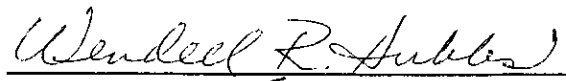



## MEMORANDUM

TO: Missouri Public Service Commission Official Case File  
Case No. WR-2002-1162 (Tariff File No. 2002 00557 - Water)  
Foxfire Utility Company

FROM: Wendell R. Hubbs – Project Coordinator  
Water & Sewer Department

Amanda McMellen – Accounting Department  
Rosella Schad – Engineering & Management Services Dept.  
Greg Macias – Engineering & Management Services Dept.  
John Kiebel – Engineering & Management Services Dept.  
Nila Hagemeyer – Engineering & Management Services Dept.  
David Murray – Financial Analysis Department  
Jerry Scheible – Water & Sewer Department  
Martin Hummel – Water & Sewer Department

 10/15/03  
Project Coordinator -- Date

 10/21/02  
General Counsel's Office -- Date

SUBJECT: Staff's Recommendation for Approval of Tariff Revisions to Effect Changes in Customer Rates for Water Service, for Approval of Other Tariff Changes as Proposed and for Approval of Agreement Regarding Disposition of Small Company Rate Increase Request

DATE: October 15, 2002

### Background

Foxfire Utility Company ("Company") initiated the subject small company rate increase request ("Request") by submitting a letter to the Secretary of the Commission, which was received at the Commission's offices on January 9, 2002 (see Attachment A).

**APPENDIX A**

The Company submitted its Request under the provisions of Commission Rule 4 CSR 240-2.200, Small Company Rate Increase Procedure ("Small Company Procedure").

By its Request, the Company was seeking Commission approval of customer rates intended to generate an increase of \$38,537 in its total annual water service operating revenues for its Stone County operating system and an increase of \$3,087 in its total annual water service operating revenues for its Benton County operating system. The Company provides water service to approximately 184 customers in Stone County and 138 customers in Benton County, almost all of which are residential in nature.

Upon review and acceptance of the Company's Request, personnel in the Commission's Data Center assigned Tariff File No. 2002 00557 to the Request, for purposes of identification and tracking, and forwarded the Request to the Commission's Water & Sewer Department ("W/S Dept.") for processing under the Small Company Procedure.

By a letter dated February 1, 2002, which the W/S Dept. Staff had previously approved, the Company notified its customers of the Request (see Attachments B). As a part of this notice, the Company requested that its customers' questions or comments be directed to the Commission Staff and/or the Office of the Public Counsel ("OPC").

#### **Staff's Investigation and Conclusions**

As noted at the beginning of this Memorandum, Staff members from the Accounting, Engineering & Management Services, Financial Analysis and W/S Dept. participated in the Staff's investigation of the Company's Request. All Staff participants, and all of their

respective up-line supervisors, were provided the opportunity to review and comment on this Memorandum prior to it being filed. Wendell R. Hubbs of the W/S Dept. created the initial draft of this Memorandum and comments received from the reviewers were incorporated therein to create this final version of the Memorandum.

In response to the Company's initial customer notice dated February 1, 2002, the Staff received 42 customer contacts consisting of 4 phone calls, 36 letters and 2 faxes regarding the proposed increase through the initial customer notice. These customer responses to the notice addressed the level of the proposed increase, service problems and the design of the Company's rates. The OPC received many of the same documents responding to the Company's initial customer notice. The customers' letters and faxes related to the initial customer notice, of both Staff and OPC, have been placed in a "letter file" in the case papers for this case.

Based upon an audit of the Company's books and records, a determination of the Company's rate base investments and necessary operating expenses, an evaluation of the Company's depreciation rates and an analysis of the Company's capital structure and cost of capital, the Staff concluded that an increase in the Company's annual water service operating revenues is necessary. Additionally, based upon its overall investigation of the Company's Request, the Staff concluded that certain changes in the Company's service charges and general tariff provisions are needed. The Staff also determined modified depreciation rates need to be prescribed for the Company. By a letter dated May 30, 2002,

the Staff forwarded information regarding the above items to representatives of the Company and the OPC for their review and response.

### **Responses to Staff's Findings and Subsequent Actions**

Pursuant to negotiations held subsequent to the Company's and the OPC's receipt of the above-referenced information regarding the results of the Staff's investigation of the Company's Request, a written Agreement Regarding Disposition of Small Company Rate Increase Request ("Disposition Agreement") was reached between the Company and the Staff. The Company and the Staff also reached an agreement regarding the tariff revisions needed to implement the terms of the Disposition Agreement.

The Disposition Agreement reflects the following agreements: (1) that an increase of \$18,915 in its Lantern Bay (Stone County) service area and an increase of \$3,087 in its Spring Branch (Benton County) service area, in the Company's water annual operating revenues is necessary; (2) that the depreciation rates used by Staff in its revenue requirement analysis should be the prescribed depreciation rates for the Company; (3) that the implementation of a Late Payment Charge is reasonable; (4) that the implementation of a Bad Check Charge of \$20 per bad check is reasonable; (5) that the implementation of a Door Collection Charge of \$15, to avoid disconnection is reasonable; (6) that the implementation of an Emergency Call Out Charge of \$15 to shut off service where the emergency exists entirely on the customer owed facilities is reasonable; (7) that the implementation of a Reconnection of Service for "Seasonal" Disconnects of \$25 plus the monthly customer charge times the number of months "off-system" (not to exceed 9

months) is reasonable; (8) that the increase of the Meter Test Charge from \$25 to \$35 is reasonable; (9) that the increase of the Turn-on Charge for regular hours from \$10 to \$25 is reasonable; (10) that the increase of the Turn-on Charge for after regular hours from \$15 to \$35 is reasonable; (11) that the addition of language of the water service tariff, consistent with the language of the sewer service tariff, which makes the owner of the rented or leased facilities ultimately responsible for the payment of charges incurred by their tenants, is reasonable; (12) that the rates included in the above-referenced agreed-upon tariff revisions are designed to generate revenues sufficient to recover the Company's total annualized cost of service; and (13) that the rates included in the above-referenced agreed-upon tariff revisions are just and reasonable.

Ruth O'Neill of the OPC requested that the Company send a notice to its customers regarding the terms of the above-referenced Disposition Agreement. By a letter dated July 8, 2002, which the W/S Dept. Staff had previously approved, the Company notified its customers of the terms of the Disposition Agreement (see Attachment C). As a part of this notice, the Company requested that its customers' questions or comments be directed to the Staff and/or the OPC. In response to this second customer notice, the Staff received 10 phone calls, 9 letters and 4 faxes. The OPC received many of the same documents responding to this second customer notice including 4 contacts, which Staff did not receive. These customer responses mainly addressed the level of the proposed increase and the proposed design of the Company's rates. The customers' letters and faxes received by

both the OPC and the Staff regarding this second customer notice have been placed in a "letter file" in the case papers for this case.

By a letter that was received by personnel in the Commission's Data Center on June 27, 2002 (see Attachment D), the Company submitted the agreed-upon tariff revisions that are necessary to implement the terms of the above-referenced Disposition Agreement, and the instant case was created. As required by the Small Company Procedure, the subject tariff revisions bore an effective date that was more than 45 days past the issue date. As is also required by the Small Company Procedure, the Company submitted the above-referenced Disposition Agreement with its tariff filing.

On July 10, 2002, the OPC filed its "Request for Local Public Hearing" in this case.

On July 30, 2002, the Commission issued an "Order Suspending Tariff". Contained within this order, the Commission stated that it would schedule a local public hearing as contained in OPC's July 10, 2002 request. On July 31, 2002, the Commission issued an "Order Directing Filing".

On August 8, 2002, the OPC filed its "Motion to Modify Request For Local Public Hearing By Withdrawing Request For Public Hearing And Substituting A Request For the Commission To Receive Written Comments From Customers Regarding the Company's Proposed Rate Increase".

On August 20, 2002, the Commission issued its "Order Granting Public Counsel's Motion to Modify Request For Local Public Hearing By Withdrawing Request For Public"

Hearing And Substituting A Request For the Commission To Receive Written Comments  
From Customers Regarding the Company's Proposed Rate Increase".

On September 5, 2002, the Commission issued its "Order Directing Filing Of Notice". On September 10, 2002, the Company filed with the Commission its letter sent to its customers complying with the September 5, 2002 order.

On October 3, 2002, OPC filed its "Office Of The Public Counsel's Notice Of Filing Of Customer Letters Regarding Proposed Rate Increases". OPC's filing of October 3<sup>rd</sup> appeared to contain 20 customer contacts in regard to the third customer notice. Eleven of the customer contacts were from the Company's Spring Branch service territory and nine were from its Lantern Bay service territory. Also contained in its October 3, 2002, filing is some letters in response to the second customer notice.

On October 10, 2002, OPC filed its "Recommendation Of The Office Of The Public Counsel" this case (see Attachment E). In this recommendation, OPC stated that it takes no position as to whether the Commission should allow the proposed rate case.

**Additional Information**

In addition to the above-noted Attachments, copies of the Staff's final cost of service income statement and supporting accounting workpapers, the Staff's rate design worksheets and a residential customer bill comparison, all of which are consistent with the terms of the Company's proposed tariff revisions and the Disposition Agreement, are included with this Memorandum as Attachment F. Additionally, a document containing a

general overview of the Company and its customer service procedures and practices is included with this Memorandum as Attachment G.

Pursuant to a review of available electronic information maintained by the Commission's Internal Accounting Department and Data Center, the Staff notes that the Company was current on the payment of its Commission assessments and on the filing of its Commission annual reports when it submitted its Request, as is required by the Small Company Procedure. The Staff also notes that the Company remains current on those matters as of the writing of this Memorandum. The assessment information reviewed covers fiscal years 1996 through 2003 (the Company is paying its FY2003 assessment on a quarterly basis), and the annual report information reviewed covers calendar years 1997 through 2001.

Additionally, the Staff notes that the Company currently has no other matters pending before the Commission, and that approval of the subject tariff revisions will thus not affect any other matter before the Commission with regard to the Company.

#### **Staff's Recommendations**

Based upon the above, the Staff recommends that the Commission issue an order in this case that:

- \* Approves the tariff revisions that the Company filed on June 27, 2002, and currently suspended, to be effective for service rendered on and after the earliest possible effective date;
- \* Approves the Disposition Agreement submitted in this case; and
- \* Prescribes the depreciation rates attached to the Disposition Agreement in this case as those authorized for the Company to use.



**List of Attachments**

- |              |   |
|--------------|---|
| Attachment A | Letter Requesting Rate Increase   |
| Attachment B | Initial Customer Notice   |
| Attachment C | Second Customer Notice  |
| Attachment D | Company's Tariff Filing Transmittal Letter,<br>Tariff Revisions and Disposition Agreement   |
| Attachment E | OPC's Recommendations   |
| Attachment F | Staff's Final Cost of Service Income Statement, Accounting Workpapers,<br>Rate Design Worksheets and Residential Customer Bill Comparison |
| Attachment G | Overview of Company and Customer Service Matters  |

**Foxfire Utility Company  
323 Fox Creek Rd.  
Jefferson City, MO 65109  
(573) 632-6007, (573) 632-6475 or 1-866-224-2035  
Fax (573) 632-6057 E-Mail : wms@socket.net**

January 4, 2002

Mr. Dale Hardy Roberts  
Secretary of the Commission  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

*RECEIVED<sup>3</sup>*

**JAN 09 2002**

*Records  
Public Service Commission*

RE: Request for Increases in Annual Water and Sewer System Operating Revenues  
Under the Provisions of the Commission's Small Company Rate Increase  
Procedure

Dear Mr. Roberts:

Foxfire Utility Company Inc., (the Company) holds certificates of public convenience and necessity granted by the Missouri Public Service Commission (the Commission), under which the Company provides water supply and distribution services in Benton and Stone Counties, Missouri and wastewater collection and treatment services in Stone County Missouri.

The Commission first authorized the Company to provide regulated water utility service in Stone County in March of 1995 and regulated sewer utility service in Stone County in March of 1995. The Commission first authorized the Company to provide regulated water utility service in Benton County in April of 2001. The Company currently provides service to approximately 183 water customers and approximately 181 sewer customers within its Stone County certificated area, and approximately 138 water customers within its Benton County certificated area under the provisions of its Commission-approved tariffs. The Company's customer rates for water and sewer service are currently the same as those established when the Commission first authorized the Company to provide its regulated utility services.

Pursuant to 4 CSR 240-2.200, the Commission's Small Company Rate Increase Procedure, the Company is hereby requesting an increase of \$38,537.18 in its annual Stone County water system operating revenues, an increase of \$3,087.15 in its annual Benton County water system operating revenues and an increase of \$48,088.65 in its annual Stone County sewer system operating revenues. Based upon current customer rates and customer numbers, this/these increases represent changes of approximately 117% in the Company's annual Stone County water system operating revenues,

Attachment A - 1

**200200557**

*water*

approximately 7% in the Company's Benton County water system operating revenues and approximately 79% in the Company's annual Stone County sewer system operating revenues. Changes in the design of the Company's customer rates and the level of certain of its service charges are also contemplated. Such changes will be discussed with the Commission Staff and the Office of the Public Counsel during their review of these small company rate increase requests.

The specific reasons for the requested increases in the Company's annual operating revenues, applicable to both its water and sewer systems, include: increases in operation and maintenance expenses; increases in the Commission's annual utility assessments; increases in the Department of Natural Resources' annual sewer discharge permit fees; an increase in postal fees; an increase in energy costs; an increase in delivery and chemical costs; increased sludge disposal costs and a decrease in the number of customers served in the Benton County Service Area.

Lastly, I wish to advise you that the Company is current on the payment of its Commission annual assessments (the assessments are being paid under a quarterly installment plan) and the filing of its Commission annual reports. Additionally, the Company will remain current on these items during this small company rate increase procedure.

Thank you for your attention to this important matter. Please contact me at your convenience if you need additional information regarding this request.

Sincerely,



Garah F. Helms

President

Foxfire Utility Company.

Copies: Wendell R. Hubbs – Commission Staff

M. Ruth O'Neill – Office of the Public Counsel

RECEIVED  
FEB 04 2002

UTILITY OPERATIONS  
DIVISION

## FOXFIRE UTILITY COMPANY

323 Fox Creek Road  
Jefferson City, MO 65109  
Phone: (573) 632-6007

February 1, 2002

Dear Customer:

On January 9, 2002, Foxfire Utility Company (Company) submitted a request for permanent increases in its current water rates for its Benton County service area, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company is seeking an increase in its annual operating **water service** revenues of \$3,087 (an approximate 7.7 % increase) in its Benton County service area. The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments.

The example bill shown below set out a comparison of the Company's current residential customer rate for water sewer service as if they were increased by the requested percentage increases. No taxes or other charges are included in examples below.

### Water Rates

Current Monthly Rate (full time)	\$ 22.28
Proposed Increase Percentage	7.7 %
Proposed Monthly Bill	<u>\$ 24.00</u>
Proposed Increase Amount	<u>\$ 1.72</u>
Current Monthly Rate (part time)	\$19.00
Proposed Increase Percentage	7.7%
Proposed Monthly Bill	<u>\$ 20.46</u>
Proposed Increase Amount	<u>\$ 1.46</u>

Beginning sometime soon, the Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records and operations of the Company. Based upon that investigation, the Commission Staff will then make its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public Counsel will then make its own recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Any customer who has questions or comments regarding the Company's rate increase requests, or who has experienced recent service problems, should contact the Commission Staff and the Public

Counsel ***within 30 days of the date of this notice***. To do so, please use the addresses, telephone numbers or fax numbers shown below. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations.

Missouri Public Service Commission  
Water and Sewer Department  
P.O. Box 360  
Jefferson City, MO 65102  
Phone: 573/751-3437 or 800/392-4211  
Fax: 573/751-1847

Office of the Public Counsel  
Attn: Ruth O'Neill  
P.O. Box 7800  
Jefferson City, MO 65102  
Phone: 573/751-1304  
Fax: 573/751-5562

Upon completion of the Commission Staff's and the Public Counsel's investigations, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission hold a local public hearing.

***However, neither a second customer notice nor a local public hearing will happen automatically.*** Therefore, please take the time now to express your views about the Company's rate increase requests, and the operation of its system, to the Commission Staff and the Public Counsel.

Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the approval of the Public Service Commission.

Sincerely,



Garah F. (Rick) Helms  
President  
FOXFIRE UTILITY COMPANY

# FOXFIRE UTILITY COMPANY

323 Fox Creek Road  
Jefferson City, MO 65109  
Phone: (573) 632-6007

February 1, 2002

Dear Customer:

On January 9, 2002, Foxfire Utility Company (Company) submitted a request for permanent increases in its current water and sewer rates in its Stone County service areas, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company is seeking an increase in its annual operating water service revenues of \$38,537 (an approximate 119% increase). The Company is also requesting an increase in its annual operating sewer service revenues of \$48,089 (an approximate 79.0 % increase). The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments.

The examples bills shown below set out a comparison of the Company's current residential customer rates for both water and sewer service as if they were increased by the requested percentage increases. The example water bill is presented for a customer who uses 6,000 gallons per month. No taxes or other charges are included in examples below.

## Water Rates

Current Monthly Rate	\$ 9.57
Current Commodity Rate	
(usage > 2,000 gallons/mo)-\$3.08 per 1,000 gal x 4,000 gallons	<u>\$ 12.32</u>
Total Current Monthly Bill (using 6,000 gallons)	<u>\$ 21.89</u>
Proposed Increase Percentage	119 %
Proposed Monthly Bill (using 6,000 gallons)	<u>\$ 47.95</u>
Proposed Increase Amount	<u>\$ 26.06</u>

## Sewer Rates

Current Monthly Rate	<u>\$ 16.78</u>
Current Commodity Rate	
(usage > 2,000 gallons/mo)-\$8.39 per 1,000 gal x 4,000 gallons	<u>\$ 33.56</u>
Total Current Monthly Bill (using 6,000 gallons)	<u>\$ 50.34</u>
Proposed Increase Percentage	79%
Proposed Monthly Bill (using 6,000 gallons)	<u>\$ 90.12</u>
Proposed Increase Amount	<u>\$ 39.78</u>

Beginning sometime soon, the Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records and operations of the Company. Based upon that investigation, the Commission Staff will then make its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public Counsel will then make its own recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Any customer who has questions or comments regarding the Company's rate increase requests, or who has experienced recent service problems, should contact the Commission Staff and the Public Counsel ***within 30 days of the date of this notice***. To do so, please use the addresses, telephone numbers or fax numbers shown below. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations.

Missouri Public Service Commission  
Water and Sewer Department  
P.O. Box 360  
Jefferson City, MO 65102  
Phone: 573/751-3437 or 800/392-4211  
Fax: 573/751-1847

Office of the Public Counsel  
Attn: Ruth O'Neill  
P.O. Box 7800  
Jefferson City, MO 65102  
Phone: 573/751-1304  
Fax: 573/751-5562

Upon completion of the Commission Staff's and the Public Counsel's investigations, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission hold a local public hearing.

***However, neither a second customer notice nor a local public hearing will happen automatically.*** Therefore, please take the time now to express your views about the Company's rate increase requests, and the operation of its system, to the Commission Staff and the Public Counsel.

Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the approval of the Public Service Commission.

Sincerely,



Garah F. (Rick) Helms  
President  
FOXFIRE UTILITY COMPANY

# FOXfire UTILITY COMPANY

323 Fox Creek Road  
Jefferson City, Missouri 65109  
Phone (573) 632-6475

July 1, 2002

JUL 08 2002

Dear Customer:

UTILITY OFFICE  
DEPT. OF PUBLIC UTILITIES

On January 9, 2002, Foxfire Utility Company (Company) submitted a request for permanent increases in its current water and sewer rates, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company was seeking increases in its customer rates intended to generate an increase in the Company's annual operating revenues for water service of \$38,537 and for sewer service of \$48,089. The Company believes these increases in its operating revenues are necessary to meet current operating expenses.

As a result of the Company's request, the Staff of the Public Service Commission (Commission Staff) conducted an investigation of the Company's books and records and the Company's operations. Based upon the results of its investigation, the Commission Staff is recommending an increase in the Company's annual operating water revenues of \$18,915, and an increase in the Company's annual operating sewer revenues of \$38,035. The Company has stipulated to the Commission Staff's recommended increase in its annual operating revenues.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of consumers before the Commission, has reviewed the results of the Commission Staff's investigation. However, the Public Counsel has not yet taken a final position regarding the Commission Staff's recommended increase in the Company's annual operating revenues. Public Counsel has indicated that it will review the responses to this customer notice letter before making the determination of whether to request that the Commission hold a local public hearing.

Attached are customer impact statements, one for water service and one for sewer service for the Lantern Bay service areas. To assist you in the evaluation of how these increases affect your bills, these impact statement examples show the rates and increases based on the monthly water used from 2,000 gallons per month to 8,000 gallons per month. These examples are shown without applicable taxes.

In addition to the monthly rate and commodity rate changes the following changes are also proposed:

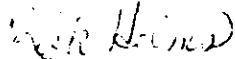
- (1) Late Payment Charge is to be approved,
- (2) A Bad Check Charge of \$20 per bad check is to be approved;



- (3) A Door Collection Charge of \$15, to avoid disconnection is to be approved;
- (4) An Emergency Call Out Charge of \$15 to shut off service where the emergency exists entirely on the customer owned facilities is to be approved;
- (5) A Reconnection of Service for "Seasonal" Disconnects of \$25 plus the monthly customer charge times the number of months "off-system" (not to exceed 9 months) is to be approved;
- (6) The Meter Test Charge increase from \$25 to \$35 is to be approved;
- (7) The Turn-on Charge increase during regular hours from \$10 to \$25 is to be approved;
- (8) The Turn-on Charge increase for after regular hours from \$15 to \$35 is to be approved; and,
- (9) The water service tariff is to be modified by language consistent with the language of the sewer service tariff, which makes the owner of the rented or leased facilities ultimately responsible for the payment of charges incurred by their tenants is to be approved.

Any customer that has questions or comments about the Commission Staff's recommended rate increase should contact the Staff, and/or the Public Counsel, ***within 20 days of the date of this notice***. To do so, please use the addresses, telephone numbers or fax numbers shown at the bottom of this notice. Depending upon the response to this notice, the Public Counsel may request that the Public Service Commission hold a local public hearing. ***Regardless of whether a local public hearing is held, no increase in rates will take effect without the approval of the Public Service Commission.***

Sincerely,



Mr. Garah F. Helms  
President

Missouri Public Service Commission  
Water and Sewer Department  
P.O. Box 360  
Jefferson City, MO 65102  
Phone: 573/751-3437 or 800/392-4211  
Fax: 573/751-1847

Office of the Public Counsel  
Attn: Ruth O'Neill  
P.O. Box 7800  
Jefferson City, MO 65102  
Phone: 573/751-1304  
Fax: 573/751-5562

# Foxfire Utilities Company - Lantern Bay - Water Service

Small Company Rate Filing - Water Service

File # 2002 00557

## Residential Water Customer Impact

8,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
Proposed Rates	\$20.10	\$1.36	6,000	\$28.26
Current Rates	\$9.57	\$3.00	6,000	\$27.57
Difference				\$0.69
Percentage Difference from Current Rates				2.52%

8,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
Proposed Rates	\$20.10	\$1.36	4,000	\$25.54
Current Rates	\$9.57	\$3.00	4,000	\$21.57
Difference				\$3.97
Percentage Difference from Current Rates				18.41%

4,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
Proposed Rates	\$20.10	\$1.36	2,000	\$22.82
Current Rates	\$9.57	\$3.00	2,000	\$15.67
Difference				\$7.25
Percentage Difference from Current Rates				46.56%

0 thru 2,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
Proposed Rates	\$20.10	\$1.36	-	\$20.10
Current Rates	\$9.57	\$3.00	-	\$9.57
Difference				\$10.53
Percentage Difference from Current Rates				110.00%

June 28, 2002

561111  
**Foxfire Utilities Company - Lantern Bay - Water Service**

**Small Company Rate Filing - Sewer Service**

File # 2002 00556

**Residential Sewer Customer Impact**

8,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
<b>Proposed Rates</b>	\$40.22	\$3.21	6,000	\$59.50
<b>Current Rates</b>	\$16.78	\$8.39	6,000	\$67.12
<b>Difference</b>				-\$7.62
<b>Percentage Difference from Current Rates</b>				-11.35%

6,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
<b>Proposed Rates</b>	\$40.22	\$3.21	4,000	\$53.07
<b>Current Rates</b>	\$16.78	\$8.39	4,000	\$50.34
<b>Difference</b>				\$2.73
<b>Percentage Difference from Current Rates</b>				5.43%

4,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
<b>Proposed Rates</b>	\$40.22	\$3.21	2,000	\$48.65
<b>Current Rates</b>	\$16.78	\$8.39	2,000	\$33.56
<b>Difference</b>				\$13.09
<b>Percentage Difference from Current Rates</b>				39.00%

0 thru 2,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
<b>Proposed Rates</b>	\$40.22	\$3.21	-	\$40.22
<b>Current Rates</b>	\$16.78	\$8.39	-	\$16.78
<b>Difference</b>				\$23.44
<b>Percentage Difference from Current Rates</b>				139.69%

June 28, 2002

RECEIVED

JUL 08 2002

# **FOX FIRE UTILITY COMPANY**

UTILITY OPERATIONS  
DIVISION

323 Fox Creek Road  
Jefferson City, Missouri 65109  
Phone (573) 632-6475

July 1, 2002

Dear Customer:

On January 9, 2002, Foxfire Utility Company (Company) submitted a request for permanent increases in its current water rates, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company was seeking increases in its customer rates intended to generate an increase in the Company's annual operating revenues for sewer service of \$3,087. The Company believes these increases in its operating revenues are necessary to meet current operating expenses.

As a result of the Company's request, the Staff of the Public Service Commission (Commission Staff) conducted an investigation of the Company's books and records and the Company's operations. Based upon the results of its investigation, the Commission Staff is recommending an increase in the Company's annual operating water revenues of \$3,087.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of consumers before the Commission, has reviewed the results of the Commission Staff's investigation. However, the Public Counsel has not yet taken a final position regarding the Commission Staff's recommended increase in the Company's annual operating revenues. Public Counsel has indicated that it will review the responses to this customer notice letter before determining whether to request that the Commission hold a local public hearing.

Set out below is a comparison of the Company's current residential customer water rates, and the Commission Staff's recommended customer rates. A monthly bill comparison, exclusive of any applicable taxes, is also shown.

## **Water Service:**

	Current	PSC Staff	Amount Increase	Percentage Increase
<u>Full -Time Customer:</u>				
Monthly Charge	\$22.29	\$25.29	\$3.01	13.5%
<u>Part -Time Customer:</u>				
Monthly Charge	\$19.00	\$19.90	\$0.90	4.8%

Attachment C - 5

In addition to the monthly rate and commodity rate changes the following changes are also proposed:

- (1) Late Payment Charge is to be approved;
- (2) A Bad Check Charge of \$20 per bad check is to be approved;
- (3) A Door Collection Charge of \$15, to avoid disconnection is to be approved;
- (4) An Emergency Call Out Charge of \$15 to shut off service where the emergency exists entirely on the customer owed facilities is to be approved;
- (5) A Reconnection of Service for "Seasonal" Disconnects of \$25 plus the monthly customer charge times the number of months "off-system" (not to exceed 9 months) is to be approved;
- (6) The Meter Test Charge increase from \$25 to \$35 is to be approved;
- (7) The Turn-on Charge increase during regular hours from \$10 to \$25 is to be approved;
- (8) The Turn-on Charge increase for after regular hours from \$15 to \$35 is to be approved; and,
- (9) The water service tariff is to be modified by language, which makes the owner of the rented or leased facilities ultimately responsible for the payment of charges incurred by their tenants is to be approved.

Any customer that has questions or comments about the Commission Staff's recommended rate increase should contact the Staff, and/or the Public Counsel, ***within 20 days of the date of this notice***. To do so, please use the addresses, telephone numbers or fax numbers shown at the bottom of this notice. Depending upon the response to this notice, the Public Counsel may request that the Public Service Commission hold a local public hearing. ***Regardless of whether a local public hearing is held, no increase in rates will take effect without the approval of the Public Service Commission.***

Sincerely,



Mr. Garah F. Helms  
President

Missouri Public Service Commission  
Water and Sewer Department  
P.O. Box 360  
Jefferson City, MO 65102  
Phone: 573/751-3437 or 800/392-4211  
Fax: 573/751-1847

Office of the Public Counsel  
Attn: Ruth O'Neill  
P.O. Box 7800  
Jefferson City, MO 65102  
Phone: 573/751-4857  
Fax: 573/751-5562

# Foxfire Utility Company

323 Fox Creek Road  
Jefferson City, Missouri 65109  
Phone (573) 632-6007

June 27, 2002

Secretary to the Commission  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

RE: **Foxfire Utility Company**  
Small Company Rate Increase Request  
Mo. PSC Tariff File No. 2002 00567 (Water)

Dear Mr. Secretary:

I am enclosing for filing with the Commission an original and three copies of a revised tariff sheet that includes rate and language changes reflecting an agreement between the Foxfire Utility Company (Company) and the Commission Staff (Staff) on the above subject. The Company initiated the subject rate increase request in January 2002, under the Commission's small company rate increase procedure, and the request was assigned the above-referenced file number.

Additionally, consistent with the Commission's small company rate increase procedure, I am enclosing an Agreement Regarding Disposition of Small Company Rate Increase Request (Agreement). This Agreement reflects a "settlement" between the Company and the Staff regarding all matters related to the Company's water service rate increase request.

The Agreement calls for, and the revised tariff sheet contains, customer rates intended to produce an increase of \$18,915 (an approximate 57.8 % increase) in its Lantern Bay (Stone County) service area and an increase of \$3,087 (an approximate 9.1 % increase) in its Spring Branch (Benton County) service area, in the Company's annual operating revenues for its water operations. The Agreement also calls for the Commission approval of revised depreciation rates. This Agreement is between the Company and the Staff; therefore, the enclosed tariff sheets bear an effective date that is greater than 45

days from the issue date. The Office of the Public Counsel has requested that a second customer notice be accomplished because of the magnitude of these increases.

It is my understanding that the Staff will be providing additional information about the Company's rate increase request and the related Staff audit and investigation, for filing in the case papers following the creation of a formal docket.

Please contact me at your convenience if you need anything further.

Sincerely,

FOXFIRE UTILITY COMPANY

  
Joy Helms

Vice President & Secretary

enclosures

copies (w/enclosures):

Wendell R. Hubbs - PSC Staff  
Office of the Public Counsel - Ruth O'Neill

P. S. C. MO. No. 1 **1st Revised** Sheet No. WR 1

Cancelling P. S. C. MO. No. 1 **Original** Sheet No. WR 1

**Foxfire Utility Company** For: **Certificated Water Service Areas in Stone County**  
Name of Issuing Company Community, Town or City

### **Schedule of Water Rates – Stone County\***

**Application+** – The following monthly water service charges will be in effect for customers of Foxfire Utility Company, located within the Company's Stone County, Missouri Public Service Commission approved, service area (Lantern Bay Condominium Development area).

**Monthly Minimum Water Service Charge+** - The following minimum monthly service charge based on meter size must be paid regardless of the quantity of water metered.

<u>Meter Size:</u>		<u>Monthly Charge:</u>
5/8"	Includes 2,000 gallons	\$ 20.10
3/4"	Includes 2,000 gallons	\$ 28.78
1"	Includes 2,000 gallons	\$ 46.16
1-1/2"	Includes 2,000 gallons	\$ 89.59

**Water Service Commodity Charge:** The following shall be billed for all for all metered usage greater than 2,000 gallons per month:

\$1.36 per 1,000 gallons over metered usage of 2,000 gallons per month.

**Taxes: +**

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

**Late Payment Charge: \***

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 \$3.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts. The unpaid balance shall include all amounts owed the Company plus all reconnection costs, all collection costs and reasonable attorney's fees for collection.

\* indicates new rate or text

+ indicates change

Date of Issue: 6/27/02

Date Effective: 8/12/02

Issued By: Garah F Helms, President 323 Fox Creek Road, Jefferson City, MO 65101  
Name of Officer Title Address



P. S. C. MO. No. 1 **Original** Sheet No. WR 1.1

Cancelling P. S. C. MO. No. 1 Sheet No. WR 1.1

**Foxfire Utility Company** For: **Certificated Water Service Areas in Stone County**  
Name of Issuing Company Community, Town or City

### **Schedule of Water Rates – Stone County (continued)\***

**Bad Check Charge: \***

A bad check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds. Where a bad check is applicable from a customer for both water and sewer service, only one bad check charge shall be billed the customer for both his water and sewer service, for each returned check.

**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. Where a door collection charge is applicable from a customer for both water and sewer service, only one door collection charge shall be billed the customer for both his water and sewer service for each disconnection.

**Emergency Call Out Charge:\***

An Emergency Call-Out Charge of \$15.00 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 of Service for "Seasonal" Disconnects:\*** - \$25.00 plus the monthly customer charge times the number of months "off-system" (not to exceed 9 months) where the owner of the premises being served discontinues and restores service to the same location within a 12-month period. Restoration of service of a non-payment disconnect after 45 days is deemed to be a seasonal reconnection of service.

\* indicates new rate or text

+ indicates change

Date of Issue: 6/27/02

Date Effective: 8/12/02

Issued By: Garah F Helms, President 323 Fox Creek Road, Jefferson City, MO 65101  
Name of Officer Title Address

P. S. C. MO. No. 1 **1st Revised** Sheet No. WR 2

Cancelling P. S. C. MO. No. 1 **Original** Sheet No. WR 2

**Foxfire Utility Company** For: **Certificated Water Service Areas in Benton County**  
Name of Issuing Company Community, Town or City

### **Schedule of Water Rates – Benton County**

**Application+** – The following monthly water service charges will be in effect for Customers of Foxfire Utility Company, located within the Company's Benton County, Missouri Public Service Commission approved, service area (Spring Branch water system service area, also called Lake Arrowhead Estates service area).

Service Charge for Customers who are full-time residents:

\$25.29 per month, per meter+

Service Charge for Customers who are part-time residents:

\$19.90 per month, per meter+

**Taxes: +**

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

**Late Payment Charge: \***

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 \$3.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts. The unpaid balance shall include all amounts owed the Company plus all reconnection costs, all collection costs and reasonable attorney's fees for collection.

\* indicates new rate or text

• indicates change

Date of Issue: *6/27/02*

Date Effective: *8/12/02*

Issued By: **Garah F Helms, President** 323 Fox Creek Road, Jefferson City, MO 65101  
Name of Officer Title Address

P. S. C. MO. No. 1 **Original** Sheet No. WR 2.1

Cancelling P. S. C. MO. No. 1 Sheet No. WR 2.1

**Foxfire Utility Company** For: **Certificated Water Service Areas in Benton County**  
Name of Issuing Company Community, Town or City

### **Schedule of Water Rates – Benton County (Continued)**

**Bad Check Charge: \***

A bad check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds. Where a bad check is applicable from a customer for both water and sewer service, only one bad check charge shall be billed the customer for both his water and sewer service, for each instance of a check being returned.

**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. Where a door collection charge is applicable from a customer for both water and sewer service, only one door collection charge shall be billed the customer for both his water and sewer service, for each disconnection.

**Emergency Call Out Charge:\***

An Emergency Call-Out Charge of \$15.00 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 of Service for "Seasonal" Disconnects:\*** - \$25.00 plus the monthly customer charge times the number of months "off-system" (not to exceed 9 months) where the owner of the premises being served discontinues and restores service to the same location within a 12-month period. Restoration of service of a non-payment disconnect after 45 days is deemed to be a seasonal reconnection of service.

\* indicates new rate or text

+ indicates change

Date of Issue: 6/27/02

Date Effective: 8/12/02

Issued By: Garah F Helms, President 323 Fox Creek Road, Jefferson City, MO 65101  
Name of Officer Title Address

P. S. C. MO. No. 1

1st Revised

Sheet No. WRR 28

Cancelling P. S. C. MO. No. 1

Original

Sheet No. WRR 28

**Foxfire Utility Company** For: **Certificated Water Service Areas in Stone & Benton Counties**

Name of Issuing Company

Community, Town or City

Rules Governing  
Rendering of **Water Service – Stone & Benton Counties**

Rule 10      Bills for Service      (continued)

- (m) After a Customer has paid proper and undisputed utility bills by the due dates, for a period not to exceed one (1) year, credit shall be established or re-established, and the deposit and any interest due shall be refunded. The Company may withhold full refund of the deposit pending resolution of a disputed matter.
- (n) The Company shall give a receipt for deposits received, but shall also keep accurate records of deposits, including customer name, service address, amounts, interest, attempts to refund and dates of every activity regarding the deposit.
- (o) All billing matters shall be handled in accordance with the Missouri Public Service Commission's Utility Billing Practices, 4 CSR 240-13.
- (p) \* 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 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 (or his agent if requested by the owner).

\* indicates new rate or text

+ indicates change

Date of Issue:

6/27/02

Date Effective:

8/12/02

Issued By: Garah F Helms, President

323 Fox Creek Road, Jefferson City, MO 65101

Name of Officer

Title

Address

P. S. C. MO. No. 1

2nd Revised

Sheet No. WSC 1

Cancelling P. S. C. MO. No. 1

1st Revised

Sheet No. WSC 1

**Foxfire Utility Company** For: **Certificated Water Service Areas in Stone & Benton County**  
Name of Issuing Company Community, Town or City

### **Schedule of Service Charges – Stone & Benton Counties**

**Application:** The following **water service charges** are in effect for customers of Foxfire Utility Company in all Missouri Service Areas.

<b>Meter Test Charge</b> – per Rule 12 of this Tariff	\$ 35.00 *
<b>Connection Fee</b> ( for metered service)	\$ 400.00 *
<b>Connection Fee</b> (for un-metered service)	\$ 250.00
<b>Turn-on Charge</b> - Regular Hours [8:00 am-5:00 pm, Monday – Friday, non-Holiday]	\$ 25.00 *
<b>Turn-on Charge</b> - After Regular Hours [all other hours not included in Regular Hours charge above]	\$ 35.00 *

\* indicates new rate or text

+ indicates change

Date of Issue: 6/27/02

Date Effective: 8/12/02

Issued By: Garah F Helms, President 323 Fox Creek Road, Jefferson City, MO 65101  
Name of Officer Title Address

**Agreement Regarding Disposition of**  
**Small Company Rate Increase Request**

**Foxfire Utility Company**

**MO PSC Tariff File No. 2002 00557 (Water)**

**Background**

Foxfire Utility Company ("Company") initiated the small company rate increase request ("Request") for water service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") "file" by submitting a letter to the Secretary of the Commission. The Company submitted its Request under the provisions of Commission Rule 4 CSR 240-2.200, Small Company Rate Increase Procedure ("Informal Rate Case Procedure"). The date that the Company's Request was received at the Commission's offices was January 9, 2002.

In its Request, the Company represented that it was asking for Commission approval of customer rates intended to generate an increase of \$38,537 in its total annual water service operating revenues for its Stone County service area (Lantern Bay) and an increase of \$3,087 in its total annual water service operating revenues for its Benton County service area (Spring Branch). The Company provides water service to approximately 184 customers in Lantern Bay and 138 customers in Spring Branch, all of which are residential customers in nature.

Upon review and acceptance of the Company's Request, personnel in the Commission's Data Center assigned Tariff File No. 2002 00557 to the Request, for purposes of identification and tracking, and forwarded the Request to the Commission's Water & Sewer Department for processing under the Informal Rate Case Procedure.

Pursuant to the provisions of the Informal Rate Case Procedure and related internal operating procedures, the Staff of the Commission ("Staff") initiated an audit of the Company's books and records, a review of certain of the Company's general business practices, an inspection of the Company's facilities and a review of the Company's operation of its facilities. (Hereafter, these activities will be collectively referred to as the Staff's "investigation" of the Company's Request.)

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

#### **Resolution of the Company's Rate Increase Request**

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

- (1) That for the purpose of implementing the agreements set out herein, the Company will file tariff revisions with the Commission containing the rates, charges and language set out in the example tariff sheets attached hereto as Attachment A. Additionally, the Company will submit the original signed version of this document with its tariff filing.
- (2) That except as otherwise noted in the agreements below, the ratemaking income statement attached hereto as Attachment B reflects the Company's annualized revenues generated by its current customer rates, the Company's total annualized cost of providing service and the annualized agreed-upon water service operating revenue increase of \$18,915 for its Lantern Bay service area and of \$3,087 for its Spring Branch service area, which are required to recover the Company's cost of service for those areas.

- (3) That the rates set out in the attached example tariff sheets are designed to generate revenues sufficient to recover the Company's total annualized cost of service, and that the provisions of the attached example tariff sheets also properly reflect all other agreements set out herein, where necessary.
- (4) That the rates included in the attached example tariff sheets are just and reasonable.
- (5) That the depreciation rates set out on Attachment C hereto should be the prescribed water plant depreciation rates for the Company, as these were the depreciation rates used by the Staff in its revenue requirement analysis.
- (6) That the implementation of a Late Payment Charge is reasonable.
- (7) That the implementation of a Bad Check Charge of \$20 per bad check is reasonable.
- (8) That the implementation of a Door Collection Charge of \$15, to avoid disconnection, is reasonable.
- (9) That the implementation of an Emergency Call Out Charge of \$15 to shut off service where the emergency exists entirely on the customer owed facilities is reasonable.
- (10) That the implementation of a Reconnection of Service for "Seasonal" Disconnects of \$25 plus the monthly customer charge times the number of months "off-system" (not to exceed 9 months) is reasonable.
- (11) That the increase of the Meter Test Charge from \$25 to \$35 is reasonable.
- (12) That the increase of the Turn-on Charge for regular hours from \$10 to \$25 is reasonable.
- (13) That the increase of the Turn-on Charge for after regular hours from \$15 to \$35 is reasonable.



(14) That the addition of language to the water service tariff, consistent with language currently in the sewer service tariff, which makes the owner of rented or leased facilities ultimately responsible for the payment of charges incurred by their tenants, is reasonable.

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

### **Additional Matters**

This Disposition Agreement is only between the Staff and the Company, as the OPC has requested that the Company send a second customer notice to its customers. In compliance with the Informal Rate Case Procedure, the Company's second notice will reflect the terms of this Disposition Agreement, and will provide the Company's customers an opportunity to send comments to the OPC and the Staff within twenty (20) days after the date of that notice. In addition to this second customer notice, the Company acknowledges that the OPC also has the right to request that the Commission hold a local public hearing regarding the Company's Request and/or the provisions of this Disposition Agreement.

Other than the specific conditions agreed upon and expressly set out herein, the terms of this Disposition Agreement reflect compromises between the Staff and the Company, and neither party has agreed to any particular ratemaking principle in arriving at the amount of the annual operating revenue increase specified herein.

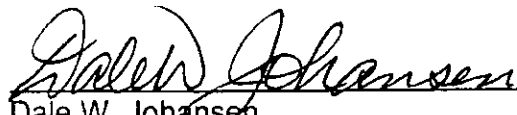
The Company acknowledges that it has consented to an extension of the "150-day" tariff filing date set forth in the Informal Rate Case Procedure.

The Company acknowledges that the Staff will be making an additional filing with the Commission regarding this matter. That filing will include the Staff's recommendation for approval of the subject tariff revisions, background information regarding the Company's Request and the Staff's investigation thereof, and certain Staff workpapers regarding the following items: (a) the ratemaking income statement referenced in item (2) above; (b) the agreed-upon design of the Company's customer rates; (c) a residential customer billing comparison reflecting the agreed-upon changes in the Company's rates; (d) a general overview of the Company; and (e) an overview of the Company's customer service procedures and practices. Additionally, that filing will include information regarding the status of the Company's payment of its Commission assessments and the Company's filing of its Commission annual reports, as well as information regarding any other pending cases that the Company may have before the Commission.


**Effective Date and Signatures**

This Disposition Agreement shall be considered effective as of the date that it and the requisite tariff revisions are filed with the Commission.

Agreement Signed and Dated:

  
Dale W. Johansen  
Manager - Water & Sewer Department  
Missouri Public Service Commission Staff

  
Date

  
Garah F. Helms  
President  
Foxfire Utility Company

  
Date

**List of Attachments**

Attachment A	Example Tariff Sheets
Attachment B	Ratemaking Income Statement
Attachment C	Depreciation Rates

Foxfire Utility Company

For:

Certificated Water Service Areas in Stone County

Name of Issuing Company

Community, Town or City

**Schedule of Water Rates – Stone County\***

**Application+** – The following monthly water service charges will be in effect for customers of Foxfire Utility Company, located within the Company's Stone County, Missouri Public Service Commission approved, service area (Lantern Bay Condominium Development area).

**Monthly Minimum Water Service Charge+** - The following minimum monthly service charge based on meter size must be paid regardless of the quantity of water metered.

Meter Size:		Monthly Charge:
5/8"	Includes 2,000 gallons	\$ 20.10
3/4"	Includes 2,000 gallons	\$ 28.78
1"	Includes 2,000 gallons	\$ 46.16
1-1/2"	Includes 2,000 gallons	\$ 89.59

**Water Service Commodity Charge:** The following shall be billed for all for all metered usage greater than 2,000 gallons per month:

\$1.36 per 1,000 gallons over metered usage of 2,000 gallons per month.

**Taxes: +**

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

**Late Payment Charge: \***

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 \$3.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts. The unpaid balance shall include all amounts owed the Company plus all reconnection costs, all collection costs and reasonable attorney's fees for collection.

\* indicates new rate or text

+ indicates change

Date of Issue:

Date Effective:

Issued By: Garah F Helms, President

323 Fox Creek Road, Jefferson City, MO 65101

Name of Officer

Title

Address

Attachment A-1

Attachment D-15

P. S. C. MO. No. 1 **Original** Sheet No. WR 1.1

Cancelling P. S. C. MO. No. 1 Sheet No. WR 1.1

**Foxfire Utility Company** For: **Certificated Water Service Areas in Stone County**  
Name of Issuing Company Community, Town or City

### **Schedule of Water Rates – Stone County (continued)\***

**Bad Check Charge: \***

A bad check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds. Where a bad check is applicable from a customer for both water and sewer service, only one bad check charge shall be billed the customer for both his water and sewer service, for each returned check.

**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. Where a door collection charge is applicable from a customer for both water and sewer service, only one door collection charge shall be billed the customer for both his water and sewer service for each disconnection.

**Emergency Call Out Charge:\***

An Emergency Call-Out Charge of \$15.00 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 of Service for "Seasonal" Disconnects:\*** - \$25.00 plus the monthly customer charge times the number of months "off-system" (not to exceed 9 months) where the owner of the premises being served discontinues and restores service to the same location within a 12-month period. Restoration of service of a non-payment disconnect after 45 days is deemed to be a seasonal reconnection of service.

\* indicates new rate or text

+ indicates change

Date of Issue:

Date Effective:

Issued By: Garah F Helms, President 323 Fox Creek Road, Jefferson City, MO 65101

Name of Officer

Title

Address

Attachment A-2

P. S. C. MO. No. 1 **1st Revised** Sheet No. WR 2

Cancelling P. S. C. MO. No. 1 **Original** Sheet No. WR 2

**Foxfire Utility Company** For: **Certificated Water Service Areas in Benton County**  
Name of Issuing Company Community, Town or City

### **Schedule of Water Rates – Benton County**

**Application+ –** The following monthly water service charges will be in effect for Customers of Foxfire Utility Company, located within the Company's Benton County, Missouri Public Service Commission approved, service area (Spring Branch water system service area, also called Lake Arrowhead Estates service area).

Service Charge for Customers who are full-time residents:  
\$25.29 per month, per meter+

Service Charge for Customers who are part-time residents:  
\$19.90 per month, per meter+

**Taxes: +**

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

**Late Payment Charge: \***

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 \$3.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts. The unpaid balance shall include all amounts owed the Company plus all reconnection costs, all collection costs and reasonable attorney's fees for collection.

\* indicates new rate or text

+ indicates change

Date of Issue:

Date Effective:

Issued By: **Garah F Helms, President** 323 Fox Creek Road, Jefferson City, MO 65101  
Name of Officer Title Address

*Attachment A-3*

Attachment D-17

P. S. C. MO. No. 1 **Original** Sheet No. WR 2.1

Cancelling P. S. C. MO. No. 1 Sheet No. WR 2.1

**Foxfire Utility Company** For: **Certificated Water Service Areas in Benton County**  
Name of Issuing Company Community, Town or City

### **Schedule of Water Rates – Benton County (Continued)**

**Bad Check Charge: \***

A bad check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds. Where a bad check is applicable from a customer for both water and sewer service, only one bad check charge shall be billed the customer for both his water and sewer service, for each instance of a check being returned.

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\* indicates new rate or text

+ indicates change

Date of Issue:

Date Effective:

Issued By: Garah F Helms, President 323 Fox Creek Road, Jefferson City, MO 65101  
Name of Officer Title Address

Attachment A-4

Attachment D-18

Foxfire Utility Company For: Certificated Water Service Areas in Stone &amp; Benton Counties

Name of Issuing Company

Community, Town or City

Rules Governing  
Rendering of **Water Service – Stone & Benton Counties**

Rule 10      Bills for Service      (continued)

- (m) After a Customer has paid proper and undisputed utility bills by the due dates, for a period not to exceed one (1) year, credit shall be established or re-established, and the deposit and any interest due shall be refunded. The Company may withhold full refund of the deposit pending resolution of a disputed matter.
- (n) The Company shall give a receipt for deposits received, but shall also keep accurate records of deposits, including customer name, service address, amounts, interest, attempts to refund and dates of every activity regarding the deposit.
- (o) All billing matters shall be handled in accordance with the Missouri Public Service Commission's Utility Billing Practices, 4 CSR 240-13.
- (p) \* 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 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 (or his agent if requested by the owner).

\* indicates new rate or text

+ indicates change

Date of Issue:

Date Effective:

Issued By: Garah F Helms, President      323 Fox Creek Road, Jefferson City, MO 65101

Name of Officer

Title

Address

Attachment A-5



P. S. C. MO. No. 1

2nd Revised

Sheet No. WSC 1

Cancelling P. S. C. MO. No. 1

1st Revised

Sheet No. WSC 1

**Foxfire Utility Company** For: **Certificated Water Service Areas in Stone & Benton County**

Name of Issuing Company

Community, Town or City

### **Schedule of Service Charges – Stone & Benton Counties**

**Application:** The following **water service charges** are in effect for customers of Foxfire Utility Company in all Missouri Service Areas.

<b>Meter Test Charge – per Rule 12 of this Tariff</b>	<b>\$ 35.00 *</b>
<b>Connection Fee ( for metered service)</b>	<b>\$ 400.00 +</b>
<b>Connection Fee (for un-metered service)</b>	<b>\$ 250.00</b>
<b>Turn-on Charge – Regular Hours</b> [8:00 am-5:00 pm, Monday – Friday, non-Holiday]	<b>\$ 25.00 *</b>
<b>Turn-on Charge - After Regular Hours</b> [all other hours not included in Regular Hours charge above]	<b>\$ 35.00 *</b>

\* indicates new rate or text

+ indicates change

Date of Issue:

Date Effective:

Issued By: Garah F Helms, President 323 Fox Creek Road, Jefferson City, MO 65101

Name of Officer

Title

Address

Attachment A-6

Attachment D – 20

**Foxfire Utilities Company**  
**Small Company Rate Filing - Water Service**  
 File # 2002 00557

**Water-Spring -6.19**

**Rate Making Income Statement**

	As Adjusted	
<b>Revenue</b>	<b>\$33,944</b>	
<b>Expenses</b>		<b>Customer Charge</b>
		<b>Costs</b>
Operator Salary	\$2,400	\$2,400
Management/Supervision Fee	\$12,000	\$12,000
Billing/Clerical Fee	\$5,356	\$5,356
Electricity	\$1,872	\$1,872
Distribution System Repairs	\$6,401	\$6,401
Materials and Supplies	\$2,005	\$2,005
Supplies	\$164	\$164
Professional Services - Accounting	\$396	\$396
Contract Services - Other	\$200	\$200
Customer Refund	\$59	\$59
Insurance	\$794	\$794
Telephone & Pager	\$640	\$640
Billing/Accounting Software	\$139	\$139
Computer Repairs	\$55	\$55
Postage & Delivery	\$220	\$220
Printing & Reproduction	\$50	\$50
Other Miscellaneous	\$172	\$172
Regulatory Commission Expense	\$112	\$112
Taxes - Other property	\$13	\$13
Depreciation	\$1,360	\$1,360
Rent	\$668	\$668
Income Tax Expense	\$0	\$0
Return	\$2,350	\$2,350
<b>Total Cost of Service</b>	<b>\$37,426</b>	<b>\$37,426</b>
<b>Other Revenues</b>	<b>\$0</b>	<b>\$0</b>
<b>Cost to recover from Rates (less other revenues)</b>	<b>\$37,426</b>	<b>\$37,426</b>
Less: Extra Costs not requested		-395
<b>Cost to recover from Rates (less other revenues)</b>		<b>\$37,031</b>
<b>Total COS</b>	<b>\$37,426</b>	
<b>Increase Needed</b>	<b>\$3,482</b>	<b>10.3%</b>
<b>Increase Available</b>	<b>\$3,087</b>	<b>9.1%</b>

June 18, 2002  
 Missouri Public Service Commission Staff

W. R. Hubbs

# Foxfire Utilities Company

Small Company Rate Filing - Water Service

File # 2002 00557

Water-LB-6.19

## Rate Making Income Statement

	As Adjusted		Minimum	Commodity
Revenue	\$32,714		Bill Allocated	Allocated
Expenses				
Operator Salary	\$6,506			\$6,506
Management Fee	\$6,000		\$6,000	
Clerical & Billing Fee	\$2,678		\$2,678	
Electricity	\$2,488			\$2,488
Materials and Supplies	\$2,195		\$2,195	
Supplies	\$205		\$205	
Professional Services - Accounting	\$396		\$396	
Contract Services - Other	\$441			\$441
Customer Refund	\$217		\$217	
Helm's Travel & Expenses			\$0	
Travel Ent - Meals			\$0	
Insurance	\$1,048		\$524	\$524
Telephone & Pager	\$639		\$639	
Billing/Accounting Software	\$174		\$174	
Computer Repairs	\$69		\$69	
Postage & Delivery	\$273		\$273	
Printing & Reproduction	\$63		\$63	
Rent	\$832		\$832	
Other Miscellaneous	\$96		\$96	
Regulatory Commission Expense	\$148		\$74	\$74
Taxes - Other property	\$6		\$6	
Depreciation	\$7,466		\$7,466	
Income Tax Expense	\$3,926		\$3,926	
Return	\$15,763		\$15,763	
<b>Total Cost of Service</b>	<b>\$51,629</b>		<b>\$41,596</b>	<b>\$10,033</b>
Other Revenues	\$2,594		\$2,594	\$0
<b>Cost to recover from Rates (less other reven</b>	<b>\$49,035</b>		<b>\$39,002</b>	<b>\$10,033</b>
<b>Total COS</b>	<b>\$51,629</b>			
<b>Increase Needed</b>	<b>\$18,915</b>	<b>57.8%</b>		

June 19, 2002  
Missouri Public Service Commission Staff

W. R. Hubbs

**FOXFIRE UTILITY CO.**  
**DEPRECIATION RATES**  
**(WATER)**  
**FILE NO. 200200557**

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT</u>	<u>DEPRECIATION RATE %</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>
311	Structures & Improvements	2.5%	40
314	Wells & Springs	2.0%	50
325	Electric Pumping Equipment	10.0%	10
332	Water Treatment Equipment	2.9%	35
342	Distribution Reservoirs & Standpipes	2.5%	40
343	Transmission & Distribution Mains	2.0%	50
345	Services	2.5%	40
346.1	Meters - Bronze Chamber	2.9%	35
346.2	Meters - Plastic Chamber	10.0%	10
347.1	Meter Installations - Bronze	2.9%	35
347.2	Meter Installations - Plastic	10.0%	10
391	Office Furniture & Equipment	5.0%	20
391.1	Office Computer Equipment	14.3%	7
392	Transportation Equipment	12.5%	8
395	Laboratory Equipment	5.0%	20

Attachment C

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

In the Matter of Foxfire Utility	)	
Company Water Rate Increase	)	
Request	)	<u>Case No. WR-2002-1162</u>
	)	Tarrif File 2002 00557 (water)
And	)	
	)	
In the Matter of Foxfire Utility	)	<u>Case No. SR-2002-1163</u>
Company Sewer Rate Request	)	Tariff File 2002 00556 (sewer)

**RECOMMENDATION OF THE OFFICE OF THE PUBLIC COUNSEL**

COMES NOW, the Office of the Public Counsel, pursuant to 4 CSR 2402.200.1(E) and submits the following information to the Missouri Public Service Commission. The Office of the Public Counsel has reviewed the results of the audit performed by the Commission Staff concerning Foxfire Utility Company, and had reviewed the agreement that the Staff and Foxfire have entered into pursuant to 4 CSR 2.200.1(D). Public Counsel has also received numerous letters and other contacts from Foxfire customers opposing the rate increase.

Upon review of the audit and the agreement, Public Counsel generally believes that the information obtained by the Staff is true and accurate. Public Counsel does not believe that further information can be had by presenting rate related information to the Commission in an evidentiary hearing, and that the agreement of the Staff and Foxfire, along with the written comments of Foxfire's

customers, are all the necessary information the Commission needs to decide whether to approve the rate increase in this matter.

Because of the strong customer opposition to this case, Public Counsel does not believe it can "agree" to the rate increase as contemplated in 4 CSR 240.200. However, based on the information provided, Public Counsel does not believe that a hearing should be held to determine whether or not to approve the rate increase.

WHEREFORE, Public Counsel takes no position on whether the Commission should allow the proposed rate increase.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ M. Ruth O'Neill

By: \_\_\_\_\_  
M. Ruth O'Neill (#49456)  
Assistant Public Counsel  
PO Box 7800  
Jefferson City, MO 65102  
(573) 751-1304  
(573) 751-5562 FAX  
[roneill@ded.state.mo.us](mailto:roneill@ded.state.mo.us)

Attachment E – 2

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 10<sup>th</sup> day of October 2002:

**GENERAL COUNSEL**  
Missouri Public Service Commission  
PO Box 360  
Jefferson City MO 65102

**GARAH F HELMS**  
Foxfire Utility Company  
323 Fox Creek Road  
Jefferson City MO 65101

/s/ M. Ruth O'Neill

\_\_\_\_\_  
M. Ruth O'Neill

# Foxfire Utilities Company

Small Company Rate Increase Procedure  
Missouri Public Service Commission:  
Case No. WR-2002-1162

## Spring Branch Service Area (Benton County)

### Attachment F

Ratemaking Income Statement  
Accounting Worksheets  
Rate Design  
Residential Bill Comparison

W. R. Hubbs  
October 2002



Foxfire Utilities Company  
Small Company Rate Filing - Water Service  
File # 2002 00557

Spring Branch - Water

Water-Spring -6.19

Attachment F - 2

Rate Making Income Statement			
	As Adjusted		
Revenue	\$33,944		
Expenses		Customer Charge	
		Costs	
Operator Salary	\$2,400		\$2,400
Mangement/Supervision Fee	\$12,000		\$12,000
Billing/Clerical Fee	\$5,356		\$5,356
Electricity	\$1,872		\$1,872
Distribution System Repairs	\$6,401		\$6,401
Materials and Supplies	\$2,005		\$2,005
Supplies	\$164		\$164
Professional Services - Accounting	\$396		\$396
Contract Services - Other	\$200		\$200
Customer Refund	\$59		\$59
Insurance	\$794		\$794
Telephone & Pager	\$640		\$640
Billing/Accounting Software	\$139		\$139
Computer Repairs	\$55		\$55
Postage & Delivery	\$220		\$220
Printing & Reproduction	\$50		\$50
Other Miscellaneous	\$172		\$172
Regulatory Commission Expense	\$112		\$112
Taxes - Other property	\$13		\$13
Depreciation	\$1,360		\$1,360
Rent	\$668		\$668
Income Tax Expense	\$0		\$0
Return	\$2,350		\$2,350
Total Cost of Service	\$37,426		\$37,426
Other Revenues	\$0		\$0
Cost to recover from Rates (less other revenues)	\$37,426		\$37,426
Less: Extra Costs not requested			-395
Cost to recover from Rates (less other revenues)			\$37,031
Total COS	\$37,426		
Increase Needed	\$3,482	10.3%	
Increase Available	\$3,087	9.1%	

\$395

# Foxfire Utilities Company

Small Company Rate Filing - Water Service

File # 2002 00557

Water-Spring -6.19

## Water Rate Development

### Water Rates

#### Monthly Bill Development

Ratio Full-time / Part-time	Current	Percentages	LB Ratios	6000 vs 2000 gallons
Full-time	\$22.28	53.97%	\$25.35	55.96%
Part-time	\$19.00	46.03%	\$19.95	44.04%
Total	\$41.28	100.00%	\$45.30	100.00%

Customer Weighting	Ratios	Customer #'s	Product	Percentage Allocation
Full-time	0.560	63	35.25	51.63%
Part-time	0.440	75	33.03	48.37%
Total	1.00	138	68.28	100.00%

Amount to Recover in Rates	\$37,031	Customer Rates	
Allocation of Costs to Recover In Rates		Customer Numbers	Equals: Monthly Rates
Full-time	\$19,119	63.0	\$25.29
Part-time	\$17,912	75.0	\$19.90
Total	\$37,031	138.0	

June 19, 2002

Missouri Public Service Commission Staff

Page 2 of 5  
W. R. Hubbs

Attachment F - 3

# Foxfire Utilities Company

Small Company Rate Filing - Water Service

File # 2002 00557

Water-Spring -6.19

## Water Customer Impact

Full-Time Customer	Monthly Charge
Proposed Rates	\$25.29
Current Rates	\$22.28
Difference	\$3.01
Percentage Difference from Current Rates	13.51%

Part-Time Customer	Monthly Charge
Proposed Rates	\$19.90
Current Rates	\$19.00
Difference	\$0.90
Percentage Difference from Current Rates	4.75%

June 19, 2002

Missouri Public Service Commission Staff

Page 3 of 5

W. R. Hubbs

Attachment F -- 4

# Foxfire Utilities Company

Small Company Rate Filing - Water Service

File # 2002 00557

Water-Spring -6.19

## Proposed Charges Annualized & Normalized Water Revenues

### Water Revenues

#### Minimum Bill Revenues

Unmetered Full-time Customers	63
Customer Bills	756
Times:	
Existing Minimum Monthly Charge	\$25.29
Equals:	
Annualized Full-time Minimum Bill Revenue	\$19,119
Unmetered Full-time Customers	75
Customer Bills	900
Times:	
Existing Minimum Monthly Charge	\$19.90
Equals:	
Annualized Part-time Minimum Bill Revenue	\$17,912

<b>Total Water Rate Revenues @ Current Rate</b>	<b>\$37,031</b>
---	-----------------

<b>Miscellaneous Revenues</b>	<b>\$0</b>
-------------------------------	------------

<b>Total Water Service Revenues @ Current Rates</b>	<b>\$37,031</b>
---	-----------------

# Foxfire Utilities Company

Small Company Rate Filing - Water Service

File # 2002 00557

Water-Spring -6.19

## Accounting Department Test Year Annualized & Normalized Revenues

### Water Revenues

#### Minimum Bill Revenues

Unmetered Full-time Customers	63
Customer Bills	756
Times:	
Existing Minimum Monthly Charge	\$22.28
Equals:	
Annualized Full-time Minimum Bill Revenue	\$16,844

Unmetered Full-time Customers	75
Customer Bills	900
Times:	
Existing Minimum Monthly Charge	\$19.00
Equals:	
Annualized Part-time Minimum Bill Revenue	\$17,100

<b>Total Water Rate Revenues @ Current Rate</b>	<b>\$33,944</b>
---	-----------------

Miscellaneous Revenues	\$0
------------------------	-----

<b>Total Water Service Revenues @ Current Rates</b>	<b>\$33,944</b>
---	-----------------

## Foxfire Utility Company

Case: WR-02-557B-5B

December 31, 2001

## Revenue Requirement

-----

Line 9.92%

Return

-----

(A)	(B)
1 Net Orig Cost Rate Base (Sch 2)	\$ 18,058
2 Rate of Return	9.92%
*****	
3 Net Operating Income Requirement	\$ 1,791
4 Net Income Available (Sch 8)	\$ (1,132)
*****	
5 Additional NOIET Needed	\$ 2,923
6 Income Tax Requirement (Sch 10)	
7 Required Current Income Tax	\$ 446
8 Test Year Current Income Tax	\$ 0
*****	
9 Additional Current Tax Required	\$ 446
10 Required Deferred ITC	\$ 0
11 Test Year Deferred ITC	\$ 0
*****	
12 Additional Deferred ITC Required	\$ 0
*****	
13 Total Additional Tax Required	\$ 446
*****	
14 Gross Revenue Requirement	\$ 3,369
*****	

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Rate Base

Line Description		Amount
(A)	(B)	
1 Total Plant in Service (Sch 3)	\$	18,815
Subtract from Total Plant		
2 Depreciation Reserve (Sch 6)	\$	757
-----		
3 Net Plant in Service	\$	18,058
Add to Net Plant in Service		
4 Cash Working Capital (Sch )	\$	0
5 Materials and Supplies-Exempt		0
6 Prepaid Insurance		0
Subtract from Net Plant		
7 Federal Tax Offset 0.0000 %	\$	0
8 State Tax Offset 0.0000 %		0
9 City Tax Offset 0.0000 %		0
10 Interest Expense Offset 0.0000 %		0
11 Customer Advances for Construction		0
12 Contribution in aid of Construction		0
13 Deferred Income Taxes-Depreciation		0
-----		
14 Total Rate Base	\$	18,058
=====		

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Intangible Plant							
1	301.000	Organization	\$ 4,205	\$ 0	100.0000	\$ 3,585 P-1	\$ 7,790
2		Total	\$ 4,205	\$ 0		\$ 3,585	\$ 7,790
Source of Supply & Pumping Plant							
3	310.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
4	311.000	Structures & Improvements	0	0	100.0000	0	0
5	314.000	Wells & Springs	0	0	100.0000	0	0
6	317.000	Other Water Source Equipment	0	0	100.0000	0	0
7	325.000	Electric Pumping Equipment	1,449	0	100.0000	1,929 P-2	3,378
8		Total	\$ 1,449	\$ 0		\$ 1,929	\$ 3,378
Water Treatment Plant							
9	330.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
10	331.000	Structures & Improvements	0	0	100.0000	0	0
11	332.000	Water Treatment Equipment	1,168	0	100.0000	637 P-3	1,805
12		Total	\$ 1,168	\$ 0		\$ 637	\$ 1,805
Transmission & Distribution Plant							
13	340.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
14	341.000	Structures & Improvements	0	0	100.0000	0	0
15	342.000	Distribution Reservoirs & Standpipe	0	0	100.0000	0	0
16	343.000	Transmission & Distribution Mains	1,294	0	100.0000	706 P-4	2,000
17	345.000	Services	0	0	100.0000	0 P-11	0
18	346.100	Meters-Bronze Chamber	0	0	100.0000	0 P-5	0
19	346.200	Meters-Plastic Chamber	0	0	100.0000	0	0
20	347.100	Meter Installations-Bronze	0	0	100.0000	0	0
21	347.200	Meter Installations-Plastic	0	0	100.0000	0	0
22	348.000	Hydrants	0	0	100.0000	0	0
23	349.000	Other Plant & Miscellaneous Equip	195	0	100.0000	0	195
24		Total	\$ 1,489	\$ 0		\$ 706	\$ 2,195



## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
General Plant							
25	389.000	Land & Land Rights	\$ 1,294	\$ 0	100.0000	\$ 706 P-6	\$ 2,000
26	390.000	Structures & Improvements	0	0	100.0000	0	0
27	391.000	Office Furniture & Equipment	919	0	100.0000	(627) P-7	292
28	391.100	Office Computer Equipment	0	0	100.0000	950 P-8	950
29	392.000	Transportation Equipment	0	0	100.0000	0 P-9	0
30	395.000	Laboratory Equipment	0	0	100.0000	0 P-10	0
31	398.000	Miscellaneous Equipment	405	0	100.0000	0	405
32	399.000	Other Tangible Plant	0	0	100.0000	0	0
33		Total	\$ 2,618	\$ 0		\$ 1,029	\$ 3,647
34		Total Plant In Service	\$ 10,929	\$ 0		\$ 7,886	\$ 18,815

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Organization P-1		\$ 3,585
*****		
1. To adjust test year to reflect the inclusion of Spring Branch plant at original cost. (AM)		\$ 2,295
2. To adjust test year to reflect costs that were transfered from expense. (AM)		\$ 1,290
*****		
Electric Pumping Equipment P-2		\$ 1,929
*****		
1. To adjust test year to reflect the inclusion of Spring Branch plant at original cost. (AM)		\$ 791
2. To adjust test year to reflect the inclusion of capitalized expenses. (AM)		\$ 1,138
*****		
Water Treatment Equipment P-3		\$ 637
*****		
1. To adjust test year to reflect the inclusion of Spring Branch plant at original cost. (AM)		\$ 637
*****		
Transmission & Distribution Mains P-4		\$ 706
*****		
1. To adjust test year to reflect the inclusion of Spring Branch plant at original cost. (AM)		\$ 706

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Land & Land Rights P-6		\$ 706
*****		
1. To adjust test year to reflect the inclusion of Spring Branch plant at original cost. (AM)		\$ 706
*****		
Office Furniture & Equipment P-7		\$ (627)
*****		
1. To adjust test year to reflect the inclusion of Spring Branch plant at original cost. (AM)		\$ 75
2. To adjust test year to reflect the reclassification of computer equipment. (AM)		\$ (702)
*****		
Office Computer Equipment P-8		\$ 950
*****		
1. To adjust test year to reflect the inclusion of Spring Branch plant at original cost. (AM)		\$ 248
2. To adjust test year to reflect the reclassification of computer equipment. (AM)		\$ 702

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
Intangible Plant					
1	301.000	Organization	\$ 7,790	10.0000	\$ 779
2		Total	\$ 7,790		\$ 779
Source of Supply & Pumping Plant					
3	310.000	Land & Land Rights	\$ 0	0.0000	\$ 0
4	311.000	Structures & Improvements	0	2.5000	0
5	314.000	Wells & Springs	0	2.0000	0
6	317.000	Other Water Source Equipment	0	0.0000	0
7	325.000	Electric Pumping Equipment	3,378	10.0000	338
8		Total	\$ 3,378		\$ 338
Water Treatment Plant					
9	330.000	Land & Land Rights	\$ 0	0.0000	\$ 0
10	331.000	Structures & Improvements	0	0.0000	0
11	332.000	Water Treatment Equipment	1,805	2.9000	52
12		Total	\$ 1,805		\$ 52
Transmission & Distribution Plant					
13	340.000	Land & Land Rights	\$ 0	0.0000	\$ 0
14	341.000	Structures & Improvements	0	0.0000	0
15	342.000	Distribution Reservoirs & Standpipe	0	2.5000	0
16	343.000	Transmission & Distribution Mains	2,000	2.0000	40
17	345.000	Services	0	2.5000	0
18	346.100	Meters-Bronze Chamber	0	2.9000	0
19	346.200	Meters-Plastic Chamber	0	10.0000	0
20	347.100	Meter Installations-Bronze	0	2.9000	0
21	347.200	Meter Installations-Plastic	0	10.0000	0
22	348.000	Hydrants	0	0.0000	0
23	349.000	Other Plant & Miscellaneous Equip	195	0.0000	0
24		Total	\$ 2,195		\$ 40

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
		General Plant			
25	389.000	Land & Land Rights	\$ 2,000	0.0000	\$ 0
26	390.000	Structures & Improvements	0	0.0000	0
27	391.000	Office Furniture & Equipment	292	5.0000	15
28	391.100	Office Computer Equipment	950	14.3000	136
29	392.000	Transportation Equipment	0	12.5000	0
30	395.000	Laboratory Equipment	0	5.0000	0
31	396.000	Miscellaneous Equipment	405	0.0000	0
32	399.000	Other Tangible Plant	0	0.0000	0
33		Total	\$ 3,647		\$ 151
34		Total Depreciation Expense	\$ 18,815		\$ 1,360

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	
Intangible Plant							
1	301.100	Organization	\$ 140	\$ 0	100.0000	\$ (140) R-1	\$ 0
2		Total	\$ 140	\$ 0		\$ (140)	\$ 0
Source of Supply & Pumping Plant							
3	310.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
4	311.000	Structures & Improvements	0	0	100.0000	0	0
5	314.000	Wells & Springs	0	0	100.0000	0	0
6	317.000	Other Water Source Equipment	0	0	100.0000	0	0
7	325.000	Electric Pumping Equipment	48	0	100.0000	526 R-2	574
8		Total	\$ 48	\$ 0		\$ 526	\$ 574
Water Treatment Plant							
9	330.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
10	331.000	Structures & Improvements	0	0	100.0000	0	0
11	332.000	Water Treatment Equipment	39	0	100.0000	64 R-3	103
12		Total	\$ 39	\$ 0		\$ 64	\$ 103
Transmission & Distribution Plant							
13	340.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
14	341.000	Structures & Improvements	0	0	100.0000	0	0
15	343.000	Transmission & Distribution Mains	43	0	100.0000	0 R-4	43
16	345.000	Services	0	0	100.0000	0 R-12	0
17	349.000	Other Plant & Miscellaneous Equipme	0	0	100.0000	0	0
18		Total	\$ 43	\$ 0		\$ 0	\$ 43

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
General Plant							
19	389.000	Land & Land Rights	\$ 43	\$ 0	100.0000	\$ (43) R-7	\$ 0
20	390.000	Structures & Improvements	0	0	100.0000	0	0
21	391.000	Office Furniture & Equipment	20	0	100.0000	2 R-8	22
22	391.100	Office Computer Equipment	0	0	100.0000	15 R-9	15
23	398.000	Miscellaneous Equipment	0	0	100.0000	0	0
24	399.000	Other Tangible PLant	0	0	100.0000	0	0
25		Total	\$ 63	\$ 0		\$ (26)	\$ 37
*****							
26		Total Depreciation Reserve	\$ 333	\$ 0		\$ 424	\$ 757
*****							

# Attachment F-17

(AM)

Organization costs.

1. To adjust test year to reflect the exclusion of reserve on

\$ (43)

Land & Land Rights

R-7

\$ (43)

(AM)

Spring Branch plant at original cost.

1. To adjust test year to reflect the inclusion of reserve on

\$ 64

Water Treatment Equipment

R-3

\$ 64

(AM)

capitalized expenses.

2. To adjust test year to reflect the inclusion of reserve on

\$ 84

(AM)

Spring Branch plant at original cost.

1. To adjust test year to reflect the inclusion of reserve on

\$ 442

Electric Pumping Equipment

R-2

\$ 526

(AM)

Organization costs that are fully depreciated.

1. To adjust test year to reflect the exclusion of reserve on

\$ (140)

Organization

R-1

\$ (140)

Adj	No Description	Total Co	Adjustment	No Juris
			Adjustment	Adjustment

Adjustments to Depreciation Reserve

December 31, 2001

Case: WR-02-557B

Foxfire Utility Company

15:47 06/19/2002

McMullen

Accounting Schedule: 7



## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Adjustments to Depreciation Reserve

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Office Furniture & Equipment R-8		\$ 2
*****		
1. To adjust test year to reflect the inclusion of reserve on Spring Branch plant at original cost. (AM)		\$ 3
2. To adjust test year to reflect the inclusion of reserve on new plant. (AM)		\$ 14
3. To adjust test year to reflect the reclassification of reserve for computer equipment. (AM)		\$ (15)
*****		
Office Computer Equipment R-9		\$ 15
*****		
1. To adjust test year to reflect the reclassification of reserve for computer equipment. (AM)		\$ 15

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Operating Revenues							
1	460.100	Unmetered Residential-SB	\$ 26,588	\$ 0	100.0000	\$ 7,356 S-1	\$ 33,944
2		Total	\$ 26,588	\$ 0		\$ 7,356	\$ 33,944

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Income Statement

Line No	Acct Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)	(B)	(C)	(D)	(E)	(F)
Operation & Maintenance Expense						
3	Bank Charges	\$ 49	\$ 0	44.5455	\$ 0 S-7	\$ 22
4	Corporate Fees & License	68	0	44.5455	0 S-8	30
5	Dues & Subscriptions	18	0	44.5455	0 S-9	8
6	Contract Services-Accounting	396	0	100.0000	0 S-10	396
7	Contract Services-Operations	2,400	0	100.0000	0 S-11	2,400
8	Contract Services-Other	200	0	100.0000	0 S-12	200
9	Customer Refund	59	0	100.0000	0 S-13	59
10	Insurance-Automobile	1,091	0	100.0000	(1,091) S-14	0
11	Insurance-General Liability	124	0	100.0000	656 S-15	780
12	Insurance-Cargo Trailer	0	0	100.0000	14 S-16	14
13	Materials & Supplies	2,255	0	100.0000	(250) S-18	2,005
14	Purch Power-Gas and Electric	1,872	0	100.0000	0 S-19	1,872
15	Regulatory Commission Expense	65	0	100.0000	47 S-20	112
16	Telephone	1,106	0	100.0000	(466) S-21	640
17	Billing/Accounting Software	313	0	44.5455	0 S-22	139
18	Legal Fees-Other	1,858	0	100.0000	(1,858) S-23	0
19	Postage and Delivery	493	0	44.5455	0 S-24	220
20	Printing and Reproduction	113	0	44.5455	0 S-25	50
21	Rent	3,000	0	44.5455	(668) S-26	668
22	Repairs-Computer Repairs	124	0	44.5455	0 S-27	55
23	Supplies-Consumables	369	0	44.5455	0 S-28	164
24	Travel & Ent-Entertainment	120	0	44.5455	(53) S-29	0
25	Travel & Ent-Gas, Oil, Auto Maint	1,507	0	100.0000	(1,507) S-30	0
26	Travel & Ent-Meals	573	0	44.5455	(255) S-31	0
27	Travel & Ent-Travel	1,684	0	44.5455	(750) S-32	0
28	Salary	14,013	0	44.5455	(6,242) S-33	7,771
29	Management Fee	0	0	100.0000	12,000 S-42	12,000
30	Clerical & Billing Fee	0	0	100.0000	5,356 S-50	5,356
31	Contract Services-Engineering	6,520	0	100.0000	(6,500) S-34	20
32	Misc. Expense	79	0	100.0000	0 S-35	79
33	Repairs of Distr System	8,401	0	100.0000	(2,000) S-36	6,401
34	Repairs of Water Plant	1,138	0	100.0000	(1,138) S-37	0
35	Transportation	3	0	100.0000	0 S-38	3
36	Vehicle Purchase-License & Title	22	0	44.5455	0 S-39	10
37	Total	\$ 50,033	\$ 0		\$ (4,705)	\$ 33,703

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Depreciation Expense							
38		Depreciation Expense	\$ 200	\$ 0	100.0000	\$ 1,160 S-41	\$ 1,360
39		Total	\$ 200	\$ 0		\$ 1,160	\$ 1,360
Other Operating Expenses							
40	941.000	Taxes-Payroll-Fed Tax, SS, Med	\$ 4,752	\$ 0	44.5455	\$ (2,117) S-42	\$ 0
41	940.000	Taxes-Payroll-Fed. Unempl Tax	560	0	44.5455	(249) S-43	0
42		Taxes-Payroll-MO State Tax	400	0	44.5455	(178) S-44	0
43		Taxes-Payroll-MO Unempl Tax SUTA	189	0	44.5455	(84) S-45	0
44		Taxes-Property	300	0	100.0000	(287) S-46	13
45		Total	\$ 6,201	\$ 0		\$ (2,915)	\$ 13
46		Total Operating Expenses	\$ 56,434	\$ 0		\$ (6,460)	\$ 35,076
47		Net Income Before Taxes	\$ (29,846)	\$ 0		\$ 13,816	\$ (1,132)
Current Income Taxes							
48		Current Income Taxes	\$ 0	\$ 0	100.0000	\$ 0 S-47	\$ 0
49		Total	\$ 0	\$ 0		\$ 0	\$ 0
Deferred Income Taxes							
50		Deferred Income Taxes	\$ 0	\$ 0	100.0000	\$ 0 S-48	\$ 0
51		Total	\$ 0	\$ 0		\$ 0	\$ 0
52		Total Income Taxes	\$ 0	\$ 0		\$ 0	\$ 0
53		Net Operating Income	\$ (29,846)	\$ 0		\$ 13,816	\$ (1,132)

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Unmetered Residential-SB S-1		\$ 7,356
*****		
1. To adjust test year revenues to reflect a duplicate entry by the Company. (AM)		\$ (3,354)
2. To adjust test year revenues to reflect Staff's annualized level. (AM)		\$ 10,710
*****		
Insurance-Automobile S-14		\$ (1,091)
*****		
1. To adjust test year to reflect the exclusion of insurance on the Excursion and the Jeep. (AM)		\$ (1,091)
*****		
Insurance-General Liability S-15		\$ 656
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ 656
*****		
Insurance-Cargo Trailer S-16		\$ 14
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ 14
*****		
Materials & Supplies S-18		\$ (250)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (250)

## FoxFire Utility Company

Case: WR-02-557B

December 31, 2001

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Regulatory Commission Expense S-20		\$ 47
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ 47
*****		
Telephone S-21		\$ (466)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (466)
*****		
Legal Fees-Other S-23		\$ (1,858)
*****		
1. To adjust test year to reflect the exclusion of non-recurring costs. (AM)		\$ (568)
2. To adjust test year to transfer costs from expense to plant for expenses associated with Organization Costs. (AM)		\$ (1,290)
*****		
Rent S-26		\$ (668)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (668)
*****		
Travel & Ent-Entertainment S-29		\$ (53)
*****		
1. To adjust test year to reflect the exclusion of expenses associated with travel allocated to Stockholders. (AM)		\$ (53)

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Travel & Ent-Gas, Oil, Auto Maint S-30		\$ (1,507)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (1,507)
*****		
Travel & Ent-Meals S-31		\$ (255)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (255)
*****		
Travel & Ent-Travel S-32		\$ (750)
*****		
1. To adjust test year to reflect the exclusion of expenses associated with travel allocated to Stockholders. (AM)		\$ (750)
*****		
Salary S-33		\$ (6,242)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (6,242)
*****		
Contract Services-Engineering S-34		\$ (6,500)
*****		
1. To adjust test year to reflect the exclusion of expenses that are capitalized. (AM)		\$ (6,500)

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Repairs of Distr System	S-36	\$ (2,000)
*****		
1. To adjust test year to reflect the exclusion of an expenses already included in plant. (AM)		\$ (2,000)
*****		
Repairs of Water Plant	S-37	\$ (1,138)
*****		
1. To adjust test year to reflect the capitlization of expense. (AM)		\$ (1,138)
*****		
Taxes-Payroll-Fed Tax,SS,Med	S-42	\$ (2,117)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (2,117)
*****		
Taxes-Payroll-Fed. Unempl Tax	S-43	\$ (249)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (249)
*****		
Taxes-Payroll-MO State Tax	S-44	\$ (178)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (178)



## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Taxes-Payroll-MO Unempl Tax SUTA S-45		\$ (84)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (84)
*****		
Taxes-Property S-46		\$ (287)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (287)
*****		
Management Fee S-49		\$ 12,000
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ 12,000
*****		
Clerical & Billing Fee S-50		\$ 5,356
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ 5,356

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Income Tax

Line		Test Year	9.92% Return
(A)		(B)	
*****			
1	Net Income Before Taxes (Sch 8)	\$ (1,132)	\$ 2,237
*****			
	Add to Net Income Before Taxes		
2	Book Depreciation Expense	\$ 1,360	\$ 1,360
		-----	-----
3	Total	\$ 1,360	\$ 1,360
	Subtr from Net Income Before Taxes		
4	Interest Expense 0.0000 %	\$ 0	\$ 0
5	Tax Depreciation	1,360	1,360
		-----	-----
6	Total	\$ 1,360	\$ 1,360
*****			
7	Net Taxable Income	\$ (1,132)	\$ 2,237
*****			
	Provision for Federal Income Tax		
8	Net Taxable Income	\$ (1,132)	\$ 2,237
9	Deduct Missouri Income Tax 100.0 %	\$ 0	\$ 130
10	Deduct City Income Tax	0	0
11	Federal Taxable Income	(1,132)	2,107
		-----	-----
12	Total Federal Tax	\$ 0	\$ 316
	Provision for Missouri Income Tax		
13	Net Taxable Income	\$ (1,132)	\$ 2,237
14	Deduct Federal Income Tax 50.0 %	\$ 0	\$ 158
15	Deduct City Income Tax	0	0
16	Missouri Taxable Income	(1,132)	2,079
		-----	-----
17	Total Missouri Tax	\$ 0	\$ 130

## Foxfire Utility Company

Case: WR-02-557B

December 31, 2001

## Income Tax

Line		Test Year	9.92% Return
	(A)	(B)	
	Provision for City Income Tax		
18	Net Taxable Income	\$ (1,132)	\$ 2,237
19	Deduct Federal Income Tax	\$ 0	\$ 316
20	Deduct Missouri Income Tax	0	130
21	City Taxable Income	(1,132)	1,791
22	Total City Tax	\$ 0	\$ 0
	Summary of Provision for Income Tax		
23	Federal Income Tax	\$ 0	\$ 316
24	Missouri Income Tax	0	130
25	City Income Tax	0	0
26	Total	\$ 0	\$ 446
	Deferred Income Taxes		
27	Deferred Investment Tax Credit	\$ 0	\$ 0
28	Deferred Repair Allowance	0	0
29	Deferred Tax Depreciation	0	0
30	Amort of Deferred Tax Depreciation	0	0
31	Amort of Repair Allowance	0	0
32	Amort of Deferred ITC	0	0
33	Deferred Unbilled	0	0
34	Total	\$ 0	\$ 0
35	Total Income Tax	\$ 0	\$ 446

Foxfire Utility Company  
Case No. 02-556 / 02-557  
Fee Annualization  
For the Year Ended December 31, 2001

Employee Name	Curent Monthly Fees	Annualized Months	Current Annual Fees	Annualized Fees	LBW Fees	LBS Fees	SBW Fees
Rick Helms-Management	\$ 2,000.00	12	\$ 24,000	\$ 24,000	\$ 6,000	\$ 6,000	\$ 12,000
Joy Helms-Clerical & Billing	\$ 2,000.00	12	\$ 24,000	\$ 10,712	\$ 2,678	\$ 2,678	\$ 5,356
Total Annualized Payroll			\$ 48,000	\$ 34,712	\$ 8,678	\$ 8,678	\$ 17,356

\*\*Payroll amounts include all travel expenses associated with the business and all applicable taxes.

# Foxfire Utilities Company

Small Company Rate Increase Procedure  
Missouri Public Service Commission:  
Case No. WR-2002-1162

## Lantern Bay Service Area (Stone County)

### Attachment F

Ratemaking Income Statement  
Accounting Worksheets  
Rate Design  
Residential Bill Comparison

W. R. Hubbs  
October 2002

# Foxfire Utilities Company

Small Company Rate Filing - Water Service

File # 2002 00557

## Lantern Bay - Water

Water-LB-6.19

### Rate Making Income Statement

	As Adjusted			
Revenue	\$32,714			
Expenses			Minimum	Commodity
			Bill Allocated	Allocated
Operator Salary	\$6,506			\$6,506
Management Fee	\$6,000		\$6,000	
Clerical & Billing Fee	\$2,678		\$2,678	
Electricity	\$2,488			\$2,488
Materials and Supplies	\$2,195		\$2,195	
Supplies	\$205		\$205	
Professional Services - Accounting	\$396		\$396	
Contract Services - Other	\$441			\$441
Customer Refund	\$217		\$217	
Helm's Travel & Expenses			\$0	
Travel Ent - Meals			\$0	
Insurance	\$1,048		\$524	\$524
Telephone & Pager	\$639		\$639	
Billing/Accounting Software	\$174		\$174	
Computer Repairs	\$69		\$69	
Postage & Delivery	\$273		\$273	
Printing & Reproduction	\$63		\$63	
Rent	\$832		\$832	
Other Miscellaneous	\$96		\$96	
Regulatory Commission Expense	\$148		\$74	\$74
Taxes - Other property	\$6		\$6	
Depreciation	\$7,466		\$7,466	
Income Tax Expense	\$3,926		\$3,926	
Return	\$15,763		\$15,763	
Total Cost of Service	\$51,629		\$41,596	\$10,033
Other Revenues	\$2,594		\$2,594	\$0
Cost to recover from Rates (less other reven	\$49,035		\$39,002	\$10,033
Total COS	\$51,629			
Increase Needed	\$18,915	57.8%		

# Foxfire Utilities Company

## Small Company Rate Filing - Water Service

File # 2002 00557

Water-LB-6.19

### Water Rate Development

#### Water Rates

##### Minimum Monthly Bill Development

Minimum Bill Allocated Recovery	\$39,002
Commodity Allocated cost to recover in Minimum Bill	\$6,115
Total Cost to Recover in Minimum Bill	\$45,117
Divided by Number of Annual Billings	2,245
Equals: Annual Cost per Billing	\$241.16
Equals: Monthly Cost per Billing	<b>\$20.10</b>

##### Commodity Rate Development

Base Sales	4,492.00	Mgallons
Billed Commodity Sales	2,878.47	Mgallons
Rate Design Sales	7,370.47	Mgallons
Commodity Cost To Recover	\$10,033	\$
Divided by: Rate Design Sales	7,370.47	Mgallons
Equals: Rate per Rate Design Mgallon	<b>\$1.36</b>	\$/Mgallon
Revenue to be Recovered by Billed Commodity Sales		
Billed Commodity Sales	2,878.47	Mgallons
Times: Rate per Rate Design Mgallons	\$1.36	\$/Mgallon
Equals: Billed Commodity Revenue Recovery	\$3,918.30	
Revenue to be Recovered in Base (2000 gallons)		
Base Sales	4,492.00	Mgallons
Times: Rate per Rate Design Mgallons	\$1.36	\$/mgallon
Equals: Base Sales to be recovered in Min Monthly Charge	\$6,114.70	

June 19, 2002

Missouri Public Service Commission Staff

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W. R. Hubbs

Attachment F - 32

# Foxfire Utilities Company

Small Company Rate Filing - Water Service

File # 2002 00557

Water-LB-6.19

## Residential Water Customer Impact

8,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
<b>Proposed Rates</b>	\$20.10	\$1.36	6,000	<b>\$28.26</b>
<b>Current Rates</b>	\$9.57	\$3.00	6,000	<b>\$27.57</b>
<b>Difference</b>				<b>\$0.69</b>
Percentage Difference from Current Rates				<b>2.52%</b>

6,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
<b>Proposed Rates</b>	\$20.10	\$1.36	4,000	<b>\$25.54</b>
<b>Current Rates</b>	\$9.57	\$3.00	4,000	<b>\$21.57</b>
<b>Difference</b>				<b>\$3.97</b>
Percentage Difference from Current Rates				<b>18.41%</b>

4,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
<b>Proposed Rates</b>	\$20.10	\$1.36	2,000	<b>\$22.82</b>
<b>Current Rates</b>	\$9.57	\$3.00	2,000	<b>\$15.57</b>
<b>Difference</b>				<b>\$7.25</b>
Percentage Difference from Current Rates				<b>46.56%</b>

2,000 Gallon per month usage customer	Monthly Charge	Commodity Charge/Mgal	Billed Monthly Units	Monthly Charge
<b>Proposed Rates</b>	\$20.10	\$1.36	-	<b>\$20.10</b>
<b>Current Rates</b>	\$9.57	\$3.00	-	<b>\$9.57</b>
<b>Difference</b>				<b>\$10.53</b>
Percentage Difference from Current Rates				<b>110.00%</b>



# Foxfire Utilities Company

Small Company Rate Filing - Water Service

File # 2002 00557

Water-LB-6.19

## Proposed Charges Annualized & Normalized Water Revenues

### Water Revenues

#### Minimum Bill Revenues

Customer Number	184
Customer Bills	2245
Times:	
Existing Minimum Monthly Charge	\$20.10
Equals:	
Annualized Minimum Bill Revenue	\$45,117

#### Commodity Revenues

Base Gallons	(181*12*2)	4,492.00	Mgallons
Billed Commodity Gallons greater than 2,000 gallons/month		2,878.47	Mgallons
Total Gallons Recoverable in Rates		7,370.47	Mgallons
Times:			
Existing Minimum Monthly Charge		\$1.36	
Equals:			
Annualized Commodity Revenue		\$3,918	

<b>Total Water Rate Revenues @ Current Rate</b>	<b>\$49,035</b>
---	-----------------

<b>Miscellaneous Revenues</b>	<b>\$2,594</b>
-------------------------------	----------------

<b>Total Water Service Revenues @ Current Rates</b>	<b>\$51,629</b>
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June 19, 2002  
Missouri Public Service Commission Staff

Page 4 of 5  
W. R. Hubbs

# Foxfire Utilities Company

Small Company Rate Filing - Water Service

File # 2002 00557

Water-LB-6.19

## Accounting Department

## Test Year Annualized & Normalized Revenues

### Water Revenues

#### Minimum Bill Revenues

Customer Number	184
Customer Bills	2245
Times:	
Existing Minimum Monthly Charge	\$9.57
Equals:	
Annualized Minimum Bill Revenue	\$21,485

#### Commodity Revenues

Base Gallons	(181*12*2)	4,492.00	Mgallons
Billed Commodity Gallons greater than 2,000 gallons/month		2,877.47	Mgallons
Total Gallons Recoverable in Rates		7,370.47	Mgallons
Times:			
Existing Minimum Monthly Charge		\$3.00	
Equals:			
Annualized Commodity Revenue		\$8,635	

	\$21,485
	\$8,633
divided by	\$3.00
Equals	2,877.78 Mgalons
	2,877,783 Gallons

**Total Water Rate Revenues @ Current Rate** **\$30,120**

**Miscellaneous Revenues** **\$2,594**

**Total Water Service Revenues @ Current Rates** **\$32,714**

June 19, 2002

Missouri Public Service Commission Staff

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W. R. Hubbs

Attachment F - 35

Foxfire Utility Company  
Case: WR-02-557A - LB  
December 31, 2001

Revenue Requirement

Line 9.92% Return

(A)	(B)
1	Net Orig Cost Rate Base (Sch 2) \$ 158,905
2	Rate of Return 9.92%
3	Net Operating Income Requirement \$ 15,763
4	Net Income Available (Sch 8) \$ 620
5	Additional NOIBT Needed \$ 15,143
6	Income Tax Requirement (Sch 10) \$ 3,926
7	Required Current Income Tax \$ 154
8	Test Year Current Income Tax \$ 3,772
9	Additional Current Tax Required \$ 0
10	Required Deferred ITC \$ 0
11	Test Year Deferred ITC \$ 0
12	Additional Deferred ITC Required \$ 0
13	Total Additional Tax Required \$ 3,772
14	Gross Revenue Requirement \$ 18,915

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Rate Base

Line Description	Amount
(A)	(B)
1 Total Plant in Service (Sch 3)	\$ 215,500
Subtract from Total Plant	
2 Depreciation Reserve (Sch 6)	\$ 56,595
-----	
3 Net Plant in Service	\$ 158,905
Add to Net Plant in Service	
4 Cash Working Capital (Sch )	\$ 0
5 Materials and Supplies-Exempt	0
6 Prepaid Insurance	0
Subtract from Net Plant	
7 Federal Tax Offset 0.0000 %	\$ 0
8 State Tax Offset 0.0000 %	0
9 City Tax Offset 0.0000 %	0
10 Interest Expense Offset 0.0000 %	0
11 Customer Advances for Construction	0
12 Contribution in aid of Construction	0
13 Deferred Income Taxes-Depreciation	0
-----	
14 Total Rate Base	\$ 158,905
=====	

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Intangible Plant							
1	301.000	Organization	\$ 5,710	\$ 0	100.0000	\$ (5,710) P-1	\$ 0
2		Total	\$ 5,710	\$ 0		\$ (5,710)	\$ 0
Source of Supply & Pumping Plant							
3	310.000	Land & Land Rights	\$ 1,574	\$ 0	100.0000	\$ 0	\$ 1,574
4	311.000	Structures & Improvements	13,249	0	100.0000	0	13,249
5	314.000	Wells & Springs	64,308	0	100.0000	0	64,308
6	317.000	Other Water Source Equipment	0	0	100.0000	0	0
7	325.000	Electric Pumping Equipment	27,728	0	100.0000	0 P-2	27,728
8		Total	\$ 106,859	\$ 0		\$ 0	\$ 106,859
Water Treatment Plant							
9	330.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
10	331.000	Structures & Improvements	0	0	100.0000	0	0
11	332.000	Water Treatment Equipment	0	0	100.0000	0 P-3	0
12		Total	\$ 0	\$ 0		\$ 0	\$ 0
Transmission & Distribution Plant							
13	340.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
14	341.000	Structures & Improvements	0	0	100.0000	0	0
15	342.000	Distribution Reservoirs & Standpipe	88,892	0	100.0000	0	88,892
16	343.000	Transmission & Distribution Mains	0	0	100.0000	0 P-4	0
17	345.000	Services	4,074	0	100.0000	0	4,074
18	346.100	Meters-Bronze Chamber	8,884	0	100.0000	0 P-5	8,884
19	346.200	Meters-Plastic Chamber	0	0	100.0000	0	0
20	347.100	Meter Installations-Bronze	0	0	100.0000	0	0
21	347.200	Meter Installations-Plastic	0	0	100.0000	0	0
22	348.000	Hydrants	0	0	100.0000	0	0
23	349.000	Other Plant & Miscellaneous Equip	0	0	100.0000	0	0
24		Total	\$ 101,850	\$ 0		\$ 0	\$ 101,850

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Total Plant in Service

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
		General Plant					
25	389.000	Land & Land Rights	\$ 2,090	\$ 0	100.0000	\$ 0 P-6	\$ 2,090
26	390.000	Structures & Improvements	0	0	100.0000	0	0
27	391.000	Office Furniture & Equipment	3,308	0	100.0000	(1,695) P-7	1,613
28	391.100	Office Computer Equipment	0	0	100.0000	1,513 P-8	1,513
29	392.000	Transportation Equipment	32,199	0	100.0000	(30,624) P-9	1,575
30	395.000	Laboratory Equipment	9,898	0	100.0000	(9,898) P-10	0
31	398.000	Miscellaneous Equipment	0	0	100.0000	0	0
32	399.000	Other Tangible Plant	0	0	100.0000	0	0
33		Total	\$ 47,495	\$ 0		\$ (40,704)	\$ 6,791
34		Total Plant in Service	\$ 261,914	\$ 0		\$ (46,414)	\$ 215,500

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Organization P-1		\$ (5,710)
*****		
1. To adjust test year to reflect the exclusion of Lantern Bay Organization costs that are fully depreciated. (AM)		\$ (5,710)
*****		
Office Furniture & Equipment P-7		\$ (1,695)
*****		
1. To adjust test year to reflect the reclassification of computer equipment. (AM)		\$ (1,513)
2. To adjust test year to reflect the reclassification of plant that belongs to sewer operations. (AM)		\$ (182)
*****		
Office Computer Equipment P-8		\$ 1,513
*****		
1. To adjust test year to reflect the reclassification of computer equipment. (AM)		\$ 1,513
*****		
Transportation Equipment P-9		\$ (30,624)
*****		
1. To adjust test year to reflect the exclusion of transportation equipment (Excursion). (AM)		\$ (23,243)
2. To adjust test year to reflect the exclusion of transportation equipment (Jeep). (AM)		\$ (7,381)

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Adjustments to Total Plant

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Laboratory Equipment	P-10	\$ (9,898)
*****		
1. To adjust test year to reflect the exclusion of plant that the Company no longer owns. (AM)		\$ (9,898)



## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
Intangible Plant					
1	301.000	Organization	\$ 0	0.0000	\$ 0
2		Total	\$ 0		\$ 0
Source of Supply & Pumping Plant					
3	310.000	Land & Land Rights	\$ 1,574	0.0000	\$ 0
4	311.000	Structures & Improvements	13,249	2.5000	331
5	314.000	Wells & Springs	64,308	2.0000	1,286
6	317.000	Other Water Source Equipment	0	0.0000	0
7	325.000	Electric Pumping Equipment	27,728	10.0000	2,773
8		Total	\$ 106,859		\$ 4,390
Water Treatment Plant					
9	330.000	Land & Land Rights	\$ 0	0.0000	\$ 0
10	331.000	Structures & Improvements	0	0.0000	0
11	332.000	Water Treatment Equipment	0	2.9000	0
12		Total	\$ 0		\$ 0
Transmission & Distribution Plant					
13	340.000	Land & Land Rights	\$ 0	0.0000	\$ 0
14	341.000	Structures & Improvements	0	0.0000	0
15	342.000	Distribution Reservoirs & Standpipe	88,892	2.5000	2,222
16	343.000	Transmission & Distribution Mains	0	2.0000	0
17	345.000	Services	4,074	2.5000	102
18	346.100	Meters-Bronze Chamber	8,884	2.9000	258
19	346.200	Meters-Plastic Chamber	0	10.0000	0
20	347.100	Meter Installations-Bronze	0	2.9000	0
21	347.200	Meter Installations-Plastic	0	10.0000	0
22	348.000	Hydrants	0	0.0000	0
23	349.000	Other Plant & Miscellaneous Equip	0	0.0000	0
24		Total	\$ 101,850		\$ 2,582

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Depreciation Expense

Line No	Acct	Description	Adjusted Jurisdictional	Depreciation Rate	Depreciation Expense
		(A)	(B)	(C)	(D)
		General Plant			
25	389.000	Land & Land Rights	\$ 2,090	0.0000	\$ 0
26	390.000	Structures & Improvements	0	0.0000	0
27	391.000	Office Furniture & Equipment	1,613	5.0000	81
28	391.100	Office Computer Equipment	1,513	14.3000	216
29	392.000	Transportation Equipment	1,575	12.5000	197
30	395.000	Laboratory Equipment	0	5.0000	0
31	398.000	Miscellaneous Equipment	0	0.0000	0
32	399.000	Other Tangible Plant	0	0.0000	0
33		Total	\$ 6,791		\$ 494
34		Total Depreciation Expense	\$ 215,500		\$ 7,466

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Intangible Plant							
1	301.100	Organization	\$ 5,710	\$ 0	100.0000	\$ (5,710) R-1	\$ 0
2		Total	\$ 5,710	\$ 0		\$ (5,710)	\$ 0
Source of Supply & Pumping Plant							
3	310.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
4	311.000	Structures & Improvements	2,648	0	100.0000	0	2,648
5	314.000	Wells & Springs	10,288	0	100.0000	0	10,288
6	317.000	Other Water Source Equipment	0	0	100.0000	0	0
7	325.000	Electric Pumping Equipment	22,184	0	100.0000	0 R-2	22,184
8		Total	\$ 35,120	\$ 0		\$ 0	\$ 35,120
Water Treatment Plant							
9	330.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
10	331.000	Structures & Improvements	0	0	100.0000	0	0
11	332.000	Water Treatment Equipment	0	0	100.0000	0 R-3	0
12		Total	\$ 0	\$ 0		\$ 0	\$ 0
Transmission & Distribution Plant							
13	340.000	Land & Land Rights	\$ 0	\$ 0	100.0000	\$ 0	\$ 0
14	341.000	Structures & Improvements	17,776	0	100.0000	0	17,776
15	342.000	Distribution Reservoirs & Standpipe	0	0	100.0000	0	0
16	343.000	Transmission & Distribution Mains	0	0	100.0000	0 R-4	0
17	345.000	Services	944	0	100.0000	0 R-5	944
18	346.100	Meters-Bronze Chamber	1,769	0	100.0000	12 R-6	1,781
19	346.200	Meters-Plastic Chamber	0	0	100.0000	0	0
20	347.100	Meters Installation-Bronze	0	0	100.0000	0	0
21	347.200	Meter Installations-Plastic	0	0	100.0000	0	0
22	348.000	Hydrants	0	0	100.0000	0	0
23	349.000	Other Plant & Miscellaneous Equipme	0	0	100.0000	0	0
24		Total	\$ 20,489	\$ 0		\$ 12	\$ 20,501

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Depreciation Reserve

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
	(A)		(B)	(C)	(D)	(E)	(F)
		General Plant					
25	389.000	Land & Land Rights	\$ 678	\$ 0	100.0000	\$ (678) R-7	\$ 0
26	390.000	Structures & Improvements	0	0	100.0000	0	0
27	391.000	Office Furniture & Equipment	700	0	100.0000	(238) R-8	462
28	391.100	Office Computer Equipment	0	0	100.0000	231 R-9	231
29	392.000	Transportation Equipment	7,145	0	100.0000	(6,864) R-10	281
30	395.000	Laboratory Equipment	3,133	0	100.0000	(3,133) R-11	0
31	398.000	Miscellaneous Equipment	0	0	100.0000	0	0
32	399.000	Other Tangible Plant	0	0	100.0000	0	0
33		Total	\$ 11,656	\$ 0		\$ (10,662)	\$ 974
34		Total Depreciation Reserve	\$ 72,975	\$ 0		\$ (16,380)	\$ 56,595

Adjustments to Depreciation Reserve		
Adj	Total Co	No Description
-----		
	Adjustment	Adjustment
	No Juris	
-----		
		Organization
	\$ (5,710)	
		1. To adjust test year to reflect the exclusion of reserve on organization costs that are fully depreciated.
		(AM)
		Meters-Bronze Chamber
	\$ 12	
		R-6
		1. To adjust test year to reflect the reserve on new plant.
	\$ 12	
		(AM)
		Land & Land Rights
	\$ (678)	
		R-7
		1. To adjust test year to reflect the exclusion of reserve on organization costs.
	\$ (678)	
		(AM)
		Office Furniture & Equipment
	\$ (238)	
		R-8
		1. To adjust test year to reflect the reclassification of reserve for computer equipment.
	\$ (231)	
		(AM)
		2. To adjust test year to reflect the reclassification of reserve on sewer operations.
	\$ (21)	
		(AM)
		3. To adjust test year to reflect the inclusion of reserve on new plant.
	\$ 14	
		(AM)

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Adjustments to Depreciation Reserve

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Office Computer Equipment R-9		\$ 231
*****		
1. To adjust test year to reflect the reclassification of reserve for computer equipment. (AM)		\$ 231
*****		
Transportation Equipment R-10		\$ (6,864)
*****		
1. To adjust test year to reflect the exclusion of reserve on the Excursion. (AM)		\$ (5,810)
2. To adjust test year to reflect the exclusion of reserve on the Jeep. (AM)		\$ (1,054)
*****		
Laboratory Equipment R-11		\$ (3,133)
*****		
1. To adjust test year to reflect the exclusion of reserve on equipment that the Company no longer owns. (AM)		\$ (3,133)

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Operating Revenues							
1	461.100	Metered Residential	\$ 29,776	\$ 0	100.0000	\$ 344 S-2	\$ 30,120
2	471.100	Reconnect Fees	840	0	100.0000	0 S-3	840
3	471.200	Late Payment Fee	10	0	100.0000	0 S-4	10
4	474.100	Misc. Service	1,744	0	100.0000	0 S-5	1,744
5		Total	\$ 32,370	\$ 0		\$ 344	\$ 32,714

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Operation & Maintenance Expense							
6		Bank Charges	\$ 49	\$ 0	55.4545	\$ 0 S-7	\$ 27
7		Corporate Fees & License	68	0	55.4545	0 S-8	38
8		Dues & Subscriptions	18	0	55.4545	0 S-9	10
9		Contract Services-Accounting	396	0	100.0000	0 S-10	396
10		Contract Services-Operations	6,506	0	100.0000	0 S-11	6,506
11		Contract Services-Other	441	0	100.0000	0 S-12	441
12		Customer Refund	217	0	100.0000	0 S-13	217
13		Insurance-Automobile	522	0	100.0000	(522) S-14	0
14		Insurance-General Liability	931	0	100.0000	103 S-15	1,034
15		Insurance-Cargo Trailer	14	0	100.0000	0 S-16	14
16		Materials & Supplies	2,195	0	100.0000	0 S-18	2,195
17		Purch Power-Gas and Electric	2,488	0	100.0000	0 S-19	2,488
18		Regulatory Commission Expense	173	0	100.0000	(25) S-20	148
19		Telephone	1,231	0	100.0000	(592) S-21	639
20		Billing/Accounting Software	313	0	55.4545	0 S-22	174
21		Legal Fees-Other	1,274	0	55.4545	(706) S-23	0
22		Postage and Delivery	493	0	55.4545	0 S-24	273
23		Printing and Reproduction	113	0	55.4545	0 S-25	63
24		Rent	3,000	0	55.4545	(832) S-26	832
25		Repairs-Computer Repairs	124	0	55.4545	0 S-27	69
26		Supplies-Consumables	369	0	55.4545	0 S-28	205
27		Travel & Ent-Entertainment	120	0	55.4545	(67) S-29	0
28		Travel & Ent-Gas, Oil, Auto Maint	1,507	0	100.0000	(1,507) S-30	0
29		Travel & Ent-Meals	573	0	55.4545	(318) S-31	0
30		Travel & Ent-Travel	1,684	0	55.4545	(934) S-32	0
31		Salary	14,013	0	55.4545	(7,771) S-33	0
32		Managment Fee	0	0	100.0000	6,000 S-49	6,000
33		Clerical & Billing Fee	0	0	100.0000	2,678 S-50	2,678
34		Contract Services-Engineering	0	0	0.0000	0 S-34	0
35		Misc. Expense	16	0	55.4545	0 S-35	9
36		Vehicle Purchase-License & Title	22	0	55.4545	0 S-39	12
37		Total	\$ 38,870	\$ 0		\$ (4,493)	\$ 24,468
Depreciation Expense							
38		Depreciation Expense	\$ 12,304	\$ 0	100.0000	\$ (4,838) S-41	\$ 7,466
39		Total	\$ 12,304	\$ 0		\$ (4,838)	\$ 7,466



## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Income Statement

Line No	Acct	Description	Total Company	Total Co Adjustment	Alloc Factor	Jurisdictional Adjustment	Adjusted Jurisdictional
		(A)	(B)	(C)	(D)	(E)	(F)
Other Operating Expenses							
40	941.000	Taxes-Payroll-Fed Tax,SS,Med	\$ 4,752	\$ 0	55.4545	\$ (2,635) S-51	\$ 0
41	940.000	Taxes-Payroll-Fed Unempl Tax	560	0	55.4545	(311) S-52	0
42		Taxes-Payroll-MO State Tax	400	0	55.4545	(222) S-53	0
43		Taxes-Payroll-MO Unempl Tax SUTA	189	0	55.4545	(105) S-54	0
44		Taxes-Property	296	0	100.0000	(290) S-46	6
45		Total	\$ 6,197	\$ 0		\$ (3,563)	\$ 6
*****							
46		Total Operating Expenses	\$ 57,371	\$ 0		\$ (12,894)	\$ 31,940
*****							
47		Net Income Before Taxes	\$ (25,001)	\$ 0		\$ 13,238	\$ 774
*****							
Current Income Taxes							
48		Current Income Taxes	\$ 0	\$ 0	100.0000	\$ 154 S-47	\$ 154
49		Total	\$ 0	\$ 0		\$ 154	\$ 154
Deferred Income Taxes							
50		Deferred Income Taxes	\$ 0	\$ 0	100.0000	\$ 0 S-48	\$ 0
51		Total	\$ 0	\$ 0		\$ 0	\$ 0
*****							
52		Total Income Taxes	\$ 0	\$ 0		\$ 154	\$ 154
*****							
53		Net Operating Income	\$ (25,001)	\$ 0		\$ 13,084	\$ 620
*****							

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Metered Residential S-2		\$ 344
*****		
1. To adjust test year revenues to reflect Staff's annualized customer levels. (AM)		\$ 344
*****		
Insurance-Automobile S-14		\$ (522)
*****		
1. To adjust test year to reflect the exclusion of insurance on the Excursion and the Jeep. (AM)		\$ (522)
*****		
Insurance-General Liability S-15		\$ 103
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ 103
*****		
Regulatory Commission Expense S-20		\$ (25)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (25)
*****		
Telephone S-21		\$ (592)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (592)

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Legal Fees-Other S-23		\$ (706)
*****		
1. To adjust test year to reflect the exclusion of non-recurring legal costs associated with Aquasource. (AM)		\$ (706)
*****		
Rent S-26		\$ (832)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (832)
*****		
Travel & Ent-Entertainment S-29		\$ (67)
*****		
1. To adjust test year to reflect the exclusion of expenses associated with travel allocated to Stockholders. (AM)		\$ (67)
*****		
Travel & Ent-Gas, Oil, Auto Maint S-30		\$ (1,507)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (1,507)
*****		
Travel & Ent-Meals S-31		\$ (318)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (318)

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Travel & Ent-Travel S-32		\$ (934)
*****		
1. To adjust test year to reflect the exclusion of expenses associated with travel allocated to Stockholders. (AM)		\$ (934)
*****		
Salary S-33		\$ (7,771)
*****		
1. To adjust test year to reflect Staff's annualized level. (McMellen)		\$ (7,771)
*****		
Taxes-Property S-46		\$ (290)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (290)
*****		
Managment Fee S-49		\$ 6,000
*****		
1. To adjust test year to reflect the Staff's annualized level. (AM)		\$ 6,000
*****		
Clerical & Billing Fee S-50		\$ 2,678
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ 2,678

## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Adjustments to Income Statement

Adj No Description	Total Co Adjustment	Mo Juris Adjustment
*****		
Taxes-Payroll-Fed Tax,SS,Med S-51		\$ (2,635)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (2,635)
*****		
Taxes-Payroll-Fed Unempl Tax S-52		\$ (311)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (311)
*****		
Taxes-Payroll-MO State Tax S-53		\$ (222)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (222)
*****		
Taxes-Payroll-MO Unempl Tax SUTA S-54		\$ (105)
*****		
1. To adjust test year to reflect Staff's annualized level. (AM)		\$ (105)

## Poxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Income Tax

Line	Test Year	9.92% Return
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(A)

(B)

1	Net Income Before Taxes (Sch 8)	\$ 774	\$ 19,689
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## Add to Net Income Before Taxes

2	Book Depreciation Expense	\$ 7,466	\$ 7,466
---	---------------------------	----------	----------

3	Total	\$ 7,466	\$ 7,466
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## Subtr from Net Income Before Taxes

4	Interest Expense 0.0000 %	\$ 0	\$ 0
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5	Tax Depreciation	7,466	7,466
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6	Total	\$ 7,466	\$ 7,466
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7	Net Taxable Income	\$ 774	\$ 19,689
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## Provision for Federal Income Tax

8	Net Taxable Income	\$ 774	\$ 19,689
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9	Deduct Missouri Income Tax 100.0 %	\$ 45	\$ 1,144
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10	Deduct City Income Tax	0	0
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11	Federal Taxable Income	729	18,545
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12	Total Federal Tax	\$ 109	\$ 2,782
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## Provision for Missouri Income Tax

13	Net Taxable Income	\$ 774	\$ 19,689
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14	Deduct Federal Income Tax 50.0 %	\$ 55	\$ 1,391
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15	Deduct City Income Tax	0	0
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16	Missouri Taxable Income	720	18,298
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17	Total Missouri Tax	\$ 45	\$ 1,144
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## Foxfire Utility Company

Case: WR-02-557A

December 31, 2001

## Income Tax

Line		Test Year	9.92% Return
(A)	(B)		
	Provision for City Income Tax		
18	Net Taxable Income	\$ 774	\$ 19,689
19	Deduct Federal Income Tax	\$ 109	\$ 2,782
20	Deduct Missouri Income Tax	45	1,144
21	City Taxable Income	620	15,763
22	Total City Tax	\$ 0	\$ 0
	Summary of Provision for Income Tax		
23	Federal Income Tax	\$ 109	\$ 2,782
24	Missouri Income Tax	45	1,144
25	City Income Tax	0	0
26	Total	\$ 154	\$ 3,926
	Deferred Income Taxes		
27	Deferred Investment Tax Credit	\$ 0	\$ 0
28	Deferred Repair Allowance	0	0
29	Deferred Tax Depreciation	0	0
30	Amort of Deferred Tax Depreciation	0	0
31	Amort of Repair Allowance	0	0
32	Amort of Deferred ITC	0	0
33	Deferred Unbilled	0	0
34	Total	\$ 0	\$ 0
35	Total Income Tax	\$ 154	\$ 3,926

## **Review of Foxfire Utility Company Customer Service Operations**

The Engineering and Management Services Department (EMSD) staff initiated a review of customer service processes, procedures and practices at Foxfire Utility Company (Foxfire or Company) on February 19, 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 findings of this review will also provide the Commission with information regarding the Company's customer service operations.

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

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

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

### **Overview**

Foxfire provides water and sewer services to approximately 183 water customers and 181 sewer customers in a Branson area condominium development known as Lantern Bay Resort. Foxfire also provides water service to approximately 138 customers in a rural Benton County development known as Spring Branch (Lake Arrowhead Estates).



The current owners have provided service to Lantern Bay customers since 1994 and to Spring Branch customers since 2001. The Company's business office is located in part of the finished basement of the owners' primary residence in Jefferson City.

Both Lantern Bay and Spring Branch are operated on a daily basis by a third party given their distance from Jefferson City of approximately 180 miles and 100 miles, respectively. The written contracts with the third parties state that the operator of Lantern Bay is paid \$1,000 per month to perform daily activities, while the operator of Spring Branch is paid \$200 per month to perform daily activities.

One of the Company's co-owners is the president, who is responsible for most of the other activities associated with Company operations, including meter reading, general maintenance and repair, and construction activities. The other co-owner is the secretary, who performs business office activities, including customer bill preparation, collection of customer payments, maintenance of customer records, response to customer inquiries and complaints, and preparing customer correspondence such as disconnection notices.

The president stated that the Lantern Bay water and sewer system could potentially serve up to 500 customers. Given the lack of growth in the Branson area since the mid 1990s, the president anticipates that the potential capacity of Lantern Bay's water and sewer system could serve its customer base adequately for decades.

The president stated that the Spring Branch water system is serving an area that is experiencing a slight decline in the customer base over the past 12 months. The president anticipates that the three wells currently serving Spring Branch could handle its customer base adequately for several years.

### **Customer Billing**

All water and sewer customers are billed on a monthly basis. The president reads Lantern Bay water meters around the 20<sup>th</sup> of each month. The secretary inputs the meter reads into the billing system, which generates a postcard bill that is mailed to each customer the following day. A Lantern Bay customer is considered delinquent if payment is not received by the 10th day of the following month.

Lantern Bay water customers are billed \$9.57 for the first 2,000 gallons, plus \$3 per 1,000 gallons in excess of the base. Lantern Bay sewer customers are billed \$16.78

for the first 2,000 gallons, plus \$8.39 per 1,000 gallons in excess of the base. For example, a customer using 6,000 gallons per month would be charged \$21.57 for water and \$50.34 for sewer.

Spring Branch customers are billed a flat rate around the 16<sup>th</sup> of each month. A customer bill is considered delinquent if payment is not received by the 6th day of the following month. Full-time residents are billed \$22.28 per month while part-time residents are billed \$19 per month.

### **Credit and Collections**

Most customers mail their monthly payment to the business office in Jefferson City. Payments are posted to the billing system when received and bank deposits are made on a timely basis.

A delinquent notice is mailed to unpaid accounts about three days after the due date. If payment is not received by the disconnect date as shown on the delinquent notice, the account is subject to disconnection for nonpayment. The president stated that there have been few customer disconnections for nonpayment.

### **Complaint Handling and Recording**

Customers can contact Company personnel or a third party answering service on a 24/7 basis. The business office and after hours telephone numbers are printed on the customer bill and are listed in the local telephone directory.

The Commission's Consumer Services Department has received 12 customer complaints about Foxfire since 1998. The seven complaints received during 1998 dealt with general billing and quality of service concerns. The four complaints received during 2001 involved the Company's rates and tariffs.

### **Meter Reading**

The secretary prints out a listing for each Lantern Bay customer that lists the customer's name and address, the previous month's meter reading, and other information. The president spends approximately four hours reading customer meters each month.

The secretary inputs the meter readings for the current month into the billing system the following day.

#### **Customer Communication and Information**

The president stated that messages to customers are normally included with the post card monthly bill. The letter to all customers describing the Company's need for the current request for rate relief was mailed in early February along with the January 2002 water and sewer bills.

#### **Findings, Conclusions, and Recommendations**

This review did not identify any areas requiring management's attention in the Company's customer service operations.