

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

In the Matter of the Request by Suburban)
Water and Sewer Company for a Increase in)
Annual Water System Operating Revenues.)

Case No. WR-2009-0197

**NOTICE OF UNANIMOUS AGREEMENT REGARDING DISPOSITION
OF SMALL COMPANY RATE INCREASE REQUEST**

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

1. On November 17, 2008, the Missouri Public Service Commission (Commission) received a Rate Increase Request Letter from Suburban Water and Sewer Company, Inc. (Company), requesting the Commission allow an increase of \$23,000 in its annual operating revenues pursuant to Commission Rule 4 CSR 240-3.050 (Small Utility Rate Case Procedure).

2. Subsequent to Staff's investigation and pursuant to negotiations between the Company, Staff, and OPC, all parties have been able to reach a *Unanimous Agreement Regarding Disposition of Small Water Company Revenue Increase Request* (Unanimous Agreement).

3. Included in Appendix A, attached hereto, is a copy of the above-referenced Unanimous Agreement, as well as various attachments related to the Unanimous Agreement. Additionally, Appendix A contains affidavits from Staff members that participated in the investigation of this matter.

4. As agreed-upon by the parties to this case, the Unanimous Agreement provides for an increase of \$18,000 in Company's annual operating revenues.

5. Pursuant to Rule 4 CSR 240-3.050(13), “[i]f the disposition agreement filed by the staff provides for a full resolution of the utility’s request and is executed by the utility, the staff and the public counsel, the utility shall file new and/or revised tariff sheets, bearing an effective date that is not fewer than (30) days after they are filed, to implement the agreement.” The Company will file the substitute tariff sheet No. 4 on May 5, 2009, seeking to implement the terms of the Unanimous Agreement. This tariff sheet bears the minimum 30-day effective date of June 5, 2009.

7. The Company is current on its payment of Commission assessments and on its filings of annual reports and statements of revenue; and has no other cases pending before the Commission.

WHEREFORE, Staff respectfully submits this Notice and the attached Appendix A for the Commission's information and consideration in this case and requests that the Commission enter an Order adopting the terms agreed upon by Staff, the Company, and OPC.

Respectfully submitted,

/s/ **Shelley Syler Brueggemann**

Shelley Syler Brueggemann

Missouri Bar No. 52173

Attorney for the Staff of the

Missouri Public Service Commission

P. O. Box 360

Jefferson City, MO 65102

(573) 526-7393 (Telephone)

(573) 751-9285 (Fax)

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

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 5th day of May 2009.

/s/ **Shelley Syler Brueggemann**

APPENDIX A

STAFF PARTICIPANT AFFIDAVITS AND DISPOSITION AGREEMENT & ATTACHMENTS

CASE NO. WR-2009-0197

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Staff Participant Affidavits

David Spratt – Water & Sewer Department

Deborah A. Bernsen– Engineering & Management Services Department

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF DAVID A. SPRATT

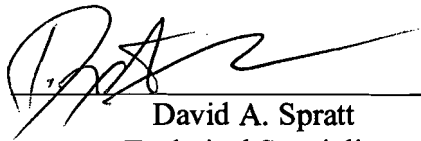
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COUNTY OF COLE

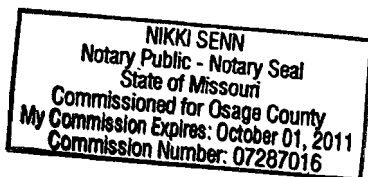
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) Case No. WR-2009-0197
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COMES NOW David A. Spratt, being of lawful age, and on his oath states the following: (1) that he is a(n) Technical Specialist in the Missouri Public Service Commission's Water & Sewer Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing *Unanimous Agreement Regarding Disposition of Small Water Company Rate Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachment A, B, C, and E to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment A, B, C, and E to the Disposition Agreement; and (6) that the matters set forth in Attachment A, B, C, and E to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.



David A. Spratt
Technical Specialist
Water & Sewer Department

Subscribed and sworn to before me this 28th day of April, 2009.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF DEBORAH A. BERNSEN

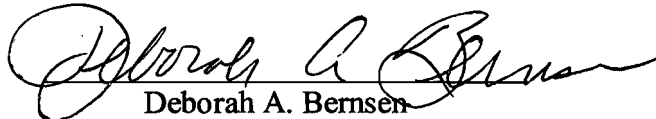
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COUNTY OF COLE

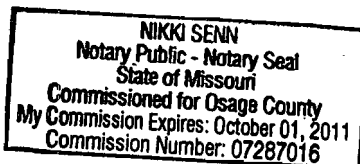
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) Case No. WR-2009-0197
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COMES NOW Deborah A. Bernsen, being of lawful age, and on her oath states the following: (1) that she is a(n) Utility Management Analyst III in the Missouri Public Service Commission's Engineering & Management Services Department; (2) that she participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that she has knowledge of the foregoing *Unanimous Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that she was responsible for the preparation of Attachment D to the Disposition Agreement; (5) that she has knowledge of the matters set forth in Attachment D to the Disposition Agreement; and (6) that the matters set forth in Attachment D to the Disposition Agreement are true and correct to the best of her knowledge, information, and belief.



Deborah A. Bernsen
Utility Management Analyst III
Engineering & Management
Services Department

Subscribed and sworn to before me this 28th day of April, 2009.



Notary Public

Unanimous Agreement

UNANIMOUS AGREEMENT REGARDING DISPOSITION
OF SMALL WATER COMPANY REVENUE INCREASE REQUEST

SUBURBAN WATER & SEWER COMPANY, INC.

MO PSC CASE NO. WR-2009-0197

BACKGROUND

Suburban Water & Sewer Company, Inc. ("Company") initiated the small company revenue increase request ("Request") for water service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") case number by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-3.050, Small Utility Rate Case Procedure ("Small Company Procedure"). In its request letter, which was received at the Commission's offices on November 17, 2008, the Company set forth its request for an increase of \$23,000 in its total annual water service operating revenues. In its request letter, the Company also acknowledged that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions would be reviewed during the Commission Staff's ("Staff") review of the revenue increase request, and could thus be the subject of Staff recommendations. The Company provides service to approximately 104 customers, all of which are residential customers.

Pursuant to the provisions of the Small Company Procedure and related internal operating procedures, Staff initiated an audit of the Company's books and records, a review of the Company's customer service and general business practices, a review of the Company's existing tariff, an inspection of the Company's facilities and a review of the Company's operation of its facilities. (Hereafter, these activities are collectively referred to as Staff's "investigation" of the Company's Request.)

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

Pursuant to negotiations held subsequent to the Company's and OPC's receipt of the above-referenced information regarding Staff's investigation, Public Counsel requested that the assigned Regulatory Law judge mediate discussions between Staff, the Company and OPC to assist the

parties in reaching at least a partial agreement in this case. Two separate mediation discussions were subsequently held with all parties participating.

On April 16, 2009, Staff and the Company filed a Company/Staff Disposition Agreement. The Company filed related tariff revisions on April 21, 2009, and a substitute tariff sheet No. 4 on April 27, 2009.

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

Pursuant to negotiations, Staff, the Company and OPC hereby state the following agreements:

- (1) That for the purpose of implementing the agreements set out herein, the Company will file a new substitute tariff sheet No. 4, replacing the substitute tariff sheet No. 4 filed on April 27, 2009, which replaced the original tariff sheet No. 4 filed on April 21, 2009, with the Commission to be consistent with this agreement before June 5, 2009 containing the rates, charges and language set out in the example substitute tariff sheet attached hereto as Attachment A, with that proposed tariff revision bearing an effective date of June 5, 2009. Staff, the Company and OPC acknowledge that the New Tariff consisting of tariff sheets 1 through 28 and a title page already filed on April 21, 2009 ("New Tariff") bearing an effective date of June 5, 2009, excepting tariff sheet No. 4 as described above, contain the rates, charges and language implementing the agreements set out herein.
- (2) That the rates set out in the attached example substitute tariff sheet No. 4, attached hereto as Attachment A, and the previously filed New Tariff are designed to generate additional revenues of \$18,000.
- (3) That the rates set out in the attached example substitute tariff sheet, the development of which is shown on the rate design worksheet attached hereto as Attachment B, and the previously filed New Tariff are designed to generate revenues sufficient to recover the agreed-upon total annualized cost of service for the Company.
- (4) That the rates included in the attached example substitute tariff sheet will result in the residential customer impacts shown on the billing comparison worksheet attached hereto as Attachment C.
- (5) That the rates included in the attached example substitute tariff sheet and previously filed New Tariff are just and reasonable, and that the provisions of the attached example substitute tariff sheet and previously filed New Tariff also properly reflect all other agreements set out herein, where necessary.
- (6) Within thirty (30) days of the effective date of an order approving this Unanimous Disposition Agreement, the Company will implement the recommendations contained in the Engineering & Management Services Department

("EMSD") Report attached hereto as Attachment D. These recommendations include the following:

- a. Require any and all employees, contractors and other entities performing work for Suburban Water & Sewer Company, Inc. to maintain detailed documentation noting the work activity and the time expended.
 - b. Report the unclaimed amount of customer deposit funds that the Company is unable to refund to the Missouri State Treasurer's Office, Unclaimed Property Division, under the provisions of the Missouri Revised Statutes, Chapter 447, Sections 447.517 and 539.
- (7) The Company will mail its customers a written notice of the rates and charges included in its proposed tariff revisions within fifteen (15) days of the issuance of the Commission Order approving the terms of this Unanimous Disposition Agreement. The notice will include a summary of the impact of the proposed rates on an average residential customer's bill. When the Company mails the notice to its customers, it will also send a copy to the Staff Case Coordinator who will file a copy in the subject case file.
- (8) That the Company acknowledges that Staff will, and OPC may, conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Unanimous Disposition Agreement.
- (9) That the Company acknowledges that Staff or OPC may file a formal complaint against it, if the Company does not comply with the provisions of this Unanimous Disposition Agreement, and that Staff or OPC are not precluded from filing complaints under any other circumstances or fact situations.
- (10) That the above agreements satisfactorily resolve all issues identified by Staff, the Company and OPC regarding the Company's Request, except as otherwise specifically stated herein.
- (11) That the Company, Staff and OPC agree that each has read the foregoing Unanimous Agreement Regarding Disposition of Small Water Company Revenue Increase Request; that the facts stated therein are true according to the best knowledge and belief of Company, Staff and OPC; that the foregoing conditions accurately state the agreement made; and that the Company, Staff and OPC freely and voluntarily enter into this agreement.

ADDITIONAL MATTERS

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

none of the parties have agreed to any particular ratemaking principle in arriving at the amount of the annual operating revenue increase specified herein.

The Company and OPC acknowledge that Staff will be filing this Unanimous Disposition Agreement and any attachments thereto, in the existing case. The Company and OPC also acknowledge that Staff may make other filings in this case.

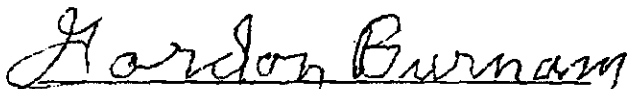
Staff has completed a Summary of Case Events and has included that summary as Attachment E to this Unanimous Disposition Agreement.

Additionally, the Company and OPC agree that Staff shall have the right to provide whatever oral explanation the Commission may request regarding this Unanimous Disposition Agreement at any agenda meeting at which that case is noticed to be considered by the Commission. The parties will be available to answer Commission questions regarding this Unanimous Disposition Agreement. To the extent reasonably practicable, Staff shall provide the Company and OPC with advanced notice of any such agenda meeting so that they may have the opportunity to also be represented at the meeting.

EFFECTIVE DATE AND SIGNATURES

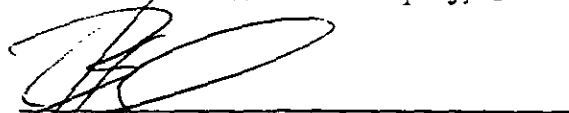
This Unanimous Disposition Agreement shall be considered effective as of the date that the Company files the proposed tariff revisions required herein with the Commission.

Agreement Signed and Dated:

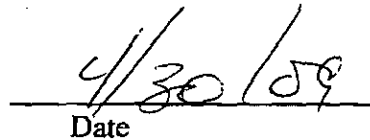


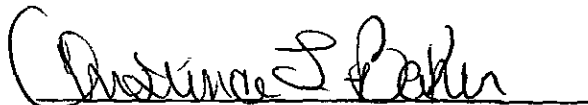
Gordon Burnam
President
Suburban Water & Sewer Company, Inc.


Date

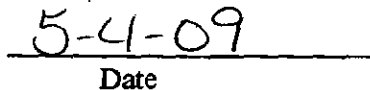


James Busch
Manager
Water & Sewer Department
Missouri Public Service Commission Staff


Date



Christina L. Baker
Senior Public Counsel
Office of the Public Counsel


Date

List of Attachments

- Attachment A – Example Tariff Sheets
- Attachment B – Rate Design Worksheet
- Attachment C – Billing Comparison Worksheet
- Attachment D – EMSD Report
- Attachment E – Summary of Case Events

Agreement Attachment A

Example Tariff Sheets

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

Original Sheet No. 4

For: Bon-Gor Lake Estates
Certificated Service Area

Schedule of Rates

General Service

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

Monthly Minimum \$5.31

Commodity Charge \$3.36
(per 1,000 gallons)

Taxes:

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

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

Issue Date: May 5, 2009
Month/Day/Year

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

Issued By: Gordon Burnam
Name and Title of Issuing Officer

1501 Vandiver Drive #88 Columbia MO 65202
Company Mailing Address

Agreement Attachment B

Rate Design Worksheet

SUBURBAN WATER & SEWER COMPANY, INC.

Development of Tariffed Rates-Water

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

Revenues Generated by Current Tariffed Rates	\$ 22,656
Agreed-Upon Overall Revenue Increase	\$ 18,000
Percentage Increase Needed	79.450%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 2.96	\$ 5.31	\$ 1.870	\$ 3.36

Agreement Attachment C

Billing Comparison Worksheet

SUBURBAN WATER & SEWER COMPANY, INC.

Residential Customer Bill Comparison-Water

Rates for 5/8" Meter

Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$2.96	\$5.31	\$1.870	\$3.356

current service charge is monthly charge

usage rate is per 1,000 gallons used

MONTHLY BILL COMPARISON

6,000 gallons/month usage

Current Rates

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

Proposed Rates

Customer Charge	\$ 5.31
Usage Charge	\$ 20.13
Total Bill	\$ 25.45

INCREASES

Customer Charge

\$ Increase	\$2.35
% Increase	79.45%

Usage Charge

\$ Increase	\$8.91
% Increase	79.45%

Total Bill

\$ Increase	\$11.27
% Increase	79.45%

Agreement Attachment D

EMSD Implementation Review

Engineering and Management Services Department

Implementation Review of Suburban Water Company

Customer Service Operations Review

Small Company Rate Increase Request

Case No. WR-2009-0197

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

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

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

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

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

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

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

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

Findings, Conclusions and Recommendations

The following discussion presents a summary of the findings, conclusions and recommendations pertaining to the Company's customer service operations. The information presented in this section focuses on the following areas that require Company management's attention:

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

Time Reporting

Audit Report 2005

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

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

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

Implementation Review in 2009:

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

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

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

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

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

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

Customer Records

Audit Report 2005

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

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

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

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

Implementation Review in 2009:

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

The EMSD staff has determined that this recommendation is complete.

Customer Deposits

Audit Report 2005

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

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

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

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

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

Implementation Review in 2009:

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

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

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

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

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

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

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

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

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

Customer Billing

Audit Report 2005

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

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

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

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

Implementation Review in 2009:

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

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

Refund of Overcharges

Audit Report 2005

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

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

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

Implementation Review in 2009:

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

The EMSD staff believes that these actions meet the recommendation.

Utility Rights and Responsibilities Brochure

Audit Report 2005

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

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

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

Implementation Review in 2009:

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

The EMSD staff believes that these actions meet the recommendation.

Agreement Attachment E

Summary of Case Events

Suburban Water & Sewer**Summary of Case Events**

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

Significant Service/Quality Issues