

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

In the Matter of the Application of Noel)	
Water Company, Inc. for a General Increase)	
in Water Revenues Through the Informal)	<u>Case No. WR-2009-0395</u>
Rate Proceedings for Small Companies as		
Provided for in Rule 4 CSR 240-3.050		

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

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

1. On May 6, 2009, the Missouri Public Service Commission (the Commission) received a Rate Increase Request Letter (Request Letter) from Noel Water Company, Inc. (Noel or the Company).

2. In its Request Letter, the Company requests the Commission allow an increase of \$75,000 to \$80,000 in its annual water system operating revenues pursuant to Commission Rule 4 CSR 240-3.050.

3. Upon completion of its investigation of the Company's request, Staff provided Noel and the Office of the Public Counsel (OPC) with various information, as well as Staff's initial recommendations for the resolution of the revenue increase request.

4. Pursuant to negotiations conducted after the receipt by the Company and OPC of the above-referenced information and recommendations, Staff and Noel were able to reach an agreement (Disposition Agreement) regarding the resolution of the Company's revenue increase request.

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

6. The Disposition Agreement reflects an agreed-upon annualized operating revenue increase in the amount of \$68,307.

7. Pursuant to Rule 4 CSR 240-3.050, governing disposition agreements executed between Staff and small utility companies utilizing the small utility rate case procedure, Noel will file tariff sheets seeking to implement the terms of the Disposition Agreement. The tariff sheets will be filed on September 28, 2009, and as required will bear the minimum 45-day effective date of November 12, 2009.

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

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

Respectfully submitted,

/s/ Samuel D. Ritchie

Sam Ritchie
Legal Counsel
Missouri Bar No. 61167

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

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Agreement Notice and the attached Appendix A has been provided, either by first-class mail, by electronic mail, by facsimile transmission or by hand-delivery, to each attorney and/or party of record for this case on this 23rd day of September, 2009.

/s/ Samuel D. Ritchie

APPENDIX A

STAFF PARTICIPANT AFFIDAVITS AND COMPANY/STAFF DISPOSITION AGREEMENT & ATTACHMENTS

CASE NO. WR-2009-0395

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Staff Participant Affidavits

James M. Russo – Water & Sewer Department

Paul Harrison – Auditing Department

Arthur Rice – Engineering & Management Services Department

Deborah Bernsen – Engineering & Management Services Department

BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

AFFIDAVIT OF JAMES M. RUSSO

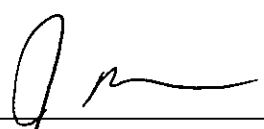
STATE OF MISSOURI)

) SS

CASE NO. WR-2009-0395

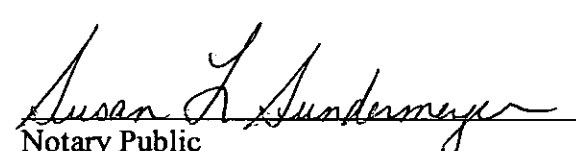
COUNTY OF COLE)

COMES NOW James M. Russo, being of lawful age, and on his oath states the following: (1) that he is the Rate and Tariff Examination Supervisor of the Missouri Public Service Commission's Water & Sewer Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he was responsible for the preparation of the following *Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request ("Disposition Agreement")*; (4) that he was responsible for the preparation of Attachments A, B, D, E and H to the Disposition Agreement; (5) that he has knowledge of the matters set forth in the Disposition Agreement and the above-referenced attachments thereto; and (6) that the matters set forth in the Disposition Agreement and the above-referenced attachments thereto are true and correct to the best of his knowledge, information and belief.



James M. Russo
Rate & Tariff Examination Supervisor
Water and Sewer Department

Subscribed and sworn to before me this 22nd day of September, 2009.



Notary Public



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF PAUL R. HARRISON

STATE OF MISSOURI


ss.

COUNTY OF COLE

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Case No. WR-2009-0395

COMES NOW Paul R. Harrison, being of lawful age, and on his oath states the following: (1) that he is a(n) Utility Regulatory Auditor IV in the Missouri Public Service Commission's Auditing Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing *Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachment C to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment C to the Disposition Agreement; and (6) that the matters set forth in Attachment C to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.

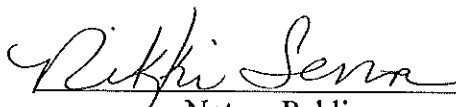


Paul R. Harrison

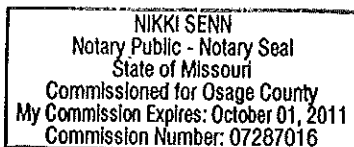
Utility Regulatory Auditor IV

Auditing Department

Subscribed and sworn to before me this 22nd day of September, 2009.



Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF ARTHUR W. RICE, PE

STATE OF MISSOURI

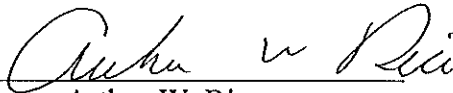
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COUNTY OF COLE

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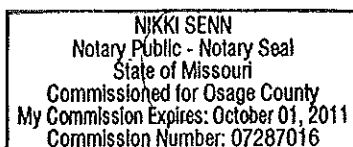
Case No. WR-2009-0395

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



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

Subscribed and sworn to before me this 22nd day of September, 2009.


Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF DEBORAH A. BERNSEN

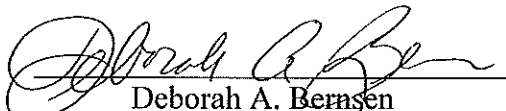
STATE OF MISSOURI

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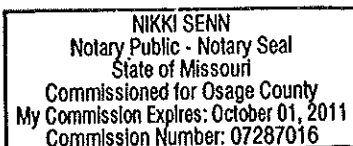
Case No. WR-2009-0395


COUNTY OF COLE

COMES NOW Deborah A. Bernsen, being of lawful age, and on her oath states the following: (1) that she is a 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 *Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that she was responsible for the preparation of Attachment G to the Disposition Agreement; (5) that she has knowledge of the matters set forth in Attachment G to the Disposition Agreement; and (6) that the matters set forth in Attachment G 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 22nd day of September, 2009.





Notary Public

Company/Staff Disposition Agreement

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

NOEL WATER COMPANY, INC.

MO PSC CASE NO WR-2009-0395

BACKGROUND

Noel Water 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 May 6, 2009, the Company set forth its request for an increase of \$75,000 to \$80,000 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 665 customers, the vast majority 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 the results of the investigation, as well as Staff's initial recommendations for the resolution of the Company's Request and various other information regarding staff's investigation.

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

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

(1) That for the purpose of implementing the agreements set out herein, the Company will file proposed tariff revisions with the Commission containing the rates, charges and language set out in the example tariff sheets attached hereto as Attachment A, with those proposed tariff revisions bearing an effective date of November 12, 2009.

(2) That except as otherwise noted in the agreements below, the ratemaking income statement attached hereto as Attachment B accurately reflects the Company's annualized revenues generated by its current customer rates, the agreed-upon total annualized cost of service for the Company, and the resulting agreed-upon annualized operating revenue increase of \$68,307 is just and reasonable to recover the Company's cost of service.

(3) That the audit workpapers attached hereto as Attachment C, which include consideration of a capital structure of 100.00% equity for the Company and a return on that equity of 9.50%, accurately reflect the agreed-upon total annualized cost of service for the Company and provide the basis for the ratemaking income statement referenced in item (2) above.

(4) That the rates set out in the attached example tariff sheets, the development of which is shown on the rate design worksheet attached hereto as Attachment D, are designed to generate revenues sufficient to recover the agreed-upon total annualized cost of service for the Company.

(5) That the rates included in the attached example tariff sheets will result in the residential customer impacts shown on the billing comparison worksheet attached hereto as Attachment E.

(6) That the rates included in the attached example tariff sheets are just and reasonable, and that the provisions of the attached example tariff sheets also properly reflect all other agreements set out herein, where necessary.

(7) That the schedule of depreciation rates attached hereto as Attachment F, which includes the depreciation rates used by Staff in its revenue requirement analysis, should be the prescribed schedule of water plant depreciation rates for the Company.

(8) The Company will provide proof of the actions that were taken and completed regarding the communication of after-hours contact to customers to the Manager of the Engineering & Management Services Department ("EMSD") within sixty (60) days of the Commission order approving this Company/Staff Disposition

Agreement. This recommendation is outlined in the EMSD Report, attached hereto as Attachment G.

(9) The Company will mail its customers a written notice of the rates and charges included in its proposed tariff revisions within fifteen (15) days or during its next billing cycle after issuance of the Commission Order approving the terms of this Company/Staff Disposition Agreement. The notice will include a summary of the impact of the proposed rates on an average residential customer's bill. When the Company mails the notice to its customers, it will also send a copy to Staff Case Coordinator who will file a copy in the subject case file.

(10) That Staff will conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Disposition Agreement.

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

(12) That the Company agrees that it has read the foregoing Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request; that upon the Company's best knowledge and belief the facts stated therein are true; that the foregoing conditions accurately reflect the agreement reached between the Company and Staff; and that the Company freely and voluntarily enters into this agreement.

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

ADDITIONAL MATTERS

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

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

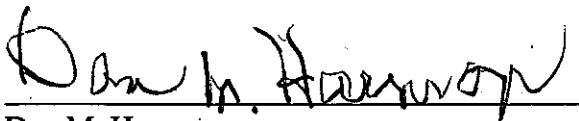
The Company acknowledges that Staff will be filing this Company/Staff Disposition Agreement and the attachments hereto, in the existing case after the Company files the proposed tariff revisions mandated by this agreement. The Company also acknowledges that Staff may make other filings in this case.

Additionally the Company agrees that Staff shall have the right to provide whatever oral explanation the Commission may request regarding this Company/Staff Disposition Agreement at any agenda meeting at which that case is noticed to be considered by the Commission. Staff will be available to answer Commission questions regarding this Company/Staff Disposition Agreement. To the extent reasonably practicable, Staff shall provide the Company 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 Disposition Agreement shall be considered effective as of the date that the Company files the proposed tariff revisions required herein with the Commission.

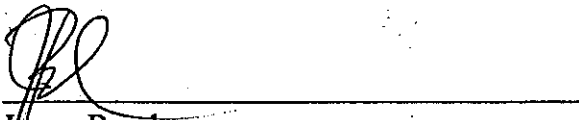
Agreement Signed and Dated:



Dan M. Harmon
Noel Water Company, Inc.

9-19-09

Date



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

9/21/09

Date

List of Attachments

- Attachment A – Example Tariff Sheets
- Attachment B – Ratemaking Income Statement
- Attachment C – Audit Workpapers
- Attachment D – Rate Design Worksheet
- Attachment E – Billing Comparison Worksheet
- Attachment F – Schedule of Depreciation Rates
- Attachment G – EMSD Report
- Attachment H – Summary of Events

Agreement Attachment A

Example Tariff Sheets

Noel Water Company
Name of Issuing Company

For: Noel Missouri
Certificated Service Area

GENERAL WATER SERVICE – RESIDENTIAL

AVAILABILITY

This service is available at points on the Company's existing distribution facilities located within the Company's certificated area.

APPLICABILITY

This rate schedule applies to water service supplied at one point of delivery to residential customers for domestic use by the customer or by members of customer's household for nonbusiness, noncommercial or nonindustrial purposes. Such domestic use shall include water which is ultimately used or consumed for household purposes such as bathing, cooking and sanitary uses. Such sales shall include, but not be limited to, water service provided through a single or master meter for residential apartments or condominiums, including service for common areas and facilities and vacant residential units. Sales of water to customers who purchase water for domestic use under this rate schedule shall be classified by the Company as "residential" sales exempt from state sales tax. This tariff is intended to satisfy the provision of section 144.030(23) RSMo, by establishing a classification system permitting the sales and purchases of metered water for domestic use under this tariff to be classified as "residential" and exempt from sales tax. Taxes other than sales tax may still be applicable to such sales.

The rates for any service in this schedule consist of a minimum charge which is payable whether there is any water usage during a month or not. The fixed minimum charge includes 1,000 gallons of water. The commodity charge applies for all water passing through the meter in excess of the 1,000 gallons included in the monthly charge.

MINIMUM FIXED MONTHLY CHARGES (includes first 1,000 gallons of usage)

5/8" Meter	\$ 7.76 per mo.	+
3/4" Meter	\$ 10.50 per mo.	+
1" Meter	\$ 15.65 per mo.	+
2" Meter	\$ 132.30 per mo.	+
4" Meter	\$ 222.00 per mo.	+

(Continued on next sheet)

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: September 28, 2009
Month/Day/Year

Effective Date: November 12, 2009
Month/Day/Year

Issued By: Dan M. Harmon
Name & Title of Issuing Officer

P.O. Box 465 Noel MO 64854
Company Mailing Address

P.S.C. MO No. 3

2nd Revised Sheet No. 6

Canceling 1st Sheet No. 6

Noel Water Company
Name of Issuing Company

For: Noel Missouri
Certificated Service Area

GENERAL WATER SERVICE - RESIDENTIAL

COMMODITY CHARGE (applied to all usage over 1,000 gallons per month) +
All water metered over 1,000 gal. \$1.800 per 1,000 gallons +

TAX ADJUSTMENT

The tax adjustment provision on Sheet No. 12 applies to this rate schedule.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: September 28, 2009
Month/Day/Year

Effective Date: November 12, 2009
Month/Day/Year

Issued By: Dan M. Harmon
Name & Title of Issuing Officer

P.O. Box 465 Noel MO 64854
Company Mailing Address

Noel Water Company
Name of Issuing Company

For: Noel Missouri
Certificated Service Area

GENERAL WATER SERVICE - COMMERCIAL

AVAILABILITY

This service is available at points on the Company's existing distribution facilities located within the Company's certificated area.

APPLICABILITY

This rate schedule applies to water service supplied at one point of delivery to commercial customers for non-domestic use by the customer.

Commercial customers shall mean those at premises where the customers are engaged in the wholesale or retail trade, professional services and miscellaneous business services; hotels or other commercial lodging places; clubs; office buildings; warehouses; service stations; hospitals; schools; institutions for the care or detention of persons; military installations, and other similar establishments.

The rates for any service in this schedule consist of a minimum charge which is payable whether there is any water usage during a month or not. The fixed minimum charge includes 1,000 gallons of water. The commodity charge applies for all water passing through the meter in excess of the 1,000 gallons included in the monthly charge.

MINIMUM FIXED MONTHLY CHARGES (includes first 1,000 gallons of usage)

5/8" Meter	\$ 7.76 per mo.	+
3/4" Meter	\$ 10.50 per mo.	+
1" Meter	\$ 15.65 per mo.	+
2" Meter	\$ 132.30 per mo.	+
4" Meter	\$ 222.00 per mo.	+

COMMODITY CHARGE (applied to all usage over 1,000 gallons per month) +

All water metered over 1,000 gal.	\$1.800 per 1,000 gallons	+
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TAX ADJUSTMENT

The tax adjustment provision on Sheet No. 12 applies to this rate schedule.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: September 28, 2009
Month/Day/Year

Effective Date: November 12, 2009
Month/Day/Year

Issued By: Dan M. Harmon
Name & Title of Issuing Officer

P.O. Box 465 Noel MO 64854
Company Mailing Address

Noel Water Company
Name of Issuing Company

For: Noel Missouri
Certificated Service Area

GENERAL WATER SERVICE – INDUSTRIAL

AVAILABILITY

+

This service is available at points on the Company's existing distribution facilities located within the Company's certificated area but only to customers who will use more than 1,000,000 gallons per month.

APPLICABILITY

This rate schedule applies to water service supplied at one point of delivery to commercial customers for non-domestic use by the customer.

Industrial customers shall mean those at premises where the customers are engaged primarily in the changing of raw or unfinished materials into other forms or products. Such uses can include, but are not limited to, processing of food and kindred products; textiles or apparel; lumber and wood products; establishments engaged in mining or quarrying; printing and publishing; and other similar industrial facilities.

The rates for service in this schedule consist of minimum charge which is payable whether there is any water usage during a month or not. The fixed minimum charge includes 1,000 gallons of water. The commodity charge applies for all water passing through the meter in excess of the 1,000 gallons included in the monthly charge.

MINIMUM FIXED MONTHLY CHARGES (includes first 1,000 gallons of usage)

5/8" Meter	\$ 7.76 per mo.	+
3/4" Meter	\$ 10.50 per mo.	+
1" Meter	\$ 15.65 per mo.	+
2" Meter	\$ 44.20 per mo.	+
4" Meter	\$ 132.30 per mo.	+
6" Meter	\$ 222.00 per mo.	+

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: September 28, 2009
Month/Day/Year

Effective Date: November 12, 2009
Month/Day/Year

Issued By: Dan M. Harmon
Name & Title of Issuing Officer

P.O. Box 465 Noel MO 64854
Company Mailing Address

Noel Water Company
Name of Issuing Company

For: Noel Missouri
Certificated Service Area

GENERAL WATER SERVICE - INDUSTRIAL**COMMODITY CHARGE** (applied to all usage over 1,000 gallons per month)

Metered usage over 1,000 gallons per month: \$1.67 per 1,000 gal. +

TAX ADJUSTMENT

The tax adjustment provision on Sheet No. 12 applies to this rate schedule.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: September 28, 2009
Month/Day/Year

Effective Date: November 12, 2009
Month/Day/Year

Issued By: Dan M. Harmon
Name & Title of Issuing Officer

P.O. Box 465 Noel MO 64854
Company Mailing Address

Noel Water Company
Name of Issuing Company

For: Noel Missouri
Certificated Service Area

SERVICE CHARGES AND MISCELLANEOUS CHARGES

The following charges are applicable only during normal business hours of the Company, which are 8am, to 5pm on Monday through Saturday, legal holidays excepted. None of these services listed shall be performed during other than normal working hours unless a charge is listed below.

Connection Charge

All persons requesting to initiate service from the Company after the effective date of this tariff sheet (i.e., a new customer or an existing customer at a new location) shall pay a non refundable connection fee of \$15.00 for the installation of a water meter and service connection in advance of the time the person is connected to the Company's system.

Reconnection Charge

If Company has discontinued service to Customer for any reason other than diversion of service, the charge for reconnecting service shall be \$15.00.

Meter Test Charge

Fee for testing meter at Customer request when the meter has been tested within previous twelve months and meter registers accurate within 5% more or less (See Rule 12): Actual cost of test plus shipping charges to and from approved testing facility to which meter is sent for testing.

Returned Check Charge

The Company will charge the customer \$25.00 for any check returned by the bank for insufficient funds. +

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: September 28, 2009
Month/Day/Year

Effective Date: November 12, 2009
Month/Day/Year

Issued By: Dan M. Harmon
Name & Title of Issuing Officer

P.O. Box 465 Noel MO 64854
Company Mailing Address

Agreement Attachment B

Ratemaking Income Statement

NOEL WATER COMPANY, INC.

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$ 249,091
2	Other Operating Revenues *	\$ 11,634
3	Total Operating Revenues	\$ 260,725
4	* See "Revenues - Current Rates" for Details	

Cost of Service

Item	Amount
1 Pumping Equipment-Purchased Power	\$ 69,144
2 Water Treatment Expense-Chemicals	\$ 4,716
3 Water Treatment Expense	\$ 1,355
4 Water Treatment Expense-Operator	\$ 28,147
5 Maintenance Expense-Wells	\$ 1,135
6 Maintenance Expense-Mains	\$ 5,831
7 Maintenance Expense-Meters	\$ 1,795
8 Maintenance of Parts/Equipment	\$ 4,604
9 Maintenance Expense-Outside Labor	\$ 3,977
10 Meter Reading Wages	\$ 6,183
11 Account Wages	\$ 28,663
12 Customer Deposit Interest	\$ 365
13 Bad Debt Expense	\$ 225
14 Administration & General - Salaries	\$ 9,077
15 Office Supplies	\$ 3,701
16 Insurance	\$ 11,382
17 Building Rent Expense	\$ 3,600
18 Transportation Expense	\$ 10,231
19 Regulatory Commission Expense	\$ 2,184
20 Miscellaneous General Expenses	\$ 4,097
21 Sub-Total Operating Expenses	\$ 200,412
22 Property Taxes	\$ 6,851
23 MO Franchise Taxes	\$ -
24 Employer FICA Taxes	\$ 6,933
25 Federal Unemployment Taxes	\$ -
26 State Unemployment Taxes	\$ -
27 State & Federal Income Taxes	\$ -
28 Sub-Total Taxes	\$ 13,784
29 Depreciation Expense	\$ 41,643
30 Amortization of Utility Plant	\$ -
31 Sub-Total Depreciation/Amortization	\$ 41,643
32 Return on Rate Base	\$ 73,193
33 Total Cost of Service	\$ 329,032
34 Overall Revenue Increase Needed	\$ 68,307

Agreement Attachment C

Audit Workpapers

Exhibit No.: Noel Water Company, Inc.

Issue: Accounting Schedules

Witness: MO PSC Auditors

Sponsoring Party: MO PSC Staff

Case No: WR-2009-0395

Date Prepared: 6/24/2009



MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

Revised

STAFF ACCOUNTING SCHEDULES

NOEL WATER COMPANY

CASE NO. WR-2009-0395

Jefferson City, Missouri

June 2008

Noel Water Company
Informal Rate/Certificate Case
Tracking Number WR-2009-0395
Test Year Ending 12-31-2008, Updated through 6-30-2009
Rate Design Schedule - Water

Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues	(1)	\$249,091			
Rev-3	Miscellaneous Revenues	(1)	\$11,634			
Rev-4	TOTAL ANNUALIZED REVENUES		\$260,725			
1	OPERATIONS EXPENSES	(2)				
2	Operators Wages	600.000	\$28,147	\$0	\$28,147	0.00%
3	Electricity	622.000	\$69,144	\$0	\$69,144	0.00%
4	Chemicals	631.000	\$4,716	\$0	\$4,716	0.00%
5	Treatment	635.000	\$1,355	\$0	\$1,355	0.00%
6	TOTAL OPERATIONS EXPENSE		\$103,362	\$0	\$103,362	
7	MAINTENANCE EXPENSES					
8	Wells Maintenance	625.000	\$1,135	\$0	\$1,135	0.00%
9	Mains Maintenance	651.000	\$5,831	\$0	\$5,831	0.00%
10	Meter Maintenance	652.000	\$1,795	\$0	\$1,795	0.00%
11	Outside Services Employed	923.000	\$3,977	\$0	\$3,977	0.00%
12	Office expenses & Other Supplies	921.000	\$4,604	\$0	\$4,604	0.00%
13	TOTAL MAINTENANCE EXPENSE		\$17,342	\$0	\$17,342	
14	CUSTOMER ACCOUNT EXPENSE					
15	Meter Reading Wages	901.000	\$6,183	\$0	\$6,183	0.00%
16	Account Wages	902.000	\$28,663	\$0	\$28,663	0.00%
17	Office Supplies	903.000	\$3,701	\$0	\$3,701	0.00%
18	Customer Deposit Interest	903.000	\$365	\$0	\$365	0.00%
19	Bad Debt Expense	904.000	\$225	\$0	\$225	0.00%
20	TOTAL CUSTOMER ACCOUNT EXPENSE		\$39,137	\$0	\$39,137	
21	ADMINISTRATIVE & GENERAL EXPENSES					
22	Administration & General Salary (1)	920.000	\$9,077	\$0	\$9,077	0.00%
23	Insurance	924.000	\$11,382	\$0	\$11,382	0.00%
24	Building Rent Expense	931.000	\$3,600	\$0	\$3,600	0.00%
25	Transportation Expense	933.000	\$10,231	\$0	\$10,231	0.00%
26	Misc.General (Directors Fees 3-members)	630.200	\$4,097	\$0	\$4,097	0.00%
27	TOTAL ADMINISTRATIVE AND GENERAL		\$38,387	\$0	\$38,387	
28	OTHER OPERATING EXPENSES					
29	PSC Assessment	928.000	\$2,184	\$0	\$2,184	0.00%
30	Depreciation		\$41,643	\$0	\$41,643	0.00%
31	TOTAL OTHER OPERATING EXPENSES		\$43,827	\$0	\$43,827	
32	TAXES OTHER THAN INCOME					
33	Real Estate Property Taxes	408.000	\$6,851	\$0	\$6,851	0.00%
34	Payroll Taxes	408.000	\$6,933	\$0	\$6,933	0.00%
35	TOTAL TAXES OTHER THAN INCOME		\$13,784	\$0	\$13,784	
36	TOTAL OPERATING EXPENSES		\$255,839	\$0	\$255,839	
37	Interest Expense	(3)	\$0	\$0	\$0	0.00%
38	Return on Equity	(3)	\$73,193	\$0	\$73,193	0.00%
39	Income Taxes	(3)	\$0	\$0	\$0	0.00%
40	TOTAL INTEREST RETURN & TAXES		\$73,193	\$0	\$73,193	
41	TOTAL COST OF SERVICE		\$329,032	\$0	\$329,032	
42	Less: Miscellaneous Revenues		\$11,634	\$0	\$11,634	0.00%
43	COST TO RECOVER IN RATES		\$317,398	\$0	\$317,398	
44	INCREMENTAL INCREASE IN RATE REVENUES		\$68,307			

Noel Water Company
 Informal Rate/Certificate Case
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 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Rate Design Schedule - Water

Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
45	PERCENTAGE OF INCREASE		26.20%			
46	REQUESTED INCREASE IN REVENUES		\$80,000			

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

Noel Water Company
Informal Rate/Certificate Case
Tracking Number WR-2009-0395
Test Year Ending 12-31-2008, Updated through 6-30-2009
Rate Base Required Return on Investment Schedule - Water

Line Number	A Rate Base Description	B Dollar Amount	
1	Plant In Service	\$1,324,419	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$539,351	From Depreciation Reserve Schedule
3	Net Plant In Service	\$785,068	
4	Other Rate Base Items:	\$0	
	Material & Supplies	\$697	
	Customer Deposits	-\$8,085	
	Customer Advances for Construction	-\$9,230	
5	Total Rate Base	\$770,450	
6	Total Weighted Rate of Return Including Income Tax	9.50%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$73,193	

Noel Water Company
 Informal Rate/Certificate Case
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 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Rate of Return Including Income Tax - Water

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

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

Y

To Rate Base Schedule

Equity Income Required \$0
 & Preliminary Federal Tax

Tax Rate Table

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

Noel Water Company
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Capital Structure Schedule - Water

Line Number	Description	A Dollar Amount	B Percentage of Total Capital Structure	C Embedded Cost of Capital	D Weighted Cost of Capital
1	Common Stock	\$100,000	100.00%	9.50%	9.500%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$0	0.00%	0.00%	0.000%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	TOTAL CAPITALIZATION	\$100,000	100.00%		9.500%

To PreTax Return Rate Schedule

Noel Water Company
Informal Rate/Certificate Case
Tracking Number WR-2009-0395
Test Year Ending 12-31-2008, Updated through 6-30-2009
Plant In Service - Water

Line Number	Account # (Optional)	Plant Account Description	Total Plant	Adjustment Number	Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Misc. Intangible Plant	\$9,192	P-4	-\$9,192	100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$9,192		-\$9,192		\$0
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights SP	\$6,734			100.00%	\$6,734
8	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
9	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
10	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
11	314.000	Wells & Springs	\$153,676	P-11	-\$33,021	100.00%	\$120,655
12	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
13	316.000	Supply Mains	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$160,410		-\$33,021		\$127,389
15		PUMPING PLANT					
16	320.000	Land and Land Rights	\$0			100.00%	\$0
17	321.000	Structures & Improvements - PP	\$80,975	P-17	-\$23,474	100.00%	\$57,501
18	325.100	Submersible Pumping Equipment	\$114,752	P-18	\$13,168	100.00%	\$127,920
19	325.200	High Service or Booster Pumping Equipment	\$0	P-19	\$6,411	100.00%	\$6,411
20	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
21	328.000	Other Pumping Equipment	\$0			100.00%	\$0
22		TOTAL PUMPING PLANT	\$195,727		-\$3,895		\$191,832
23		WATER TREATMENT PLANT					
24	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
25	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
26	332.000	Water Treatment Equipment	\$13,051	P-26	\$2,224	100.00%	\$15,275
27		TOTAL WATER TREATMENT PLANT	\$13,051		\$2,224		\$15,275
28		TRANSMISSION & DISTRIBUTION PLANT					
29	340.000	Land & Land Rights-T&D	\$588			100.00%	\$588
30	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
31	342.000	Distribution Reservoirs & Standpipes	\$342,421			100.00%	\$342,421
32	344.000	Fire Mains	\$0			100.00%	\$0
33	345.000	Services	\$3,347	P-33	-\$3,347	100.00%	\$0
34	343.000	Transmission & Distribution Mains	\$460,934	P-34	\$9,192	100.00%	\$470,126
35	346.000	Meters- Bronze Chamber	\$34,270	P-35	\$0	100.00%	\$34,270
36	346.000	Meters- Plastic Chamber	\$0			100.00%	\$0
37	347.000	Meter Installations- Bronze	\$61,792	P-37	\$3,347	100.00%	\$65,139
38	347.000	Meter Installations- Plastic	\$0			100.00%	\$0
39	349.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
40	348.000	Hydrants	\$20,088			100.00%	\$20,088
41		TOTAL TRANS. & DISTRIBUTION PLANT	\$923,440		\$9,192		\$932,632
42		GENERAL PLANT					
43	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
44	390.000	Structures & Improvements - GP	\$0			100.00%	\$0
45	391.000	Office Furniture & Equipment	\$12,649			100.00%	\$12,649
46	391.100	Office Computer Equipment	\$0			100.00%	\$0
47	392.000	Transportation Equipment - GP	\$10,801	P-47	\$7,348	100.00%	\$18,149
48	393.000	Stores Equipment	\$0			100.00%	\$0
49	394.000	Tools & Shop Equipment	\$2,025			100.00%	\$2,025
50	396.000	Power Equipment	\$24,468			100.00%	\$24,468
51		TOTAL GENERAL PLANT	\$49,943		\$7,348		\$57,291

Noel Water Company
Informal Rate/Certificate Case
Tracking Number WR-2009-0395
Test Year Ending 12-31-2008, Updated through 6-30-2009
Plant In Service - Water

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
52		TOTAL PLANT IN SERVICE	\$1,351,763		-\$27,344		\$1,324,419

To Rate Base & Depreciation Schedules

Noel Water Company
 Informal Rate/Certificate Case
 Tracking Number WR-2009-0395
 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Schedule of Adjustments for Plant in Service - Water

A Plant Adjustment Number	B Plant In Service Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
P-4	Misc. Intangible Plant	303.000		-\$9,192
	Transfer the distribution system drawings (water system maps from account 303, intangible plant to account 343, T&D plant account (Rice)		-\$9,192	
P-11	Wells & Springs	314.000		-\$33,021
	To remove well #6 from plant in service because it is not connected to the system, therefore it is not used and useful to ratepayers & should be transferred to acct 105 plant held for future use (Harrison)		-\$33,021	
P-17	Structures & Improvements - PP	321.000		-\$23,474
	To remove well house #6 from plant in service because it is not connected to the system, therefore it is not used and useful to ratepayers & should be transferred to acct 105, plant held for future use. (Harrison)		-\$6,644	
	Remove (\$503 & \$308 amount) from booster pumps in account 321, Structures, these costs are already accounted for in account 321.1, Submersible Pumping Equipment. (Rice)		-\$811	
	Transfer (\$9,140 & \$6,455 amount of well pump electrical controls and piping) from account 321, Structures to account 325.1 Submersible Pumping Equipment (Rice)		-\$15,595	
	Well house No. 4 was rebuilt in 2008, but the old well house still includes \$424 in their records. (Rice)		-\$424	
P-18	Submersible Pumping Equipment	325.100		\$13,168

Noel Water Company
 Informal Rate/Certificate Case
 Tracking Number WR-2009-0395
 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Schedule of Adjustments for Plant in Service - Water

A Plant Adjustment Number	B Plant In Service Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
	Water treatment equipment misclassified in acct 325, pumping equipment, should be 332, water treatment equipment. (Rice)		-\$2,224	
	Booster pumps transferred to new account 325.200, booster pump, from pumping equipment account. (Rice)		-\$4,814	
	To increase plant in service for the pumping equipment that was added during the update period of this case 6-30-09 (Rice)		\$4,611	
	Transfer (\$9,140 & \$6,455 amount of well pump electrical controls and piping) from account 321, Structures to account 325.1 Submersible Pumping Equipment (Rice)		\$15,595	
P-19	High Service or Booster Pumping Equipment	325.200		\$6,411
	Booster pumps transferred to new account 325.200, booster pump, from pumping equipment account. (Rice)		\$4,814	
	To increase plant in service for the cost basis of six booster pressure control tanks that was not included in CPR's (Rice)		\$1,848	
	Retire Deaton Booster Pump as of June 2009 (Rice)		-\$251	
P-26	Water Treatment Equipment	332.000		\$2,224
	To decrease water treatment equip acct. balance to reflect the agreed upon changes for the fully depreciated treatment equipment from the 2005 rate case, per disposition agreement. (Green)		-\$11,492	
	To increase water treatment equipment acct. that was removed in the previous rate case WR-2005-0452 because it was fully depreciated. (Harrison)		\$11,492	

Noel Water Company
 Informal Rate/Certificate Case
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 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Schedule of Adjustments for Plant in Service - Water

A	B	C	D	E
Plant Adjustment Number	Plant In Service Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
	Water treatment equipment misclassified in acct 325, pumping equipment, should be 332, water treatment equipment. (Rice)		\$2,224	
P-33	Services	345.000		-\$3,347
	To decrease services acct. balance to reflect the agreed upon changes for the fully depreciated services from the 2005 rate case, per disposition agreement. (Green)		-\$3,347	
	To increase services acct. that was removed in the previous rate case WR-2005-0452 because it was fully depreciated. (Harrison)		\$3,347	
	Services acct. should be a dead acct., no activities since 1976, acct. should be zeroed out. Transferred dollar amount to acct 347, meter installation. (Rice)		-\$3,347	
P-34	Transmission & Distribution Mains	343.000		\$9,192
	Transfer the distribution system drawings (water system maps from account 303, intangible plant to account 343, T&D plant account (Rice)		\$9,192	
P-35	Meters- Bronze Chamber	346.000		\$0
	To decrease meters acct. balance to reflect the agreed upon changes for the fully depreciated meters from the 2005 rate case, per disposition agreement. (Green)		-\$34,625	
	To increase meter acct. that was removed in the previous rate case WR-2005-0452 because it was fully depreciated. (Harrison)		\$34,625	
P-37	Meter Installations- Bronze	347.000		\$3,347

Noel Water Company
Informal Rate/Certificate Case
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Schedule of Adjustments for Plant in Service - Water

A	B	C	D	E
Plant Adjustment Number	Plant In Service Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
	Services acct. should be a dead acct., no activities since 1976, acct. should be zeroed out. Transferred dollar amount to this acct 347, meter installation. (Rice)		\$3,347	
P-47	Transportation Equipment - GP	392.000		\$7,348
	To remove plant in service for 2000 chevrolet pickup that was traded in for 2005 Chevrolet pickup. (Rice)		-\$10,801	
	To increase plant in service for 2005 chevrolet pickup. (Rice)		\$18,149	
Total Plant Adjustments				-\$27,344

Noel Water Company
Informal Rate/Certificate Case
Tracking Number WR-2009-0395
Test Year Ending 12-31-2008, Updated through 6-30-2009
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2	301.000	Organization	\$0	0.00%	\$0
3	302.000	Franchises	\$0	0.00%	\$0
4	303.000	Misc. Intangible Plant	\$0	0.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0
6		SOURCE OF SUPPLY PLANT			
7	310.000	Land & Land Rights SP	\$6,734	0.00%	\$0
8	311.000	Structures & Improvements - SSP	\$0	2.50%	\$0
9	312.000	Collection & Impounding Reservoirs	\$0	0.00%	\$0
10	313.000	Lake, River & Other Intakes	\$0	0.00%	\$0
11	314.000	Wells & Springs	\$120,655	2.00%	\$2,413
12	315.000	Infiltration Galleries & Tunnels	\$0	0.00%	\$0
13	316.000	Supply Mains	\$0	0.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$127,389		\$2,413
15		PUMPING PLANT			
16	320.000	Land and Land Rights	\$0	0.00%	\$0
17	321.000	Structures & Improvements - PP	\$57,501	2.50%	\$1,438
18	325.100	Submersible Pumping Equipment	\$127,920	10.00%	\$12,792
19	325.200	High Service or Booster Pumping Equipment	\$6,411	6.70%	\$430
20	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0
21	328.000	Other Pumping Equipment	\$0	0.00%	\$0
22		TOTAL PUMPING PLANT	\$191,832		\$14,660
23		WATER TREATMENT PLANT			
24	330.000	Land & Land Rights-WTP	\$0	0.00%	\$0
25	331.000	Structures & Improvements - WTP	\$0	0.00%	\$0
26	332.000	Water Treatment Equipment	\$15,275	2.90%	\$443
27		TOTAL WATER TREATMENT PLANT	\$15,275		\$443
28		TRANSMISSION & DISTRIBUTION PLANT			
29	340.000	Land & Land Rights-T&D	\$588	0.00%	\$0
30	341.000	Structures & Improvements - T&D	\$0	0.00%	\$0
31	342.000	Distribution Reservoirs & Standpipes	\$342,421	2.50%	\$8,561
32	344.000	Fire Mains	\$0	0.00%	\$0
33	345.000	Services	\$0	0.00%	\$0
34	343.000	Transmission & Distribution Mains	\$470,126	2.00%	\$9,403
35	346.000	Meters- Bronze Chamber	\$34,270	3.30%	\$1,131
36	346.000	Meters- Plastic Chamber	\$0	0.00%	\$0
37	347.000	Meter Installations- Bronze	\$65,139	2.50%	\$1,628
38	347.000	Meter Installations- Plastic	\$0	0.00%	\$0
39	349.000	Other Transmission & Distribution Plant	\$0	2.50%	\$0
40	348.000	Hydrants	\$20,088	2.00%	\$402

Noel Water Company
Informal Rate/Certificate Case
Tracking Number WR-2009-0395
Test Year Ending 12-31-2008, Updated through 6-30-2009
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
41		TOTAL TRANS. & DISTRIBUTION PLANT	\$932,632		\$21,125
42		GENERAL PLANT			
43	370.000	Land & Land Rights-GP	\$0	0.00%	\$0
44	390.000	Structures & Improvements - GP	\$0	2.50%	\$0
45	391.000	Office Furniture & Equipment	\$12,649	5.00%	\$632
46	391.100	Office Computer Equipment	\$0	14.30%	\$0
47	392.000	Transportation Equipment - GP	\$18,149	12.50%	\$2,269
48	393.000	Stores Equipment	\$0	4.00%	\$0
49	394.000	Tools & Shop Equipment	\$2,025	5.00%	\$101
50	396.000	Power Equipment	\$24,468	0.00%	\$0
51		TOTAL GENERAL PLANT	\$57,291		\$3,002
52		Total Depreciation	\$1,324,419		\$41,643

Noel Water Company
Informal Rate/Certificate Case
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Test Year Ending 12-31-2008, Updated through 6-30-2009
Accumulated Depreciation Reserve - Water

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Misc. Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights SP	\$0			100.00%	\$0
8	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
9	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
10	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
11	314.000	Wells & Springs	\$72,995	R-11	-\$31,814	100.00%	\$41,181
12	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
13	316.000	Supply Mains	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$72,995		-\$31,814		\$41,181
15		PUMPING PLANT					
16	320.000	Land and Land Rights	\$0			100.00%	\$0
17	321.000	Structures & Improvements - PP	\$33,433	R-17	-\$6,139	100.00%	\$27,294
18	325.100	Submersible Pumping Equipment	\$6,912	R-18	\$5,616	100.00%	\$12,528
19	325.200	High Service or Booster Pumping Equipment	\$0	R-19	\$1,597	100.00%	\$1,597
20	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
21	328.000	Other Pumping Equipment	\$0			100.00%	\$0
22		TOTAL PUMPING PLANT	\$40,345		\$1,074		\$41,419
23		WATER TREATMENT PLANT					
24	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
25	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
26	332.000	Water Treatment Equipment	\$13,088	R-26	-\$824	100.00%	\$12,264
27		TOTAL WATER TREATMENT PLANT	\$13,088		-\$824		\$12,264
28		TRANSMISSION & DISTRIBUTION PLANT					
29	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
30	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
31	342.000	Distribution Reservoirs & Standpipes	\$103,169	R-31	\$4,280	100.00%	\$107,449
32	344.000	Fire Mains	\$0			100.00%	\$0
33	345.000	Services	\$3,793	R-33	-\$3,793	100.00%	\$0
34	343.000	Transmission & Distribution Mains	\$216,693	R-34	\$4,609	100.00%	\$221,302
35	346.000	Meters- Bronze Chamber	\$43,687	R-35	-\$9,676	100.00%	\$34,011
36	346.000	Meters- Plastic Chamber	\$0			100.00%	\$0
37	347.000	Meter Installations- Bronze	\$27,169	R-37	\$4,356	100.00%	\$31,525
38	347.000	Meter Installations- Plastic	\$0			100.00%	\$0
39	349.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
40	348.000	Hydrants	\$11,454	R-40	\$201	100.00%	\$11,655
41		TOTAL TRANS. & DISTRIBUTION PLANT	\$405,965		-\$23		\$405,942
42		GENERAL PLANT					
43	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
44	390.000	Structures & Improvements - GP	\$0			100.00%	\$0
45	391.000	Office Furniture & Equipment	\$3,049	R-45	\$316	100.00%	\$3,365
46	391.100	Office Computer Equipment	\$0			100.00%	\$0
47	392.000	Transportation Equipment - GP	\$14,851	R-47	-\$4,167	100.00%	\$10,684
48	393.000	Stores Equipment	\$0			100.00%	\$0
49	394.000	Tools & Shop Equipment	\$886	R-49	\$51	100.00%	\$937
50	396.000	Power Equipment	\$23,559	R-50	\$0	100.00%	\$23,559
51		TOTAL GENERAL PLANT	\$42,345		-\$3,800		\$38,545

Noel Water Company
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Test Year Ending 12-31-2008, Updated through 6-30-2009
Accumulated Depreciation Reserve - Water

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
52		TOTAL DEPRECIATION RESERVE	\$574,738		\$35,387		\$539,351

To Rate Base Schedule

Noel Water Company
Informal Rate/Certificate Case
Tracking Number WR-2009-0395
Test Year Ending 12-31-2008, Updated through 6-30-2009
Schedule of Adjustments for Accumulated Depreciation Reserve - Water

A	B	C	D	E
Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount
R-11	Wells & Springs	314.000		-\$31,814
	To adjust depreciation reserve up through 6-30-09 (Green)		\$1,207	
	To remove well #6 from depreciation reserve because it is not connected to the system, therefore it is not used and useful to ratepayers & should be transferred to acct 105, plant held for future use. (Harrison)		-\$33,021	
R-17	Structures & Improvements - PP	321.000		-\$6,139
	To adjust depreciation reserve up through 6-30-09 (Green)		\$929	
	To remove well house #6 from depreciation reserve because it is not connected to the system, therefore it is not used and useful to ratepayers & should be transferred to acct 105, plant held for future use. (Harrison)		-\$6,644	
	Well house No. 4 was rebuilt in 2008, but the old well house still includes \$424 in their records. (Rice)		-\$424	
R-18	Submersible Pumping Equipment	325.100		\$5,616
	To adjust depreciation reserve up through 6-30-09 (Green)		\$5,616	
R-19	High Service or Booster Pumping Equipment	325.200		\$1,597

Noel Water Company
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 Schedule of Adjustments for Accumulated Depreciation Reserve - Water

A Reserve Adjustment Number	B Accumulated Depreciation Reserve Adjustments Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount
	To increase depreciation reserve for the cost basis of six booster pressure control tanks that was not included in Noel's CPR's that is assumed to be fully depreciated. (Rice)		\$1,848	
	Retire Deaton Booster Pump as of June 2009 (Rice)		-\$251	
R-26	Water Treatment Equipment	332.000		-\$824
	To adjust depreciation reserve up through 6-30-09 (Green)		\$221	
	To decrease water treatment equip acct. balance to reflect the agreed upon changes for the fully depreciated treatment equipment from the 2005 rate case, per disposition agreement. (Green)		-\$13,521	
	To increase water treatment equipment acct. that was removed in the previous rate case WR-2005-0452 because it was fully depreciated. (Harrison)		\$13,521	
	Decrease depreciation reserve for the amount of depreciation expense (discussed in adj. R-26.2 & 3) that was included by the Company in its books & records since the last rate case. (Harrison) (Rice)		-\$1,045	
R-31	Distribution Reservoirs & Standpipes	342.000		\$4,280
	To adjust depreciation reserve up through 6-30-09 (Green)		\$4,280	
R-33	Services	345.000		-\$3,793
	To adjust depreciation reserve up through 6-30-09 (Green)		\$0	

Noel Water Company
Informal Rate/Certificate Case
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Schedule of Adjustments for Accumulated Depreciation Reserve - Water

A	B	C	D	E
Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount

To decrease services acct. balance to reflect
 the agreed upon changes for the fully
 depreciated services acct. from the 2005 rate
 case, per disposition agreement. (Green)

-\$3,542

To increase services acct. that was removed in
 the previous rate case WR-2005-0452 because
 it was fully depreciated. (Harrison)

\$3,542

Services acct. should be a dead acct., no
 activities since 1976, acct. should be zeroed
 out. Transferred dollar amount to acct 347,
 meter installation. (Rice)

-\$3,542

Decrease depreciation reserve for the amount
 of depreciation expense (discussed in adj. R-
 33.2 & 3) that was included by the Company in
 its books & records since the last rate case.
 (Harrison) (Rice)

-\$251

R-34	Transmission & Distribution Mains	343.000		\$4,609
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To adjust depreciation reserve up through 6-30-
 09 (Green)

\$4,609

R-35	Meters- Bronze Chamber	346.000		-\$9,676
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To adjust depreciation reserve up through 6-30-
 09 (Green)

\$565

To decrease meters acct. balance to reflect the
 agreed upon changes for fully depreciated
 meters from the 2005 rate case, per disposition
 agreement. (Green)

-\$36,189

To increase meter acct. that was removed in
 the previous rate case WR-2005-0452 because
 it was fully depreciated. (Harrison)

\$36,189

Noel Water Company
Informal Rate/Certificate Case
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Schedule of Adjustments for Accumulated Depreciation Reserve - Water

A	B	C	D	E
Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount

Decrease depreciation reserve for the amount of depreciation expense (discussed in adj. R-35.2 & 3) that was included by the Company in its books & records since the last rate case. (Harrison) (Rice)	-\$10,241
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R-37	Meter Installations- Bronze	347.000		\$4,356
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To adjust depreciation reserve up through 6-30-09 (Green)	\$814
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Services acct. should be a dead acct., no activities since 1976, acct. should be zeroed out. Transferred dollar amount to this acct 347, meter installation. (Rice)	\$3,542
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R-40	Hydrants	348.000		\$201
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To adjust depreciation reserve up through 6-30-09 (Green)	\$201
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R-45	Office Furniture & Equipment	391.000		\$316
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To adjust depreciation reserve up through 6-30-09 (Green)	\$316
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R-47	Transportation Equipment - GP	392.000		-\$4,167
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To adjust depreciation reserve up through 6-30-09 (Green)	\$1,134
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To remove depreciation reserve for 2000 chevrolet pickup that was traded in for 2005 Chevrolet pickup. (Rice)	-\$10,801
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To increase depreciation reserve for the amount of trade in for 2000 chevy pickup. (Rice)	\$5,500
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Noel Water Company
Informal Rate/Certificate Case
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Schedule of Adjustments for Accumulated Depreciation Reserve - Water

A Reserve Adjustment Number	B Accumulated Depreciation Reserve Adjustments Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount
R-49	Tools & Shop Equipment	394.000		\$51
	To adjust depreciation reserve up through 6-30-09 (Green)		\$51	
R-50	Power Equipment	396.000		\$0
	To adjust depreciation reserve up through 6-30-09 (Green)		\$0	
Total Reserve Adjustments				-\$35,387

Noel Water Company
Informal Rate/Certificate Case
Tracking Number WR-2009-0395
Test Year Ending 12-31-2008, Updated through 6-30-2009
Rate Revenue Feeder Schedule - Water

Line Number	Description	Residential 5/8"		Residential 3/4"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	520		11	
3	Bills Per Year	12		12	
4	Customer Bills Per year	6,240		132	
5	Current Customer Charge	\$3.97		\$5.27	
6	Annualized Customer Charge Revenues		\$24,773		\$696
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	39,127,922		991,045	
9	Less: Base Gallons Included In Customer Charge	6,238,000		132,000	
10	Commodity Gallons	32,889,922		859,045	
11	Block 1, Commodity Gallons per Block	32,889,922		859,045	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	32,889.92		859.05	
14	Block 1, Existing Commodity Charge	\$1.52		\$1.52	
15	Block 1, Annualized Commodity Charge Rev.		\$49,993		\$1,306
16	<u>Total Annualized Water Rate Revenues</u>		\$74,766		\$2,002

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

Noel Water Company
 Informal Rate/Certificate Case
 Tracking Number WR-2009-0395
 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Rate Revenue Feeder Schedule - Water

Line Number	Description	Residential 1"		Residential 2"	
		F Amount	G Amount	H Amount	I Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	5		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	60		12	
5	Current Customer Charge	\$7.86		\$22.15	
6	Annualized Customer Charge Revenues		\$472		\$266
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	734,107		587,286	
9	Less: Base Gallons Included In Customer Charge	60,000		12,000	
10	Commodity Gallons	674,107		575,286	
11	Block 1, Commodity Gallons per Block	674,107		575,286	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	674.11		575.29	
14	Block 1, Existing Commodity Charge	\$1.52		\$1.52	
15	Block 1, Annualized Commodity Charge Rev.		\$1,025		\$874
16	<u>Total Annualized Water Rate Revenues</u>		\$1,497		\$1,140

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

Noel Water Company
 Informal Rate/Certificate Case
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 Rate Revenue Feeder Schedule - Water

Line Number	Description	Industrial 4"		Industrial 6"	
		J Amount	K Amount	L Amount	M Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	3		2	
3	Bills Per Year	12		12	
4	Customer Bills Per year	36		24	
5	Current Customer Charge	\$66.31		\$113.46	
6	Annualized Customer Charge Revenues		\$2,387		\$2,723
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		81,739,500	
9	Less: Base Gallons Included In Customer Charge	0		48,000	
10	Commodity Gallons	0		81,691,500	
11	Block 1, Commodity Gallons per Block	0		81,691,500	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	0.00		81,691.50	
14	Block 1, Existing Commodity Charge	\$1.52		\$1.52	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$124,171
16	Total Annualized Water Rate Revenues		\$2,387		\$126,894

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

Noel Water Company
 Informal Rate/Certificate Case
 Tracking Number WR-2009-0395
 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Rate Revenue Feeder Schedule - Water

Line Number	Description	Public Authority 5/8"		Public Authority 3/4"	
		N Amount	O Amount	P Amount	Q Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	18		2	
3	Bills Per Year	12		12	
4	Customer Bills Per year	216		24	
5	Current Customer Charge	\$3.97		\$5.27	
6	Annualized Customer Charge Revenues		\$858		\$126
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	1,403,751		123,860	
9	Less: Base Gallons Included In Customer Charge	210,000		24,000	
10	Commodity Gallons	1,193,751		99,860	
11	Block 1, Commodity Gallons per Block	1,193,751		99,860	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	1,193.75		99.86	
14	Block 1, Existing Commodity Charge	\$1.52		\$1.52	
15	Block 1, Annualized Commodity Charge Rev.		\$1,815		\$152
16	<u>Total Annualized Water Rate Revenues</u>		\$2,673		\$278

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

Noel Water Company
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 Rate Revenue Feeder Schedule - Water

Line Number	Description	Public Authority 1		Public Authority 2	
		R Amount	S Amount	T Amount	U Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	3		3	
3	Bills Per Year	12		12	
4	Customer Bills Per year	36		36	
5	Current Customer Charge	\$7.86		\$22.15	
6	Annualized Customer Charge Revenues		\$283		\$797
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	619,302		1,981,767	
9	Less: Base Gallons Included In Customer Charge	36,000		36,000	
10	Commodity Gallons	583,302		1,945,767	
11	Block 1, Commodity Gallons per Block	583,302		1,945,767	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	583.30		1,945.77	
14	Block 1, Existing Commodity Charge	\$1.52		\$1.52	
15	Block 1, Annualized Commodity Charge Rev.		\$887		\$2,958
16	<u>Total Annualized Water Rate Revenues</u>		\$1,170		\$3,755

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

Noel Water Company
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Rate Revenue Feeder Schedule - Water

Line Number	Description	Public Authority 4"		Commercial 5/8"	
		Y Amount	W Amount	X Amount	Y Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	1		57	
3	Bills Per Year	12		12	
4	Customer Bills Per year	12		684	
5	Current Customer Charge	\$66.31		\$3.97	
6	Annualized Customer Charge Revenues		\$796		\$2,715
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		5,044,036	
9	Less: Base Gallons Included In Customer Charge	0		684,000	
10	Commodity Gallons	0		4,360,036	
11	Block 1, Commodity Gallons per Block	0		4,360,036	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	0.00		4,360.04	
14	Block 1, Existing Commodity Charge	\$1.52		\$1.52	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$6,627
16	<u>Total Annualized Water Rate Revenues</u>		\$796		\$9,342

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

Noel Water Company
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 Rate Revenue Feeder Schedule - Water

Line Number	Description	Commercial 3/4"		Commercial 1"	
		2 Amount	Amount	B Amount	C Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	17		15	
3	Bills Per Year	12		12	
4	Customer Bills Per year	204		180	
5	Current Customer Charge	\$5.27		\$7.86	
6	Annualized Customer Charge Revenues		\$1,075		\$1,415
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	2,182,516		3,152,523	
9	Less: Base Gallons Included In Customer Charge	204,000		180,000	
10	Commodity Gallons	1,978,516		2,972,523	
11	Block 1, Commodity Gallons per Block	1,978,516		2,972,523	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	1,978.52		2,972.52	
14	Block 1, Existing Commodity Charge	\$1.52		\$1.52	
15	Block 1, Annualized Commodity Charge Rev.		\$3,007		\$4,518
16	<u>Total Annualized Water Rate Revenues</u>		\$4,082		\$5,933

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

Noel Water Company
Informal Rate/Certificate Case
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Rate Revenue Feeder Schedule - Water

Line Number	Description	Commercial 2"		Commercial 4"	
		D Amount	E Amount	F Amount	G Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	5		2	
3	Bills Per Year	12		12	
4	Customer Bills Per year	60		24	
5	Current Customer Charge	\$22.15		\$66.31	
6	Annualized Customer Charge Revenues		\$1,329		\$1,591
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	3,880,028		2,425,017	
9	Less: Base Gallons Included In Customer Charge	60,000		24,000	
10	Commodity Gallons	3,820,028		2,401,017	
11	Block 1, Commodity Gallons per Block	3,820,028		2,401,017	
12	Block 1, Number of Commodity Gallons per Unit	1,000		1,000	
13	Block 1, Commodity Billing Units	3,820.03		2,401.02	
14	Block 1, Existing Commodity Charge	\$1.52		\$1.52	
15	Block 1, Annualized Commodity Charge Rev.		\$5,806		\$3,650
16	Total Annualized Water Rate Revenues		\$7,135		\$5,241

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

Noel Water Company
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 Rate Revenue Feeder Schedule - Water

Line Number	Description	Total	
		Amount	Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	665	
3	Bills Per Year		
4	Customer Bills Per year	7,980	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$42,302
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	143,992,660	
9	Less: Base Gallons Included In Customer Charge	7,948,000	
10	Commodity Gallons	136,044,660	
11	Block 1, Commodity Gallons per Block		
12	Block 1, Number of Commodity Gallons per Unit		
13	Block 1, Commodity Billing Units		
14	Block 1, Existing Commodity Charge		
15	Block 1, Annualized Commodity Charge Rev.		\$206,789
16	Total Annualized Water Rate Revenues		\$249,091

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

Noel Water Company
Informal Rate/Certificate Case
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Expense Schedule - Water

Line Number	Account Number (Optional)	Expense Description	Company/ Test Year Amount	Adjustment Number	Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
1		OPERATIONS EXPENSES					
2	600.000	Operators Wages	\$24,901	W-2	\$3,246	100.00%	\$28,147
3	622.000	Electricity	\$65,599	W-3	\$3,545	100.00%	\$69,144
4	631.000	Chemicals	\$5,088	W-4	-\$372	100.00%	\$4,716
5	635.000	Treatment	\$1,478	W-5	-\$123	100.00%	\$1,355
6		TOTAL OPERATIONS EXPENSE	\$97,066		\$6,296		\$103,362
7		MAINTENANCE EXPENSES					
8	625.000	Wells Maintenance	\$1,135			100.00%	\$1,135
9	651.000	Mains Maintenance	\$5,831			100.00%	\$5,831
10	652.000	Meter Maintenance	\$237	W-10	\$1,558	100.00%	\$1,795
11	923.000	Outside Services Employed	\$14,698	W-11	-\$10,721	100.00%	\$3,977
12	921.000	Office expenses & Other Supplies	\$8,854	W-12	-\$4,250	100.00%	\$4,604
13		TOTAL MAINTENANCE EXPENSE	\$30,755		-\$13,413		\$17,342
14		CUSTOMER ACCOUNT EXPENSE					
15	901.000	Meter Reading Wages	\$6,183			100.00%	\$6,183
16	902.000	Account Wages	\$36,323	W-16	-\$7,660	100.00%	\$28,663
17	903.000	Office Supplies	\$3,701			100.00%	\$3,701
18	903.000	Customer Deposit Interest	\$0	W-18	\$365	100.00%	\$365
19	904.000	Bad Debt Expense	\$225			100.00%	\$225
20		TOTAL CUSTOMER ACCOUNT EXPENSE	\$46,432		-\$7,295		\$39,137
21		ADMINISTRATIVE & GENERAL EXPENSES					
22	920.000	Administration & General Salary (1)	\$1,877	W-22	\$7,200	100.00%	\$9,077
23	924.000	Insurance	\$11,996	W-23	-\$614	100.00%	\$11,382
24	931.000	Building Rent Expense	\$0	W-24	\$3,600	100.00%	\$3,600
25	933.000	Transportation Expense	\$14,490	W-25	-\$4,259	100.00%	\$10,231
26	630.200	Misc.General (Directors Fees 3-members)	\$5,100	W-26	-\$1,003	100.00%	\$4,097
27		TOTAL ADMINISTRATIVE AND GENERAL	\$33,463		\$4,924		\$38,387
28		OTHER OPERATING EXPENSES					
29	928.000	PSC Assessment	\$1,857	W-29	\$327	100.00%	\$2,184
30		Depreciation	\$44,404	W-30	-\$2,761	100.00%	\$41,643
31		TOTAL OTHER OPERATING EXPENSES	\$46,261		-\$2,434		\$43,827
32		TAXES OTHER THAN INCOME					
33	408.000	Real Estate Property Taxes	\$6,851			100.00%	\$6,851
34	408.000	Payroll Taxes	\$6,665	W-34	\$268	100.00%	\$6,933
35		TOTAL TAXES OTHER THAN INCOME	\$13,516		\$268		\$13,784
36		TOTAL OPERATING EXPENSES	\$287,493		\$11,654		\$255,839

Noel Water Company
Informal Rate/Certificate Case
Tracking Number WR-2009-0395
Test Year Ending 12-31-2008, Updated through 6-30-2009
Expense Adjustment Schedule - Water

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
W-2	Operators Wages	600.000		\$3,246
	To annualize payroll for operators (Harrison)		\$3,246	
W-3	Electricity	622.000		\$3,545
	To adjust purchase power to account for Empire electric rate increase (Harrison)		\$3,545	
W-4	Chemicals	631.000		-\$372
	To adjust chemicals to a normalized amount (Harrison)		-\$372	
W-5	Treatment	635.000		-\$123
	To adjust treatment expense to a normalized amount (Harrison)		-\$123	
W-10	Meter Maintenance	652.000		\$1,558
	To normalize meter maintenance to a 3-years avg. (Harrison)		\$1,558	
W-11	Outside Services Employed	923.000		-\$10,721
	To remove the Paul Law Firm, P.C outside service fees from test year. (Harrison)		-\$3,483	
	To include an annual expense level of the Staff's 5-year amortization of the Paul Law Firm outside service fee. (Harrison)		\$697	
	To remove the fees associated with the Federal and State Income Tax Preparation (Harrison)		-\$1,800	
	To remove legal costs associated with the attempted sale of Noel Water Company to the city of Noel (Brydon & Swearenger) (Harrison)		-\$6,135	

Noel Water Company
 Informal Rate/Certificate Case
 Tracking Number WR-2009-0395
 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Expense Adjustment Schedule - Water

A	B	C	D	E
Expense Adj		Account	Adjustment	Total
Number	Adjustment Description	Number	Amount	Adjustment
W-12	Office expenses & Other Supplies	921.000		-\$4,250

To remove the total cost of repairing office building
 from test year. (Harrison) -\$4,250

W-16	Account Wages	902.000		-\$7,660
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To annualize payroll for account wages. (Harrison) -\$7,660

W-18	Customer Deposit Interest	903.000		\$365
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To include customer deposit interest expense
 (Harrison) \$365

W-22	Administration & General Salary (1)	920.000		\$7,200
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To include Salary for Dan Harmon (Harrison) \$7,200

W-23	Insurance	924.000		-\$614
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To adjust insurance to annualized level (Harrison) -\$171

To remove the portion of insurance expense
 associated with personnel use of vehicle (Harrison) -\$443

W-24	Building Rent Expense	931.000		\$3,600
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Input expense for office building fenced in yard &
 storage building rent. (Harrison) \$3,600

W-25	Transportation Expense	933.000		-\$4,259
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To remove the purchase of personal items from the
 transportation expense. (Harrison) -\$307

To remove the portion of transportation expense
 associated with personnel use of vehicle (Harrison) -\$639

Noel Water Company
 Informal Rate/Certificate Case
 Tracking Number WR-2009-0395
 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Expense Adjustment Schedule - Water

A	B	C	D	E
Expense Adj Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
	To normalize transportation expense (Harrison)		-\$3,313	
W-26	Misc.General (Directors Fees 3-members)	630.200		-\$1,003
	To adjust director fees to a normalized amount (Harrison)		-\$1,003	
W-29	PSC Assessment	928.000		\$327
	To adjust the PSC Assessment to an annualized level (Harrison)		\$327	
W-30	Depreciation			-\$2,761
	1. To Annualize Depreciation		-\$2,761	
W-34	Payroll Taxes	408.000		\$268
	To adjust Payroll Taxes to an annualized level (Harrison)		\$268	
	Total Expense Adjustments			-\$11,654

Noel Water Company
 Informal Rate/Certificate Case
 Tracking Number WR-2009-0395
 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Revenue Schedule - Water

Line Number	A Account Number (Optional)	B Revenue Description	C Company/ Test Year Amount	D Adjustment Number	E Jurisdictional Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues		Rev-2	\$249,091	100.00%	\$249,091
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$11,634	100.00%	\$11,634
Rev-4		TOTAL ANNUALIZED REVENUES	\$0		\$260,725		\$260,725

Noel Water Company
 Informal Rate/Certificate Case
 Tracking Number WR-2009-0395
 Test Year Ending 12-31-2008, Updated through 6-30-2009
 Revenue Adjustment Schedule - Water

A	B	C	D	E
Revenue Adj Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
Rev-2	Annualized Rate Revenues			\$249,091
	1. To Annualize Rate Revenues		\$249,091	
Rev-3	Miscellaneous Revenues			\$11,634
	1. To Annualize Miscellaneous Revenues		\$11,634	
	Description			
	Description			
	Description			
	Total Revenue Adjustments			\$260,725

Noel Water Company
Informal Rate/Certificate Case
Tracking Number WR-2009-0395
Test Year Ending 12-31-2008, Updated through 6-30-2009
Miscellaneous Revenues Feeder - Water

Line Number	A Description	B Amount
7	Total Miscellaneous Revenues	<u>\$11,634</u>

Agreement Attachment D

Rate Design Worksheet

NOEL WATER 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	\$ 249,091
Agreed-Upon Overall Revenue Increase	\$ 68,307
Percentage Increase Needed	27.423%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge
5/8"	\$ 3.97	\$ 7.76
3/4"	\$ 5.27	\$ 10.50
1"	\$ 7.86	\$ 15.65
2"	\$ 22.15	\$ 44.20
4"	\$ 66.31	\$ 132.30
6"	\$ 113.46	\$ 222.00

Commodity Rates

Customer Type	Current Usage Rate	Proposed Usage Rate
Residential	\$ 1.518	\$ 1.800
Customer	\$ 1.518	\$ 1.800
Industrial	\$ 1.518	\$ 1.670

Agreement Attachment E

Billing Comparison Worksheet

NOEL WATER COMPANY, INC.

Residential Customer Bill Comparison-Water

Rates for 5/8" Meter

<u>Current Base Customer Charge</u>	<u>Proposed Base Customer Charge</u>	<u>Current Usage Rate</u>	<u>Proposed Usage Rate</u>
\$3.97	\$7.76	\$1.518	\$1.800

current service charge is monthly charge includes 1,000 gallons

usage rate is per 1,000 gallons used

MONTHLY BILL COMPARISON

6,000 gallons/month usage

Current Rates

Customer Charge	\$ 3.97
Usage Charge	\$ 7.59
Total Bill	\$ 11.56

Proposed Rates

Customer Charge	\$ 7.76
Usage Charge	\$ 9.00
Total Bill	\$ 16.76

INCREASES

Customer Charge

\$ Increase	\$3.79
% Increase	95.47%

Usage Charge

\$ Increase	\$1.41
% Increase	18.58%

Total Bill

\$ Increase	\$5.20
% Increase	44.98%

Agreement Attachment F

Schedule of Depreciation Rates

NOEL WATER COMPANY

DEPRECIATION RATES (WATER)

WR-2009-0395

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
314	Wells & Springs	2.0%	50	
321	Structures & Improvements	2.5%	40	
325.1	Submersible Pumping Equipment	10.0%	10	
325.2	High Service or Booster Pumping Equip.	6.7%	15	
332	Water Treatment Equipment	2.9%	35	
342	Distribution Reservoirs & Standpipes	2.5%	40	
343	Transmission & Distribution Mains	2.0%	50	
345	Services (discontinued account)	0.0%		
346	Meters	3.3%	30	
347	Meter Installations	2.5%	40	
348	Hydrants	2.0%	50	
390	Structures & Improvements	2.5%	40	
391	Office Furniture & Equipment	5.0%	20	
391.1	Office Computer Equipment	14.3%	7	
392	Transportation Equipment	12.5%	7	13%
394	Tools, Shop, Garage Equipment	5.0%	20	
396	Power Operated Equipment	0.0%	fully depreciated	

Agreement Attachment G

EMSD Report

Implementation Review of Noel Water Company
Engineering and Management Services Department
Report of Customer Service Operations
WR-2009-0395
August 2009

The Engineering and Management Services Department (EMSD) initiated the first informal review of customer service processes, procedures, and practices at Noel Water Company (Company), in Noel, Missouri, on March 24-25, 2003. This review was performed in conjunction with the small company rate increase request submitted by Noel Water Company on February 14, 2003, Tracking No. QW-2003-0022. The objectives of the 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. A report was produced in April, 2003, and included the following three recommendations made by the EMSD staff:

Ensure the customer has 21 days from the day the bill is mailed until payment is delinquent.

Document all customer complaints and inquiries.

Revise and implement practices related to collecting deposits from new customers who have been deemed to have established an acceptable credit rating consistent with the Commission's "Utility Billing Practices 4 CSR 240-13.030."

On March 14, 2005, the Company submitted its small company rate increase request to the Missouri Public Service Commission (Commission or PSC) and this request was assigned Tracking No. QW-2005-0002. The EMSD staff initiated another review of the Company's customer service practices. In addition, the Staff reviewed what actions the Company had taken in response to the recommendations made in the 2003 audit.

The Staff determined, at that time, that the Company had taken appropriate action with regard to the first two recommendations listed above. The Staff determined that the third recommendation relating to the collection of customer deposits was not adequately addressed and made the same recommendation again in the April 2005 audit report. In addition, the Staff developed an additional recommendation pertaining to the customer's ability to contact the Company in the event of an emergency. The additional recommendation was:

Communicate to customers a method of contacting the Company outside of normal business hours in the event of an emergency.

Informal Rate Case Filed May 1, 2009

The Company filed for an informal rate case on May 1, 2009. As a part of the Staff audit activities in this case, the EMSD staff conducted interviews at the Company's offices in Noel, Missouri on July 9, 2009. Prior to the on-site interviews, the EMSD staff reviewed the Company's tariffs, annual reports, PSC complaint records and other documentation related to the Company's customer service operations.

The EMSD staff's efforts were focused upon a review of the Company's actions in response to recommendations made previously to the Company. In addition, customer billing and payment procedures were discussed.

Most procedures have remained the same as reported in prior reports of the EMSD staff. However, the Company has recently implemented formal procedures to document their daily interactions with customers. A notebook is maintained by office staff detailing specific customer calls, requests for service, and inquiries of any type and what actions were taken to resolve them.

The EMSD staff followed up on two former recommendations that remain unresolved. Specifically, these former recommendations were in the areas of customer deposits and complaint and inquiry handling and recording. The staff's findings regarding each are presented below.

Customer Deposits-Taken from the EMSD 2005 Report

The EMSD 2005 Report, starting on page 6, states in part the following:

... No attempt is made to determine whether new customers meet any of the credit criteria cited in the PSC rules that would enable customers to avoid paying a deposit. All new residential and commercial customers are charged deposits of \$25 and \$35, respectively. This is in violation of Commission rules. Deposits with 6% interest are returned after customers pay on time for 12 consecutive months.

Before automatically charging a new customer a deposit, Noel Water Company should make every attempt to determine if new customers have established an acceptable credit rating. PSC Rule 4 CSR 240-13.030(1)(C) states:

The customer shall be deemed *prima facie* to have established an acceptable credit rating if the customer meets any of the following criteria:

1. Owns or is purchasing a home;
2. Is and has been regularly employed on a full-time basis for at least one (1) year;
3. Has an adequate regular source of income; or
4. Can provide adequate credit references from a commercial credit source.

If the customer is deemed to have established an acceptable credit rating by meeting any of the above criteria, a deposit should not be charged.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Revise and implement practices related to collecting deposits from new customers who have been deemed to have established an acceptable credit rating consistent with the Commission's Utility Billing Practices 4 CSR 240-13.030,

Implementation Review: 2009

The Company stated that it has continued to evaluate the need to assess new customers for a deposit and is attempting to utilize the criteria noted in 4 CSR 240-13(1)(C) as a determination in the decision. New customers are given an opportunity to provide information regarding their credit standing. The Company recently

waived the deposit requirement for a new customer who owned rental property in the area and was able to provide credit references.

The Company maintains extensive records regarding deposits, and after twelve consecutive months of on-time payments, mails the customer a form letter. The letter directs the customer to contact the Company regarding their preference as to how their deposit with interest will be returned. The Company is also aware of their responsibility to submit unclaimed deposit funds on a yearly basis to the State Treasurer's Office. Deposits that are unable to be refunded to a customer who has left the service area without a forwarding address are to be remitted to the State Treasurer as unclaimed property.

The EMSD staff believes the Company has improved its efforts at evaluating the need for a deposit from all new customers. The Company stated it does attempt to thoroughly consider and apply the criteria from 4 CSR 240-13 in reaching a final decision on whether a deposit is necessary. The EMSD staff is of the opinion that the Company has adequately addressed the recommendation that was made in the 2003 and 2005 EMSD Audit Report.

Complaint and Inquiry Handling and Recording –Taken from the EMSD 2005 Report

The EMSD 2005 Report, starting on page 7, states in part the following:

... Customers do not have an emergency contact for the Company outside of normal business hours. An answering machine is currently not available. The COO (Chief Operating Officer) stated that in the event of an emergency, customers could contact the police or fire departments, and those officials know how to reach him.

According to Commission Rule 4 CSR 240-13.040(2)(C), "Qualified personnel shall be available at all times to receive and initiate response to customer contacts regarding any discontinuance of service or emergency condition occurring within the utility's service area." To be in compliance with the Commission rules, customers must be able to contact the Company in the event of an after-hours emergency. Options to enable customers to reach the Company outside of normal business hours may include installing an inexpensive answering machine with an

after-hours message informing customers of an emergency contact number or contracting with an answering service to take after-hours calls.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Communicate to customers a method of contacting the Company outside of normal business hours in the event of an emergency.

Implementation Review-2009

The Company has indicated that it continues to display the phone number for the office on its bills and notices. The Company also stated that customers are aware, that in the event of an emergency after hours, the city's police department is to be contacted first. The police department will then contact the appropriate Company official. Company personnel are verifying contact information with the city police and county dispatching office. The Company is in the process of posting a sign at the office to make sure visitors to the office see the information and will also evaluate including an additional line on the bill to communicate this information to ensure that every customer is aware of how to contact the Company after-hours. As the Company's phone system is quite dated, it is also evaluating an upgrade to it that would allow for messaging services.

The EMSD staff is of the opinion that the Company is in the process of evaluating and implementing actions to address this recommendation that was made in the 2005 Audit Report. However, the EMSD staff would like to determine what final actions occurred and whether these meet the intent of the prior recommendation.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

The Company should provide proof of the actions that were taken and completed regarding the communication of after-hours contact to customers to the Manager of the EMSD Department within 60 days of the Commission's Order Approving the Disposition Agreement in Case No.WR-2009-0395.

Agreement Attachment H

Summary of Case Events

Noel Water Company, Inc.
Case # WR-2009-0395
Summary of Case Events

Date Filed	May 6, 2009
Day 150	October 5, 2009
Extension?	No
If yes, why?	
Amount Requested	\$75,000 to \$85,000
Amount Agreed Upon	\$ 68,307
Number of Customers	665
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	Yes
DNR Violations	No
Significant Service/Quality Issues	None