67
Cedar Hill Hard...	Fuse	REPAIRS	10/29/2001	1037	11/6/2001	Cedar Hill Estates	12.67											12.67
Cedar Hill Hard...	Paint & Stakes	REPAIRS	11/28/2001	1047	12/28/2001	Cedar Hill Estates	32.31											32.31
Cedar Hill Hard...	Paint	REPAIRS	2/4/2002	1056	2/15/2002	Cedar Hill Estates	4.56											4.56
Cedar Hill Hard...	Misc.	REPAIRS	3/12/2002	1062	3/22/2002	Cedar Hill Estates	56.34											56.34
Mildford Supply	Misc.	REPAIRS	10/10/2001	1036	10/23/2001	Cedar Hill Estates	221.90											221.90
Piffel-Payable	Vehicle Repair		8/20/2001			Cedar Hill Estates	51.25		51.25									0.00
Piffel-Payable	Vehicle Repair		11/27/2001			Cedar Hill Estates	67.87				67.87							0.00
Piffel-Payable	Vehicle Repair		11/30/2001			Cedar Hill Estates	12.40				12.40							0.00
Piffel-Payable	Vehicle Repair		1/1/2002			Cedar Hill Estates	101.50				101.50							0.00
Piffel-Payable			11/14/2001			Cedar Hill Estates	7,599.45	7,599.45										0.00
Piffel-Payable	Vehicle Repair		3/14/2002			Cedar Hill Estates	68.25				68.25							0.00
Piffel-Payable	Meter Reading		8/20/2001			Cedar Hill Estates	150.00			150.00								0.00
Piffel-Payable	Stock Repair		4/15/2002			Cedar Hill Estates	157.33											157.33
Piffel-Payable	Equipment Repair		5/23/2002			Cedar Hill Estates	12.25											12.25
Cedar Hill Hard...	Misc.	1510-operating...	9/19/2001	1202	10/23/2001	Cedar Hill Estates	22.98											22.98
Erb Equipment	Echo Pump	1510-operating...	9/7/2001	1181	9/24/2001	Cedar Hill Estates	89.53											89.53
Flynn Drilling...	Pump misc.	1509-outside s...	4/22/2002	1466	7/12/2002	Cedar Hill Estates	3,000.00	3,000.00										0.00
Jeffco Lawn &...	Weed Eater Repair	1509-outside s...	6/13/2002	1452	6/28/2002	Cedar Hill Estates	7.83									7.83		0.00
Cedar Hill Hard...	Misc.	1595-miscellan...	10/30/2001	1217	11/6/2001	Cedar Hill Estates	14.81											14.81
Piffel Excavating	Uniform Cleaning	1595-miscellan...	7/10/2002	1465	7/12/2002	Cedar Hill Estates	19.11										19.11	0.00
USA Bluebook	Flags	1595-miscellan...	7/12/2002	1480	7/26/2002	Cedar Hill Estates	8.16						8.16					0.00
Flynn Drilling	Pump misc.	1509-outside s...	4/22/2002	1071	5/20/2002	Cedar Hill Estates	1,800.00	1,800.00										0.00
Flynn Drilling	Pump misc.	1509-outside s...	4/22/2002	1074	6/7/2002	Cedar Hill Estates	1,000.00	1,000.00										0.00
LeBeau & Sons	Test & Certify Backflow	1509-outside s...	6/26/2001	1032	10/9/2001	Cedar Hill Estates	75.00											75.00
Buchheits	Roundup	1510-operating su.	8/31/2001	1020	9/6/2001	Cedar Hill Estates	106.21											106.21
U.S. Filter	Misc.	1510-operating su.	5/8/2001	1022	8/13/2001	Cedar Hill Estates	6,569.16	6,569.16										0.00
Total Cedar Hill							21,443.62	19,968.61	51.25	150.00	250.02	0.00	8.16	0.00	0.00	7.83	19.11	988.64

Vendor	Description	ORG. CODED	Srv Date	Check #	Date Paid	System	Repairs	Ctl	Outside of T/Meter Reading	Vehicle Repairs	Tools	Misc. Supp.	Chemicals	Late Fees	Mowing	Misc.	System Repairs
Buchheit	Steel Culvert	REPAIRS	8/8/2001	1131	8/8/2001	Cape Rock Village	76.44	76.44									0.00
Buchheit	Misc.	REPAIRS	9/14/2001	1167	9/14/2001	Cape Rock Village	190.20										190.20
Buchheit	Pipe for last cell	REPAIRS	2/18/2002	1300	2/18/2002	Cape Rock Village	167.01										167.01
Cotner Electric...	Misc.	REPAIRS	8/19/2001	1132	8/10/2001	Cape Rock Village	1,100.72	1,100.72									0.00
Cotner Electric...	Airator Motor for CRV	REPAIRS	9/28/2001	1200	9/28/2001	Cape Rock Village	282.33	282.33									0.00
Lewis Electric...	Seal & Bearings	REPAIRS	1/29/2002	1302	1/29/2002	Cape Rock Village	1,638.44	1,638.44									0.00
Lewis Electric...	Seal & Bearings	REPAIRS	2/19/2002	1320	2/22/2002	Cape Rock Village	625.00	625.00									0.00
Lewis Electric...	Seal & Bearings	REPAIRS	4/10/2002	1388	4/8/2002	Cape Rock Village	713.44	713.44									0.00
Lewis Electric...	Credit-return of merch	REPAIRS	5/8/2002		5/10/2002	Cape Rock Village	(639.58)	(639.58)									0.00
Piffel-Payable	Vehicle Repair		9/20/2001			Cape Rock Village	49.49		49.49								0.00
Piffel-Payable	Vehicle Repair		11/27/2001			Cape Rock Village	85.53			85.53							0.00
Piffel-Payable	Vehicle Repair		11/30/2001			Cape Rock Village	11.98			11.98							0.00
Piffel-Payable	Vehicle Repair		1/1/2002			Cape Rock Village	98.00			98.00							0.00
Piffel-Payable	Vehicle Repair		1/4/2002			Cape Rock Village	207.00										0.00
Piffel-Payable	Vehicle Repair		3/14/2002			Cape Rock Village	68.25										0.00
Piffel-Payable	Stock Repair		4/15/2002			Cape Rock Village	157.33										0.00
Piffel-Payable	Lagoon Repair		4/15/2002			Cape Rock Village	300.00										0.00
Piffel-Payable	Equipment Repair		5/23/2002			Cape Rock Village	12.25										0.00
Piffel-Payable	Pump delivery		5/23/2002			Cape Rock Village	360.00										0.00
Piffel-Payable	Airator repair		7/16/2002			Cape Rock Village	517.50										0.00
Bono Burns Dist.	Yeast	2504-chemicals	7/22/2002	1473	7/22/2002	Cape Rock Village	21.13						124.91				21.13
Cedar Hill Hard...	Roundup Weed Killer	2504-chemicals	7/15/2002	1478	7/26/2002	Cape Rock Village	5,289.60										5,289.60
Arrow Drain&...	Sewer Back up	2508-outside s...	1/31/2002	1330	2/22/2002	Cape Rock Village	180.00										180.00
Cotner Electric...	Work on areator	2508-outside s...	1/8/2002	1328	2/22/2002	Cape Rock Village	1,215.98	1,215.98									0.00
Cotner Electric...	Work on areator	2508-outside s...	2/20/2002	1355	3/22/2002	Cape Rock Village	60.00	60.00									0.00
Cotner Electric...	Pump Work	2508-outside s...	5/9/2002	1424	5/24/2002	Cape Rock Village	873.05	873.05									0.00
Cotner Electric...	Pump Work	2508-outside s...	5/9/2002	1428	5/31/2002	Cape Rock Village	1,053.05	1,053.05									0.00
Cotner Electric...	Monthly inspection	2508-outside s...	6/12/2002	1460	7/8/2002	Cape Rock Village	40.00										40.00
Cotner Electric...	Pump Work	2508-outside s...	7/15/2002	1478	7/26/2002	Cape Rock Village	350.00										350.00
Cotner Electric...	Work on areator	2508-outside s...	11/20/2001	1240	12/4/2001	Cape Rock Village	423.68										423.68
Dutch Enterprises	Repair sewer line	2508-outside s...	2/22/2002	1337	3/1/2002	Cape Rock Village	796.00										796.00
Excel Electric	Lift Station Work	2508-outside s...	6/24/2002	1484	7/12/2002	Cape Rock Village	240.00										240.00
Jeffco Lawnc...	Weed Eater Repair	2508-outside s...	6/13/2002	1452	6/28/2002	Cape Rock Village	7.83										7.83
Jerry Smith's Sa...	Lift Station Work	2508-outside s...	1/29/2002	1331	2/22/2002	Cape Rock Village	845.00										845.00
Jerry Smith's Sa...	Lift Station Work	2508-outside s...	4/4/2002	1389	4/22/2002	Cape Rock Village	405.00										405.00
Municipal Serv...		2508-outside s...	11/57	8/31/2001	Cape Rock Village	150.00											150.00
Ram Power	Open Drain Line	2508-outside s...	11/41	8/16/2001	Cape Rock Village	175.00											175.00
Ram Power	High-Pressure Jetting	2508-outside s...	1329	2/22/2002	Cape Rock Village	275.00											275.00
Service Electric	Labor on Pump	2508-outside s...	1340	3/1/2002	Cape Rock Village	120.00											120.00
VanDevanter E...	Pump Work	2508-outside s...	1417	5/17/2002	Cape Rock Village	54.00		54.00									54.00
Zeller Electric	Pump Work	2508-outside s...	1387	4/22/2002	Cape Rock Village	132.68		132.68									132.68
Zeller Electric	Pump Work	2508-outside s...	1384	4/18/2002	Cape Rock Village	3,500.00		3,500.00									3,500.00
Zeller Electric	Pump Work	2508-outside s...	1419	5/17/2002	Cape Rock Village	1,930.14		1,930.14									1,930.14
Zeller Electric	Pump Work	2508-outside s...	1438	6/7/2002	Cape Rock Village	1,000.00		1,000.00									1,000.00
Zeller Electric	Pump Work	2508-outside s...	1202	10/23/2001	Cape Rock Village	1,000.00		1,000.00									1,000.00
Cedar Hill Hard...	Misc.	2510-operating...	1335	3/1/2002	Cape Rock Village	22.18											22.18
Cedar Hill Hard...	Misc.	2510-operating...	1354	3/22/2002	Cape Rock Village	5.15											5.15
Cedar Hill Hard...	Misc.	2510-operating...	1364	3/29/2002	Cape Rock Village	7.01											7.01
Cedar Hill Hard...	Misc.	2510-operating...	1384	3/29/2002	Cape Rock Village	2.54											2.54
Eto Equipment	Eto Pump	2510-operating...	9/7/2001	1181	9/24/2001	Cape Rock Village	88.44										88.44
Lowe's	Telescoping Wand	2510-operating...	11/10/2002	1288	11/10/2002	Cape Rock Village	272.12										272.12
Northern	Misc.	2510-operating...	11/16/2001	1241	12/4/2001	Cape Rock Village	30.19										30.19
Cedar Hill Hard...	Misc.	2595-miscellan...	10/30/2001	1217	11/6/2001	Cape Rock Village	14.30										14.30
Cedar Hill Hard...	Misc.	2595-miscellan...	7/8/2002	1478	7/26/2002	Cape Rock Village	12.18										12.18
Cedar Hill Hard...	Misc.	2595-miscellan...	7/9/2002	1478	7/26/2002	Cape Rock Village	23.80										23.80
Piffel Excavating	Uniform Cleaning	2595-miscellan...	1465	7/12/2002	Cape Rock Village	18.11											18.11
Best Rental	Pressure Wash	2521-equipmen...	11/15/2001	1222	11/15/2001	Cape Rock Village	117.4										117.4
Big T Rental	Pressure Washer Tips	2521-equipmen...	4/3/2002	1398	4/24/2002	Cape Rock Village	22.2										22.2
Nu Way Concre...	Bobcat Rental	2521-equipmen...	8/4/2001	1174	8/17/2001	Cape Rock Village	218										218
Nu Way Concre...	Sewer Cleaner	2521-equipmen...	2/15/2002	1332	2/22/2002	Cape Rock Village	39.25										39.25
Total Cape Rock Village							27,331.49	15,573.19	49.49	0.00	243.78	0.00	124.91	0.00	7.83	19.11	11,313.20



Vendor	Description	ORG CODED	Srv Date	Check #	Date Paid	System	Repairs	C/I	Outside of TY/Mater Reading	Vehicle Repairs	Tools	Misc. Supp	Chemicals	Site Fees	Mowing	Misc.	System Repairs
Cedar Hill Hard...	Well House-Pressurize	REPAIRS	6/20/2002	1458	7/8/2002	Crestview Acres	13.41										13.41
Pacific Lumber	Well House	REPAIRS	6/13/2002	1387	4/2/2002	Crestview Acres	18.35										18.35
Pitfall Excavating	Well House	REPAIRS	4/8/2002	1378	4/12/2002	Crestview Acres	88.51										88.51
USA Bluebook	Well House-Pressurize	REPAIRS	3/29/2002	1378	4/12/2002	Crestview Acres	5.70										5.70
USA Bluebook	Well House-Pressurize	REPAIRS	4/1/2002	1381	4/12/2002	Crestview Acres	209.70										209.70
USA Bluebook	Well House-Pressurize	REPAIRS	4/1/2002	1401	4/24/2002	Crestview Acres	167.86										167.86
USA Bluebook	Well House-Pressurize	REPAIRS	4/29/2002	1418	5/17/2002	Crestview Acres	82.86										82.86
Wholesale Plum...	Misc.	REPAIRS	4/17/2002	1444	6/28/2002	Crestview Acres	6.67										6.67
Pitfall-Payable	Storage Tank Repair		8/24/2001	1192	10/9/2001	Crestview Acres	108.88		552.50								109.88
Pitfall-Payable	Vehicle Repair		8/20/2001			Crestview Acres	552.50										0.00
Pitfall-Payable	Vehicle Repair		11/14/2001			Crestview Acres	14.14		14.14								0.00
Pitfall-Payable	Vehicle Repair		11/27/2001			Crestview Acres	886.40										886.40
Pitfall-Payable	Vehicle Repair		11/30/2001			Crestview Acres	18.72			18.72							0.00
Pitfall-Payable	Vehicle Repair		1/1/2002			Crestview Acres	3.42			3.42							0.00
Pitfall-Payable	Vehicle Repair		3/14/2002			Crestview Acres	28.00			28.00							0.00
Pitfall-Payable	Stock repair		4/15/2002			Crestview Acres	19.33			19.33							0.00
Pitfall-Payable	Equipment repair		5/23/2002			Crestview Acres	44.56				19.33						44.56
Pitfall-Payable	Leak Repair		5/23/2002			Crestview Acres	3.47										3.47
Excel Electric	Wiring for Air Pump		5/23/2002			Crestview Acres	1,102.50										1,102.50
Jeffco Lawn E...	Weed Eater Repair		6/13/2002	1443	6/28/2002	Crestview Acres	200.00										200.00
Cedar Hill Hard...	Misc.		8/19/2001	1202	10/23/2001	Crestview Acres	2.22								2.22		0.00
Cedar Hill Hard...	Misc.		2/27/2002	1335	3/1/2002	Crestview Acres	6.34										6.34
Cedar Hill Hard...	Misc.		3/14/2002	1354	3/22/2002	Crestview Acres	1.47										1.47
Cedar Hill Hard...	Misc.		3/21/2002	1384	3/29/2002	Crestview Acres	2.00										2.00
Cedar Hill Hard...	Misc.		4/10/2002	1409	5/10/2002	Crestview Acres	12.89										12.89
Cedar Hill Hard...	Misc.		4/10/2002	1409	5/10/2002	Crestview Acres	16.06										16.06
End Equipment	Echo Pump		6/7/2001	1181	9/24/2001	Crestview Acres	24.78										24.78
Northern	Telescoping Wand		11/16/2001	1241	12/4/2001	Crestview Acres	8.63										8.63
Tom Wolf Hard...	Misc.		4/17/2002	1410	5/10/2002	Crestview Acres	2.05										2.05
Cedar Hill Hard...	Misc.		10/30/2001	1217	11/6/2001	Crestview Acres	4.08										4.08
Fynn Drilling...	Air Vent For Well Head		1/7/2002	1318	2/22/2002	Crestview Acres	48.09										48.36
Granger	Air Compressor to press		3/29/2002	1358	3/29/2002	Crestview Acres	388.71										388.71
Pacific Lumber	Well House-Pressurize		4/12/2002	1369	4/5/2002	Crestview Acres	2.33										0.00
Pitfall Excavating	Uniform Cleaning		7/10/2002	1465	7/12/2002	Crestview Acres	77.94										77.94
Tom Wolf Hard...	Well House-Pressurize		4/17/2002	1388	4/5/2002	Crestview Acres	5.41										5.41
USA Bluebook	Misc.		4/17/2002	1410	5/10/2002	Crestview Acres	46.02										46.02
USA Bluebook	Flags		7/12/2002	1480	7/26/2002	Crestview Acres	2.31										0.00
Total Crestview Acres							4,310.83	0.00	586.64	0.00	89.47	0.00	2.31	0.00	2.22	7.74	3,681.72

Vendor	Description	ORG CODE	Srv Date	Check #	Date Paid	System	Repairs	C/I	Outside of TY	Meter Reading	Vehicle Repairs	Tools	Misc. Supp	Chemicals	Late Fees	Mowing	Misc.	System Repairs
Cedar Hill Hard...	Misc.	REPAIRS	9/19/2001	1202	10/23/2001	High Ridge Manor	43.50											43.50
Cedar Hill Hard...	Painting Supplies	REPAIRS	12/11/2001	1277	12/28/2001	High Ridge Manor	12.55											12.55
Piffel-Payable	Blow off valve		8/20/2001			High Ridge Manor	525.00		525.00									0.00
Piffel-Payable	Vehicle Repair		8/20/2001			High Ridge Manor	12.37		12.37									0.00
Piffel-Payable	Leak		11/14/2001			High Ridge Manor	2,110.00											2,110.00
Piffel-Payable	Vehicle Repair		11/27/2001			High Ridge Manor	18.38					16.38						0.00
Piffel-Payable	Vehicle Repair		11/30/2001			High Ridge Manor	2.99					2.99						0.00
Piffel-Payable	Vehicle Repair		1/1/2002			High Ridge Manor	24.50					24.50						0.00
Piffel-Payable	New roof on Well House		1/4/2002			High Ridge Manor	2,334.00	2,334.00										0.00
Piffel-Payable	Vehicle Repair		3/14/2002			High Ridge Manor	22.27					22.27						0.00
Piffel-Payable			4/5/2002			High Ridge Manor	85.75			85.75								0.00
Piffel-Payable	Stock repair		4/15/2002			High Ridge Manor	51.33											51.33
Piffel-Payable	Equipment repair		5/23/2002			High Ridge Manor	4.00											4.00
Jeffco Lawn &...	Weed Eater Repair	5509-outside s...	6/13/2002	1452	6/28/2002	High Ridge Manor	2.55									2.55		0.00
Cedar Hill Hard...	Misc.	5510-operating	9/18/2001	1202	10/23/2001	High Ridge Manor	5.54											5.54
Cedar Hill Hard...	Misc.	5510-operating	2/27/2002	1335	3/1/2002	High Ridge Manor	1.29											1.29
Cedar Hill Hard...	Misc.	5510-operating	3/14/2002	1354	3/22/2002	High Ridge Manor	1.75											1.75
Cedar Hill Hard...	Misc.	5510-operating	3/21/2002	1364	3/29/2002	High Ridge Manor	0.63											0.63
Cedar Hill Hard...	Misc.	5510-operating	4/10/2002	1409	5/10/2002	High Ridge Manor	14.83											14.83
Cedar Hill Hard...	Paint	5510-operating	5/23/2002	1427	5/31/2002	High Ridge Manor	8.00											8.00
Cedar Hill Hard...	Key blank	5510-operating	4/10/2002	1432	6/7/2002	High Ridge Manor	5.29											5.29
Erb Equipment	Echo Pump	5510-operating	9/7/2001	1181	9/24/2001	High Ridge Manor	21.61											21.61
Northern	Telescoping Wand	5510-operating	11/16/2001	1241	12/4/2001	High Ridge Manor	7.55											7.55
Tom Wolf Hard...	Misc.	5510-operating	4/17/2002	1410	5/10/2002	High Ridge Manor	2.38											2.38
Cedar Hill Hard...	Misc.	5595-miscellan...	10/30/2001	1217	11/6/2001	High Ridge Manor	3.58											3.58
Piffel Excavating	Uniform Cleaning	5595-miscellan...	7/10/2002	1465	7/12/2002	High Ridge Manor	6.23										6.23	0.00
USA BlueBook	Flags	5595-miscellan...	7/12/2002	1480	7/26/2002	High Ridge Manor	2.66						2.66	0.00	0.00	2.55	6.23	0.00
Total High Ridge Manor							5,328.51	2,334.00	537.37	85.75	66.14	0.00	2.66	0.00	0.00	2.55	6.23	2,293.81

Vendor	Description	ORG. CODED	Srv Date	Check #	Date Paid	System	Repairs	C/I	Outside of Ty	Meter Reading	Vehicle Repairs	Tools	Misc. Supp	Chemicals	Late Fees	Mowing	Misc	System Repairs
Pacific Lumber	Paint Supplies	REPAIRS	6/13/2002	1449	6/28/2002	Hillshine Acres	51.92											51.92
Pacific Lumber	Light Bulb & Padlock	REPAIRS	6/18/2002	1449	6/28/2002	Hillshine Acres	28.82											28.82
Piffel-Payable	Vehicle Repair		8/20/2001			Hillshine Acres	7.07		7.07									0.00
Piffel-Payable	Vehicle Repair		11/27/2001			Hillshine Acres	9.38					9.38						0.00
Piffel-Payable	Vehicle Repair		11/30/2001			Hillshine Acres	1.71					1.71						0.00
Piffel-Payable	Vehicle Repair		1/1/2002			Hillshine Acres	14.00					14.00						0.00
Piffel-Payable	Vehicle Repair		3/14/2002			Hillshine Acres	10.23					10.23						0.00
Piffel-Payable	Replace Roof		4/5/2002			Hillshine Acres	2,733.50	2,733.50										0.00
Piffel-Payable	Stock repair		4/15/2002			Hillshine Acres	23.58											23.58
Piffel-Payable	Equipment repair		5/23/2002			Hillshine Acres	1.84											1.84
Jeffco Lawn &...	Weed Eater Repair	6506-outside S...	6/13/2002	1452	6/28/2002	Hillshine Acres	1.17									1.17		0.00
Cedar Hill Hard...	Misc.	6510-operating	9/19/2001	1202	10/23/2001	Hillshine Acres	3.18											3.18
Cedar Hill Hard...	Misc.	6510-operating	2/27/2002	1335	3/1/2002	Hillshine Acres	0.74											0.74
Cedar Hill Hard...	Misc.	6510-operating	3/14/2002	1354	3/22/2002	Hillshine Acres	1.00											1.00
Cedar Hill Hard...	Misc.	6510-operating	3/21/2002	1364	3/29/2002	Hillshine Acres	0.36											0.36
Cedar Hill Hard...	Misc.	6510-operating	4/10/2002	1409	5/10/2002	Hillshine Acres	6.81											6.81
Cedar Hill Hard...	Misc.	6510-operating	4/10/2002	1409	5/10/2002	Hillshine Acres	119.67											119.67
Erb Equipment	Echo Pump	6510-operating	9/7/2001	1181	9/24/2001	Hillshine Acres	12.35											12.35
Northern	Telescoping Wand	6510-operating	11/19/2001	1241	12/4/2001	Hillshine Acres	4.31											4.31
Tom Wolf Hard...	Misc.	6510-operating	4/17/2002	1410	5/10/2002	Hillshine Acres	1.09											1.09
Cedar Hill Hard...	Misc.	6595-miscellan...	10/30/2001	1217	11/6/2001	Hillshine Acres	2.04											2.04
Flynn Drilling...	Air Vent For Well Head	6595-miscellan...	1/7/2002	1318	2/22/2002	Hillshine Acres	49.09								0.73			49.09
Pacific Lumber		6595-miscellan...		1274	12/27/2001	Hillshine Acres	165.03											165.03
Pacific Lumber	Roof Edge	6595-miscellan...	12/27/2001	1273	1/2/2002	Hillshine Acres	15.92											15.92
Pacific Lumber	Paint	6595-miscellan...	1/11/2002	1289	1/11/2002	Hillshine Acres	22.84											22.84
USA Bluebook	Flags	6595-miscellan...	7/12/2002	1480	7/26/2002	Hillshine Acres	1.22						1.22					0.00
Total Hillshine Acres							3,268.83	2,733.50	7.07	0.00	35.30	0.00	1.22	0.00	0.73	1.17	0.00	509.84

Vendor	Description	ORG. CODED	Srv Date	Check #	Date Paid	System	Repairs	C/I	Outside of TY	Meter Reading	Vehicle Repairs	Tools	Misc. Supp	Chemicals	Late Fees	Mowing	Misc.	System Repairs
Cedar Hill Hard...		REPAIRS	1/3/2002	1313	2/15/2002	Lakewood Hills Manor	2.87											2.87
Pacific Lumber	Paint	REPAIRS	4/30/2002	1418	5/17/2002	Lakewood Hills Manor	22.35											22.35
Pacific Lumber	Paint Supplies	REPAIRS	6/18/2002	1449	6/28/2002	Lakewood Hills Manor	47.02											47.02
Piffel Excavating	Misc.	REPAIRS	7/23/2001	1130	8/10/2001	Lakewood Hills Manor	33.27		33.27									0.00
Piffel Excavating	Misc.	REPAIRS	7/25/2001	1130	8/10/2001	Lakewood Hills Manor	11.54		11.54									0.00
Piffel-Payable	Leaks & Asphalt		8/20/2001			Lakewood Hills Manor	9,108.90		8,059.40									1,047.50
Piffel-Payable	Vehicle Repair		8/20/2001			Lakewood Hills Manor	28.28		28.28									0.00
Piffel-Payable	Leaks & Asphalt		11/14/2001			Lakewood Hills Manor	903.90											903.90
Piffel-Payable	Vehicle Repair		11/27/2001			Lakewood Hills Manor	37.45				37.45							0.00
Piffel-Payable	Vehicle Repair		11/30/2001			Lakewood Hills Manor	6.84				6.84							0.00
Piffel-Payable	Leak Repair		1/4/2002			Lakewood Hills Manor	525.00											525.00
Piffel-Payable	Vehicle Repair		1/1/2002			Lakewood Hills Manor	58.00				58.00							0.00
Piffel-Payable	Vehicle Repair		3/14/2002			Lakewood Hills Manor	40.87				40.87							0.00
Piffel-Payable	Meter Reading		4/5/2002			Lakewood Hills Manor	159.25			159.25								0.00
Piffel-Payable	Stock repair		4/15/2002			Lakewood Hills Manor	94.21											94.21
Piffel-Payable	Equipment repair		5/23/2002			Lakewood Hills Manor	7.34											7.34
Flynn Drilling...	Labor/Instll Pnt	7509-outside s...	6/27/2001	85931	8/2/2001	Lakewood Hills Manor	300.00		300.00									0.00
Jeffco Lawn & ...	Weed Eater Repair	7509-outside s...	6/13/2002	1452	6/28/2002	Lakewood Hills Manor	4.69									4.69		0.00
Municipal Serv...	Troubleshoot Probe Sys	7509-outside s...	7/19/2001	1142	8/18/2001	Lakewood Hills Manor	350.00		350.00									0.00
Municipal Serv...	Troubleshoot Probe Sys	7509-outside s...	7/19/2001	1148	8/24/2001	Lakewood Hills Manor	772.29		772.29									0.00
Municipal Serv...	Troubleshoot Probe Sys	7509-outside s...	7/19/2001	1148	8/24/2001	Lakewood Hills Manor	522.81		522.81									0.00
Cedar Hill Hard...	Misc.	7510-operating...	7/18/2001	1128	8/2/2001	Lakewood Hills Manor	32.48					27.00	5.48					0.00
Cedar Hill Hard...	Misc.	7510-operating...	9/19/2001	1202	10/23/2001	Lakewood Hills Manor	27.03											27.03
Cedar Hill Hard...	Misc.	7510-operating...	2/27/2002	1335	3/1/2002	Lakewood Hills Manor	2.94											2.94
Cedar Hill Hard...	Misc.	7510-operating...	3/14/2002	1354	3/22/2002	Lakewood Hills Manor	4.01											4.01
Cedar Hill Hard...	Misc.	7510-operating...	3/21/2002	1384	3/29/2002	Lakewood Hills Manor	1.45											1.45
Cedar Hill Hard...	Misc.	7510-operating...	4/10/2002	1409	5/10/2002	Lakewood Hills Manor	27.23											27.23
Cedar Hill Hard...	Misc.	7510-operating...	4/10/2002	1409	5/10/2002	Lakewood Hills Manor	4.02											4.02
Erb Equipment	Echo Pump	7510-operating...	9/7/2001	1181	9/24/2001	Lakewood Hills Manor	49.40											49.40
Greinger		7510-operating...		890-...	8/2/2001	Lakewood Hills Manor	33.20											33.20
Mead O'Brian	Liquid Level Cntrl	7510-operating...	6/28/2001	1467	8/2/2001	Lakewood Hills Manor	129.41		129.41									0.00
Northern	Telescoping Wand	7510-operating...	11/18/2001	1241	12/4/2001	Lakewood Hills Manor	17.25											17.25
Tom Wolf Hard...	Misc.	7510-operating...	7/27/2001	1125	8/2/2001	Lakewood Hills Manor	75.77		75.77									0.00
Tom Wolf Hard...	Misc.	7510-operating...	4/17/2002	1410	5/10/2002	Lakewood Hills Manor	4.34											4.34
Cedar Hill Hard...	Misc.	7595-miscellane...	10/30/2001	1217	11/6/2001	Lakewood Hills Manor	8.17											8.17
Flynn Drilling...	Air Vent For Well Head	7595-miscellane...		1318	2/22/2002	Lakewood Hills Manor	49.09								0.73			48.36
Pacific Lumber	Misc.	7595-miscellane...	7/13/2002	1477	7/28/2002	Lakewood Hills Manor	4.98											4.98
Pacific Lumber	Misc.	7595-miscellane...	7/13/2002	1477	7/28/2002	Lakewood Hills Manor	37.68											37.68
Pacific Lumber	Misc.	7595-miscellane...	7/13/2002	1477	7/28/2002	Lakewood Hills Manor	31.84											31.84
Pacific Lumber	Misc.	7595-miscellane...	7/13/2002	1477	7/28/2002	Lakewood Hills Manor	38.63											38.63
USA Bluebook	Flags	7595-miscellane...	7/12/2002	1480	7/28/2002	Lakewood Hills Manor	4.89						4.89					0.00
Total Lakewood Hills							13,614.68	0.00	10,282.77	159.25	141.16	27.00	10.37	0.00	0.73	4.69	0.00	2,988.72

Vendor	Description	ORG CODED	Inv Date	Check #	Date Paid	System	Repairs	C1	Outside of Ty	Meter Reading	Vehicle Repair	Tools	Misc. Supp	Chemicals	Site Fees	Mowing	Misc.	System Repair
Cedar Hill Hard...	Misc.	REPAIRS	8/19/2001	1302	10/23/2001	Scotsdale	200.83											200.83
Cedar Hill Hard...	REPAIRS	8/21/2002	1364	3/29/2002	Scotsdale	85.86												85.86
Cedar Hill Hard...	REPAIRS	8/11/2002	1450	6/28/2002	Scotsdale	5.81												5.81
County Decorat...	Paint	REPAIRS	9/24/2001	1182	9/24/2001	Scotsdale	182.96											182.96
County Decorat...	Paint	REPAIRS	9/24/2001	1177	9/24/2001	Scotsdale	277.55											277.55
County Decorat...	Paint	REPAIRS	10/11/2001	1197	10/11/2001	Scotsdale	78.23											78.23
Granger	Chlorinator Repair	REPAIRS	5/22/2002	1445	6/28/2002	Scotsdale	29.51											29.51
Granger	Chlorinator	REPAIRS	6/24/2002	1472	7/19/2002	Scotsdale	247.04											247.04
Jeffco Lawn &...	Weed Eater Repair	REPAIRS	6/13/2002	1452	6/28/2002	Scotsdale	1.55									1.55		1.55
Tom Wolf Hard...	Weed House	REPAIRS	3/20/2002	1393	3/28/2002	Scotsdale	28.58											28.58
Pittal-Payable	Vehicle Repair		8/20/2001			Scotsdale	8.84		8.84									8.84
Pittal-Payable	Building Work		11/14/2001			Scotsdale	5,508.50											5,508.50
Pittal-Payable	Vehicle Repair		11/27/2001			Scotsdale	11.70				11.70							11.70
Pittal-Payable	Vehicle Repair		11/30/2001			Scotsdale	2.14				2.14							2.14
Pittal-Payable	Leak		12/8/2001			Scotsdale	120.00											120.00
Pittal-Payable	Vehicle Repair		1/1/2002			Scotsdale	17.50				17.50							17.50
Pittal-Payable	Vehicle Repair		3/14/2002			Scotsdale	13.52				13.52							13.52
Pittal-Payable	Stock repair		4/15/2002			Scotsdale	31.15											31.15
Pittal-Payable	Equipment repair		5/23/2002			Scotsdale	2.43											2.43
Pittal-Payable	Road Straightening		5/23/2002			Scotsdale	511.25											511.25
Vopak USA Inc.	Chemicals					Scotsdale	77.96							77.96				77.96
Vopak USA Inc.	Chemicals					Scotsdale	137.65							137.65				137.65
Cedar Hill Hard...	Misc.		9/19/2001	1454	6/28/2002	Scotsdale	137.65											137.65
Cedar Hill Hard...	Misc.		12/2	10/23/2001	Scotsdale	9.11												9.11
Cedar Hill Hard...	Misc.		2/27/2002	1335	3/1/2002	Scotsdale	0.92											0.92
Cedar Hill Hard...	Misc.		3/14/2002	1354	3/22/2002	Scotsdale	1.25											1.25
Cedar Hill Hard...	Misc.		3/21/2002	1364	3/22/2002	Scotsdale	0.45											0.45
Cedar Hill Hard...	Misc.		4/10/2002	1409	5/10/2002	Scotsdale	9.00											9.00
Cedar Hill Hard...	Misc.		9/7/2001	1181	9/24/2001	Scotsdale	15.44											15.44
Erto Equipment	Telescopng Wand		11/16/2001	1241	12/4/2001	Scotsdale	5.39											5.39
Northen	Misc.		4/17/2002	1217	5/10/2002	Scotsdale	1.43											1.43
Tom Wolf Hard...	Misc.		10/30/2001	1318	2/22/2002	Scotsdale	49.09											49.09
Cedar Hill Hard...	Air Vent For Well Head		5/28/2002	1430	5/31/2002	Scotsdale	11.95											11.95
Granger	Chlorinator Repair		7/12/2002	1480	7/26/2002	Scotsdale	1.81						1.81					1.81
USA Bluebook	Flags					Scotsdale	5,755.54		8.84		0.00	44.86	0.00		0.73	1.55	0.00	1,668.04
Total Scotsdale							7,698.78											1,668.04

Vendor	Description	ORG CODED	Srv Date	Check #	Date Paid	System	Repairs	C/I	Outside of T/Meter Reading	Vehicle Repairs	Tools	Misc. Supp	Chemicals	Late Fees	Mowing	Misc.	System Repairs
Cedar Hill Hard.	Misc.	REPAIRS	9/18/2001	1202	10/23/2001	Warren Woods	35.91										35.91
Cedar Hill Hard.	Misc.	REPAIRS	12/13/2001	1277	12/28/2001	Warren Woods	34.75										34.75
Cedar Hill Hard.		REPAIRS	1/3/2002	1313	2/16/2002	Warren Woods	1.32										1.32
Cedar Hill Hard.		REPAIRS	6/11/2002	1450	6/28/2002	Warren Woods	5.81										5.81
Grainger	Chlorinator Repair	REPAIRS	5/22/2002	1445	6/28/2002	Warren Woods	29.50										29.50
Grainger	Chlorinator	REPAIRS	8/24/2002	1472	7/19/2002	Warren Woods	247.03										247.03
Piffel-Payable	Water Leak		8/20/2001			Warren Woods	485.00										485.00
Piffel-Payable	Vehicle Repair		8/20/2001			Warren Woods	5.30										5.30
Piffel-Payable	Vehicle Repair		11/14/2001			Warren Woods	2,106.25										2,106.25
Piffel-Payable	Vehicle Repair		11/27/2001			Warren Woods	7.04										7.04
Piffel-Payable	Vehicle Repair		11/30/2001			Warren Woods	1.29										1.29
Piffel-Payable	Relocates Water line		12/8/2001			Warren Woods	240.00										240.00
Piffel-Payable	Well House-Painting		1/4/2002			Warren Woods	175.00										175.00
Piffel-Payable	Vehicle Repair		1/1/2002			Warren Woods	10.50										10.50
Piffel-Payable	Vehicle Repair		3/14/2002			Warren Woods	8.03										8.03
Piffel-Payable	Stock repair		4/15/2002			Warren Woods	18.51										18.51
Piffel-Payable	Wtr tk & Asphalt pitch		4/15/2002			Warren Woods	1,377.00										1,377.00
Piffel-Payable	Equipment repair		5/23/2002			Warren Woods	1.42										1.42
Vopak USA Inc.	Chemicals	8504-Chemicals		1206	7/19/2002	Warren Woods	45.78						45.78				45.78
Vopak USA Inc.	Chemicals	8504-Chemicals		1454	10/23/2001	Warren Woods	137.64						137.64				137.64
Jeffco Lawn & ...	Weed Ester Repair	8508-outside s...	8/13/2002	1452	8/28/2002	Warren Woods	0.82								0.82		0.82
Cedar Hill Hard.	Misc.	9510-operating ...	8/19/2001	1202	10/23/2001	Warren Woods	2.38										2.38
Cedar Hill Hard.	Misc.	9510-operating ...	2/27/2002	1335	3/17/2002	Warren Woods	0.54										0.54
Cedar Hill Hard.	Misc.	9510-operating ...	3/14/2002	1354	3/22/2002	Warren Woods	0.78										0.78
Cedar Hill Hard.	Misc.	9510-operating ...	3/21/2002	1364	3/28/2002	Warren Woods	0.28										0.28
Cedar Hill Hard.	Misc.	9510-operating ...	4/10/2002	1409	5/10/2002	Warren Woods	5.35										5.35
Cedar Hill Hard.	Misc.	9510-operating ...	8/7/2001	1181	9/24/2001	Warren Woods	9.17										9.17
Erie Equipment	Echo Pump	9510-operating ...	11/16/2001	1241	12/4/2001	Warren Woods	3.23										3.23
Northern	Telescoping Wand	9510-operating ...	4/17/2002	1470	5/10/2002	Warren Woods	0.86										0.86
Tom Wolf Hard...	Misc.	8595-miscellan...	10/30/2001	1217	11/8/2001	Warren Woods	1.52										1.52
Cedar Hill Hard.	Misc.	8595-miscellan...	5/28/2001	1430	5/31/2002	Warren Woods	11.95										11.95
Grainger	Chlorinator Repair	9595-miscellan...	7/12/2002	1480	7/28/2002	Warren Woods	0.97										0.97
USA Blue Book	Flags	9595-miscellan...					4,891.01	2,593.28	470.30	0.00	26.86	0.00	183.42	0.00	0.92	0.00	1,715.28
Total Warren Woods							4,891.01	2,593.28	470.30	0.00	26.86	0.00	183.42	0.00	0.92	0.00	1,715.28

KMB Utility  
Informal Rate Case  
Test Year Ending 7/31/02

Salary Allocation and

Capitalization Analysis

	a	b	c (*see below)	d (b*c) Reallocate G/O Hours By Customers	e (a+d) Reallocated Hours	f Operator's Reported Salary Allocation	g Staff Adjusted Hours	h Staff Salary Allocation
Total Operator Hours Aug 1, 2001 - Jul 31, 2002	Total Reported Hours	General Office Hours	Customer Allocation					
Cedar Hill	300	102	25.10%	26	326	17.66%	330	17.90%
Cape Rock	489	102	30.68%	31	520	28.22%	546	29.61%
Crestview Acres	130	102	7.39%	8	138	7.46%	150	8.13%
High Ridge	159	102	8.93%	9	168	9.12%	105	5.69%
Hillshine	35	102	4.04%	4	39	2.12%	95	5.15%
Lakewood Hills	301	102	15.62%	16	317	17.19%	506	27.44%
Scotsdale	193	102	5.16%	5	198	10.75%	60	3.25%
Warren Woods	135	102	3.07%	3	138	7.49%	52	2.82%
General Office & Classes	102							
	1844		100.00%	102	1844	100.00%	1844	100.00%

Total Operator Capital Projects	Capitalized Hours	Reallocated Hours	Capitalization Percentage
Cedar Hill	6	326	1.84%
Cape Rock	132	520	25.27%
Crestview Acres	17	138	12.00%
High Ridge	41	168	24.24%
Hillshine	9	39	23.00%
Lakewood Hills	41	317	12.78%
Scotsdale	22	198	10.97%
Warren Woods	10	138	7.24%
	276	1844	

*Customer Allocators	Customers	Customer Allocation
Cedar Hill	180	25.10%
Cape Rock	220	30.68%
Crestview Acres	53	7.39%
High Ridge	64	8.93%
Hillshine	29	4.04%
Lakewood Hills	112	15.62%
Scotsdale	37	5.16%
Warren Woods	22	3.07%
	717	100.00%

Ann's Salary = \$13,000	Ann's Annualized Salary	Ann's Salary Allocation	Ann's Allocated Salary
Cedar Hill	13,000	25.10%	3,263.60
Cape Rock	13,000	30.68%	3,988.84
Crestview Acres	13,000	7.39%	960.95
High Ridge	13,000	8.93%	1,160.39
Hillshine	13,000	4.04%	525.80
Lakewood Hills	13,000	15.62%	2,030.68
Scotsdale	13,000	5.16%	670.85
Warren Woods	13,000	3.07%	398.88
		100.00%	13,000.00

Vicki's Salary = \$24,024	Vicki's Annualized Salary	Vicki's Salary Allocation	Vicki's Allocated Salary
Cedar Hill	24,024	25.10%	6,031.13
Cape Rock	24,024	30.68%	7,371.38
Crestview Acres	24,024	7.39%	1,775.83
High Ridge	24,024	8.93%	2,144.40
Hillshine	24,024	4.04%	971.68
Lakewood Hills	24,024	15.62%	3,752.70
Scotsdale	24,024	5.16%	1,239.73
Warren Woods	24,024	3.07%	737.14
		100.00%	24,024.00

Donnie's Salary = \$32,000	Donnie's Annualized Salary	Donnie's Salary Allocation*	Donnie's Allocated Salary	Capitalization Percentage	Donnie's Capitalized Salary	Donnie's O/M Salary
Cedar Hill	32,000	17.90%	5726.68	1.84%	105.53	5621.15
Cape Rock	32,000	29.61%	9475.05	25.27%	2394.73	7080.33
Crestview Acres	32,000	8.13%	2603.04	12.00%	312.27	2290.76
High Ridge	32,000	5.69%	1822.13	24.24%	441.70	1380.43
Hillshine	32,000	5.15%	1648.59	23.00%	379.22	1269.37
Lakewood Hills	32,000	27.44%	8780.91	12.78%	1122.09	7658.82
Scotsdale	32,000	3.25%	1041.21	10.97%	114.22	926.99
Warren Woods	32,000	2.82%	902.39	7.24%	65.33	837.06
		100.00%	32,000.00		4,935.09	27,064.91

\*Uses Staff Allocation Percentages



Donnie's Salary = \$32,000	Donnie's Allocated P/R Tax	Capitalization Percentage	Capitalized P/R Tax	O&M P/R Tax
Cedar Hill	542.60	1.84%	10.00	532.60
Cape Rock	897.76	25.27%	226.90	670.86
Crestview Acres	246.64	12.00%	29.59	217.05
High Ridge	172.65	24.24%	41.85	130.80
Hillshine	156.20	23.00%	35.93	120.27
Lakewood Hills	831.99	12.78%	106.32	725.67
Scotsdale	98.66	10.97%	10.82	87.83
Warren Woods	85.50	7.24%	6.19	79.31
<b>TOTAL</b>	<b>3032.00</b>		<b>467.60</b>	<b>2564.40</b>

Vicki's Salary = \$24,024	Vicki's Allocated P/R Tax	Capitalization Percentage	Capitalized P/R Tax	O&M P/R Tax
Cedar Hill	574.95			574.95
Cape Rock	702.72			702.72
Crestview Acres	169.29			169.29
High Ridge	204.43			204.43
Hillshine	92.63			92.63
Lakewood Hills	357.75			357.75
Scotsdale	118.18			118.18
Warren Woods	70.27			70.27
<b>TOTAL</b>	<b>2290.23</b>			<b>2290.23</b>

Ann's Salary = \$13,000	Ann's Allocated P/R Tax	Capitalization Percentage	Capitalized P/R Tax	O&M P/R Tax
Cedar Hill	317.57			317.57
Cape Rock	388.15			388.15
Crestview Acres	93.51			93.51
High Ridge	112.91			112.91
Hillshine	51.16			51.16
Lakewood Hills	197.60			197.60
Scotsdale	65.28			65.28
Warren Woods	38.81			38.81
<b>TOTAL</b>	<b>1265.00</b>			<b>1265.00</b>

FORM NO. 13      P. S. C. MO. No. 1      1st   Revised      Sheet No.   Index

Cancelling      P. S. C. MO. No. 1      Original      Sheet No.   Index

Cedar Hill Estates Water Co., Inc.      For:      Cedar Hill Estates (Jefferson County)  
Name of Issuing Company      Community, Town or City

RULES GOVERNING  
RENDERING OF **WATER SERVICE**      +

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\* Indicates new rate or text

+ Indicates change

Date of Issue

Date Effective

Issued By: Ann Rudy President      510 Dulin Creek Rd., House Springs MO 63501  
Name of Officer      Title      Address

Cedar Hill Estates Water Co., Inc. For: Cedar Hill Estates (Jefferson County)  
Name of Issuing Company Community, Town or City

RULES GOVERNING  
RENDERING OF WATER SERVICE +  
SCHEDULE OF WATER RATES

Availability:+

The following rates are applicable to all customers in the Company's Cedar Hill Estates certificated service area that are adjacent to the Company's distribution mains using standard water service.

Rate Schedule:

Customer Charge	\$ 7.99 per Month	+
Commodity Charge	\$ 1.69 per 1,000 gallons	+

The Customer Charge will be billed to each customer on a monthly basis regardless of actual usage.\*

Non-Metered Customers will be billed monthly at a maximum of \$7.99 per month.

Flat Rate Credit:\*

The Company will include in its customer billing a \$.64 credit to each bill for each premise whereby the Company has billed such premise as non-metered for any period during the past 18 months (from February 10, 2003). The Company will apply this credit to each such premise for an 18-month period. The Company shall start this refunding no later than its May 2002 customer billing.

Taxes: \*

Any applicable Federal, State or local taxes shall be in addition to above charges. \*

Late Charges:\*

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which the payment is considered delinquent is 21 days after rendition of the bill. A charge of \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

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## RULES AND REGULATIONS GOVERNING

## RENDERING OF WATER SERVICE +

## SCHEDULE OF SERVICE CHARGES

Bad Check Charge: \*

A bad check charge of \$20 per check will be paid by customers on all checks returned from the bank for insufficient funds.

DOOR COLLECTION CHARGE:\*

A door collection charge of \$15.00 will be applicable when a customer pays the serviceman at the time of scheduled disconnection (turn-off) of service to prevent such disconnection.

Emergency Call Out Charge:\*

An Emergency Call-Out Charge of \$25.00 per occurrence will be assessed where a customer requests a shut-off of service and the emergency exists entirely on the customer owned facilities.

Reconnection Charge+: after Company Discontinuance of Service: \$50.00

Temporary Turn-off Charge+: at meter for customer's convenience:

- \$25.00 during 8:00 am to 5:00 pm, and
- \$35.00 before 8:00 am to 5:00 pm.

New Service Connection Fee:

This fee is applicable for installation of a new service line, from the Company's main to the customer's property line. \$475.00

Taxes: \*

Any applicable Federal, State or local taxes shall be in addition to above charges. \*

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RULES AND REGULATIONS GOVERNING  
RENDERING 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 Cedar Hill Estates Water Company, Inc. (KMB Utility Corporation), 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.

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Cedar Hill Estates Water Co., Inc.	For:	Cedar Hill Estates (Jefferson County)
Name of Issuing Company		Community, Town or City

## RULES AND REGULATIONS GOVERNING RENDERING OF WATER SERVICE

+

**Rule 1 DEFINITIONS (Continued)**

- (i) The "METER SETTING" includes the meter box, meter yoke, lid, and appurtenances, all of which shall be owned and maintained by the Company.
- (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 re-subdivision 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.

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RULES AND REGULATIONS GOVERNING  
RENDERING OF WATER SERVICE

+

Rule 2 GENERAL

- (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, rules or regulations or to alter existing rates, rules or regulations as it may from time to time deem necessary and proper.
- (d) After the effective date of these rules and regulations, all new facilities, construction contracts, and written agreements shall conform to these rules and regulations 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 and regulations 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

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FORM NO. 13      P. S. C. MO. No. 1      1st Revised      Sheet No. 8

Cancelling      P. S. C. MO. No. 1      Original      Sheet No. 8

Cedar Hill Estates Water Co., Inc.      For:      Cedar Hill Estates (Jefferson County)  
Name of Issuing Company      Community, Town or City

RULES AND REGULATIONS GOVERNING  
RENDERING OF **WATER SERVICE**      +

**Rule 3 COMPANY EMPLOYEES AND CUSTOMER RELATIONS**

- (a) Employees or agents of the Company are expressly forbidden to demand or accept any compensation for any services rendered to its customers except as covered in the Company's rules and regulations.
- (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 intent of these rules and regulations.

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RULES AND REGULATIONS GOVERNING  
 RENDERING OF **WATER SERVICE**      +

**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 before service is provided to any unit. Every customer, upon signing an application for any service rendered by the Company, or upon taking of service, shall be considered to have expressed consent to the Company's rates, rules and regulations.
- (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 AND REGULATIONS GOVERNING  
RENDERING OF WATER SERVICE

+

**Rule 5 INSIDE PIPING AND WATER SERVICE LINES (Continued)**

- (h) The Company shall have the right to enter the customer's premises for the purposes of inspection to ensure compliance to 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 back-siphonage 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 Company shall approve the device, installation, location and maintenance program.

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RULES AND REGULATIONS GOVERNING  
RENDERING OF WATER SERVICE

+

**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.
- (d) The customer shall not attempt to take un-metered 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 neither use their hose or attachments, nor leave them exposed to use by others without permission from the water Company.

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**RULES AND REGULATIONS GOVERNING  
 RENDERING OF WATER SERVICE**

+

**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 AND REGULATIONS GOVERNING  
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+

**Rule 7 DISCONTINUANCE OF SERVICE BY COMPANY (Continued)**

- (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.

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+

**Rule 7 DISCONTINUANCE OF SERVICE BY COMPANY (Continued)**

- (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.
- (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.
- (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 AND REGULATIONS GOVERNING  
RENDERING OF WATER SERVICE

+

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 AND REGULATIONS GOVERNING  
RENDERING OF **WATER SERVICE**      +

**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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+

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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Rule 10 BILLS FOR SERVICE (Continued)

- (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 and Regulations 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 owner of a rented or leased premises served with water service by the Company will be ultimately responsible for payment of all charges incurred by their tenant(s) related to water service provided. The owner of the premises will be responsible provided the Company has made reasonable and timely efforts to collect monies due from the renter or lessor. All notices of delinquent bills or disconnection shall also be sent to the owner of the property.

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510 Dulin Creek Rd., House Springs MO 63501  
Address



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RULES AND REGULATIONS GOVERNING  
RENDERING OF **WATER SERVICE**

+

**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 it. If flow requirements increase or decrease subsequent to installation and a larger or smaller meter is requested by the customer, the customer shall pay the cost of installing such meter.
- (d) Service to any one customer shall be furnished through a single metering installation. Where more than one tenant occupies a building, 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.

\* Indicates new rate or text

+ Indicates change

Date of Issue

Date Effective

Issued By: Ann Rudy President 510 Dulin Creek Rd., House Springs MO 63501  
Name of Officer Title Address

Cedar Hill Estates Water Co., Inc. For: Cedar Hill Estates (Jefferson County)  
Name of Issuing Company Community, Town or City

RULES AND REGULATIONS GOVERNING  
RENDERING OF WATER SERVICE

+

**Rule 11 METERS AND METER INSTALLATIONS (Continued)**

- (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 the customer shall pay for said appurtenances and labor.
- (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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**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.
- (e) The Company will provide one meter test per 12-month period at no charge to the Customer. Where the Customer requests a second meter test during a 12-month period, the Customer will be responsible for the following charge for each additional test performed:  
\$25.00 per test

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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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RULES AND REGULATIONS GOVERNING  
RENDERING OF WATER SERVICE

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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.
- (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 the Company must install mains of 12" or greater diameter, and the Company must do the reconstruction of existing facilities.
- (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 un-plated 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.

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Rule 14 EXTENSION OF WATER MAINS (Continued)

- (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) 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.
  - (3) The sum of all refunds to any applicant shall not exceed the total contribution that the applicant(s) has paid.
- (f) Extensions made under this rule shall be and remain the property of the Company.

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Rule 14 EXTENSION OF WATER MAINS (Continued)

- (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.

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## **Summary Overview of Cedar Hill Estates Water Company Customer Service Operations**

The Engineering and Management Services Department (EMSD) staff initiated a review of customer service processes, procedures and practices at Cedar Hill Estates Water Company (Cedar Hill or Company) on September 26, 2002. Prior to on-site interviews, the EMSD staff examined Company tariffs, annual reports, Missouri Public Service Commission (Commission) complaint records and other documentation related to the Company's customer service operations.

The objectives of this review were to document and analyze the management control processes, procedures and practices used by the Company to ensure that its customers' service needs are met and to make recommendations, where appropriate, by which the Company may improve the quality of services provided to its customers. The scope of this review focused on processes, procedures and practices related to:

- Meter Reading
- Customer Billing
- Credit and Collections
- Complaint Handling and Recording
- Customer Communications

This overview contains an explanation of the Company's customer service operations.

### **Overview**

Cedar Hill provides water service to approximately 187 customers in the Cedar Hill Estates subdivision. The subdivision is located in Cedar Hill on U.S. Highway 30 in Jefferson County.

The Company's primary office and field reporting locations are based out of the business office in House Springs. The office manager is responsible for the business office function and the plant operator is responsible for the daily operation of the water system. The office manager and the plant operator report to the president of the Company.

According to the Company, there has been minimal growth during the last several years. The office manager stated that the subdivision consists primarily of low-income and elderly customers that rent mobile homes. The current owner acquired the water system in April 2001.

### **Meter Reading**

The plant operator reads customer meters on a quarterly basis. Meters are usually read about 15 days after the close of each calendar quarter. For example, the water usage for July through September was read around October 15.

The office manager provides the plant operator with a meter reading worksheet that contains the route to be read. The worksheet lists the customers in route sequential order and contains the account number, name, address, meter location, meter number, the reading for the last quarter, and a space for the current reading to be recorded.

The office manager stated that it takes the plant operator about six hours to read the Company's meters each quarter. The office manager enters the meter reads into the billing system the next day and bills are generated the same day.

### **Customer Billing**

Cedar Hill bills its customers on a quarterly basis. The Company's tariff allows for monthly billing to occur, but the Company continues to bill its customers on a quarterly basis that is consistent with the practice of the previous owners. Customer bills are typically mailed the day following the reading of the meter.

The Company's current rate table consists of a service charge, a customer charge, and a usage charge. The service charge is \$1.65 per month for a standard 5/8-inch meter. The customer charge is \$1.78 per month per customer. The usage rate is \$0.64 for each 1,000 gallons used. For example, a customer using 6,000 gallons per month would owe the Company \$7.27 per month or \$21.81 per quarter.

The automated billing system was included as part of the current owner's purchase of Cedar Hill in April 2001. A nominal annual software maintenance fee is paid to the vendor to keep the billing system current.

### **Credit and Collections**

The Company's credit and collection activities are managed through the business office in House Springs. The office manager stated that customers primarily pay their bill by personal check through the mail. Customer payments are posted to the billing system as they are received. The payments are stored overnight in the office manager's unlocked desk drawer and are deposited in the bank on a weekly basis.

The Company stated that written delinquent notices are not typically used for customers with past due balances even though the Cedar Hill tariff allows them to do so. The current policy is for the office manager to call customers to remind them of past due amounts. This usually occurs about 25 days after the current bill has been mailed to the customer. For example, the office manager will contact past due customers (April through June usage that remains unpaid) around November 12.

The office manager stated that approximately \$300 has been written off from Cedar Hills customers during the past 18 months. According to the Company, these write-offs have primarily resulted from customers who have moved and have not left a forwarding address or telephone number. The office manager stated that service is rarely disconnected for non-payment.

The Company does not have a 'revert-to-owner' policy that would permit Cedar Hill to transfer service to the customer's landlord in lieu of service disconnection. The tariff allows the Company to charge \$2 to reconnect service during business hours and \$10 to reconnect service after business hours.

The Company does not charge a deposit to secure service or charge for late fees even though the Cedar Hill tariff allows them to charge a deposit and require a late fee. According to the office manager, the Company does not charge for handling an insufficient funds check returned by the bank other than the \$5 fee that the bank charges the Company.

### **Complaint Handling and Recording**

Cedar Hill has experienced few complaints since the current owners acquired the Company in April 2001. The Company's policy is to have the complaint addressed by the appropriate personnel as soon as possible. If the complaint is related to a field

activity, the plant operator is dispatched to investigate and resolve. If the complaint is related to a billing or payment concern, the office manager is usually is able to resolve the matter.

### **Customer Communications**

The business office is open Monday through Friday from 8 a.m. to 5 p.m. Cedar Hill customers can contact the business office in House Springs on a 24/7 basis, as after-hours calls are handled by the office manager's pager.

The Company mailed a letter to each customer in September 2002 that described the current request for rate relief. According to the office manager, the Company has received two written complaints since customers were notified.

### **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 nine areas that require management's attention:

- Lack of appropriate charges for service disconnections and reconnections
- Lack of appropriate charges for returned checks
- Lack of timely deposit of customer receipts
- Lack of secured storage area for customer receipts
- Lack of written delinquent notices
- Lack of monthly customer billing
- Lack of disconnection of service for non-payment
- Lack of security deposits and late fees
- Lack of 'revert-to-owner' policy

**Lack of appropriate charges for service disconnections and reconnections**

The current fee for performing service disconnections and reconnections during business hours (\$2) and after business hours (\$10) does not reflect the Company's actual cost to send a serviceman to perform these activities. The fees should be priced at a level that is reasonable, yet discourages the customer from utilizing these services.

The EMSD staff recommends that the Company review the actual costs to send the plant operator into the field. The costs that should be considered are the fully loaded wages and benefits (including overtime) of office and field personnel, as well as the actual cost to operate the truck on a per-hour or per-mile basis.

The EMSD staff has found that several regulated Missouri utilities charge approximately \$15 - \$20 to perform these activities during regular business hours, and \$20 - \$25 to perform these activities after regular business hours. Cedar Hill should file a tariff with the PSC to recover these costs after the Company has determined the appropriate amount to charge for service disconnections and reconnections during and after regular business hours.

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

***Determine the appropriate cost to charge for performing service disconnections and reconnections during and after regular business hours.***

***File a tariff with the PSC to recover the appropriate costs associated with performing service disconnections and reconnections during and after regular business hours.***

**Lack of appropriate charges for returned checks**

The Company does not charge a fee to process checks returned from the bank for insufficient funds other than the \$5 fee that the bank charges the Company. The fees should be priced at a level that is reasonable, yet discourages the customer from submitting insufficient funds checks.

The EMSD staff recommends that the Company review the actual costs to process returned checks. The costs that should be considered include the fully loaded wages and benefits of office personnel, as well as the fees charged by the bank. The Company should also consider the fee that area merchants charge for returned checks.



The EMSD staff has found that several regulated Missouri utilities charge approximately \$15 - \$20 to handle returned checks. A tariff should be filed with the PSC to recover these costs after the Company has determined the appropriate amount to charge for processing returned checks.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

Determine the appropriate cost to charge for processing returned checks.

File a tariff with the PSC to recover the appropriate costs associated with processing returned checks.

**Lack of timely deposit of customer receipts**

The Company does not deposit customer receipts into the bank on a timely basis. The office manager stated that cash receipts are typically deposited each Thursday. At the time of the EMSD staff review, the office manager stated that there was about \$400 in customer checks that were stored in an unlocked desk drawer.

The EMSD staff believes that bank deposits should be made on a timely basis. The frequency of deposits being made can vary, but should be made at least twice per week.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

Make bank deposits on a more timely basis.

**Lack of secured storage area for customer receipts**

The Company does not store customer receipts overnight in a secured storage area. According to the Company, cash receipts are stored overnight in a bank bag that is kept in an unlocked desk drawer.

The EMSD staff believes that customer receipts should be stored in a locked fireproof vault. The EMSD staff observed that there is a locked fireproof vault about 15 feet from the office manager's desk. The locked fireproof vault is an appropriate place for overnight storage of customer receipts.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

Store customer receipts overnight in a locked fireproof vault.

**Lack of written delinquent notices**

The Company does not typically use written delinquent notices to inform customers of past due bills. The EMSD staff believes that the Company is permitted by its tariff to mail delinquent notices to past due customers in a timely fashion.

The office manager stated that telephone calls are made to past due customers as a courtesy reminder. According to the Company, there is an overall problem with past due customers leaving the system without a forwarding address or telephone number.

The Company has charged off about \$300 in past due accounts during the past 18 months. The EMSD staff believes that the use of written delinquent notices will prompt some of its slow-paying customers to bring their account current.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

Utilize written delinquent notices for past due customers.

**Lack of monthly customer billing**

The Company does not bill its customers on a monthly basis. Bills are currently rendered on a quarterly basis around the 15<sup>th</sup> of the first month following the end of the quarter.

The EMSD staff believes that monthly billing is more customer-friendly, provides a more even cash flow and could help to reduce the overall level of bad debt. According to the Company's current billing schedule, follow-up efforts would not begin until November to collect on past due accounts for April through June usage.

The Company stated that it is difficult to locate customers that have left the system owing several months of usage without a forwarding address or telephone number. The EMSD staff believes that Cedar Hill should formally evaluate the costs and benefits of a monthly billing schedule to help alleviate some of the Company's cash flow concerns.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Evaluate the propriety of billing customers on a monthly basis.*

**Lack of disconnection of service for non-payment**

The Company does not disconnect water service for customer non-payment. The current policy is to work with past due customers on an informal basis to encourage customers to bring their balance current.

The EMSD staff believes that it is appropriate to disconnect service for non-payment. Failure to do so may result in further unauthorized usage by the customer who owes a past due amount, or by a new customer at the premise who has not formally applied for service. An appropriate service disconnection policy could help the Company reduce its current level of bad debt.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Disconnect service for non-payment when it is deemed appropriate to do so.*

**Lack of security deposits and late fees**

The Company does not charge a security deposit or assess a late fee. The Cedar Hill tariff allows for both a security deposit and a late fee to be charged. The EMSD staff believes that security deposits and late fees could help the Company reduce its current level of bad debt.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Determine an appropriate amount of security deposits and late fees to be charged.*

**Lack of 'revert-to-owner' policy**

The Company does not utilize a 'revert-to-owner' policy. This policy allows the Company to transfer service into the landlord's name in lieu of a service disconnection.

The EMSD staff believes that it is appropriate to develop and implement a 'revert-to-owner' policy. Such a policy could help the Company reduce its current level of bad debt.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Develop and implement a 'revert-to-owner' policy.*

**CEDAR HILL ESTATES WATER CO., INC.**

**DEPRECIATION RATES**

(WATER)

FILE NO. QW-2003-0007

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT</u>	<u>DEPRECIATION RATE %</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>
314	Wells & Springs	0.0%	50
325.2	High Service or Booster Pumping Equipment	6.7%	15
342	Distribution Reservoirs & Standpipes	2.5%	40
343	Transmission & Distribution Mains	2.0%	50
346.2	Meters - Plastic Chamber	10.0%	10
391.1	Office Computer Equipment	14.3%	7
394	Tools, Shop, Garage Equipment	5.0%	20