

PSC STAFF INFORMATIONAL FILING

RAYTOWN WATER COMPANY

CASE NO. WR-2005-0052

APPENDICES A thru F

PSC STAFF INFORMATIONAL FILING

RAYTOWN WATER COMPANY

CASE NO. WR-2005-0052

APPENDIX A

**Staff's Summary of Company's Annual
Operating Revenues at Current Rates**

RAYTOWN WATER COMPANY

Revenue Annualizations at Current Rates

Annualized Customer Counts and Service Charge Revenues

Retail Metered Customers

Meter Size	Residential	Business	Independence	Total Meters	Rate *	Annual Revenue
5/8"	5,441	273	748	6,462	\$ 12.87	\$ 498,996
1.0"	70	74	0	144	\$ 23.33	\$ 20,157
1.5"	15	23	0	38	\$ 40.57	\$ 9,250
2.0"	27	25	0	52	\$ 61.26	\$ 19,113
3.0"	8	3	0	11	\$ 109.48	\$ 7,226
4.0"	1	0	0	1	\$ 178.36	\$ 1,070
Total	5,562	398	748	6,708		\$ 555,812

* bi-monthly service charge

Private Fire Service

Rate Class	Number	Rate *	Annual Revenue
Hydrant	57	\$ 144.31	\$ 8,226
2" Tap	0	\$ 17.22	\$ -
4" Tap	3	\$ 68.50	\$ 206
6" Tap	1	\$ 144.31	\$ 144
8" Tap	4	\$ 259.75	\$ 1,039
10" Tap	0	\$ 438.45	\$ -
Total	65		\$ 9,614

* annual service charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in M gallons

Meter Size	Residential	Business	Independence	Total Sales	Rate	Annual Revenue
5/8"	312,750.9	19,094.5	41,782.4	373,627.8	\$ 4.041	\$ 1,509,830
1.0"	14,670.4	12,119.2	-	26,789.6	\$ 4.041	\$ 108,257
1.5"	6,179.9	8,772.4	-	14,952.3	\$ 4.041	\$ 60,422
2.0"	18,923.6	16,038.4	-	34,962.0	\$ 4.041	\$ 141,281
3.0"	18,367.8	5,078.3	-	23,446.1	\$ 4.041	\$ 94,746
4.0"	1,130.9	-	-	1,130.9	\$ 4.041	\$ 4,570
Total	372,023.5	61,102.8	41,782.4	474,908.7		\$ 1,919,106

Annualized Adjustment for Billing Adjustments for Over-Reads & Leaks \$ 4,980

Net Annualized Commodity Revenues \$ 1,914,126

Calculated Annualized Commodity Sales 473,676.3

Other Operating Revenues

Bulk Water Sales	\$ 1,426
Sales to Other Public Authorities	\$ 2,681
Late Charge Fees	\$ 36,339
Turn-Off/Turn-On/Penalty Charges	\$ 40,431
Miscellaneous Revenues - Service Lines	\$ 10,453
Rents from Water Property - Tower Rental	\$ 91,187
Discounts Earned	\$ 828
Total Other Revenues	\$ 183,345

TOTAL OPERATING REVENUES

Service Charges - Retail Customers	\$ 555,812
Commodity Revenues - Retail Customers	\$ 1,914,126
Private Fire Protection Services	\$ 9,614
Sub-Total Tariffed Rate Revenues	\$ 2,479,552
Other Operating Revenues	\$ 183,345
Total Operating Revenues	\$ 2,662,897

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RAYTOWN WATER COMPANY

CASE NO. WR-2005-0052

APPENDIX B

Staff's Ratemaking Income Statement

RAYTOWN WATER COMPANY

Ratemaking Income Statement

Operating Revenues at Current Rates

1	Tariffed Rate Revenues	\$ 2,479,552
2	Other Operating Revenues	\$ 183,345
3	Total Operating Revenues	\$ 2,662,897

Cost of Service

	Item	Amount
1	Purchased Water Expense	\$ 817,808
2	Operation Supervision - T & D	\$ 21,637
3	Storage Facilities - T & D	\$ 16,390
4	Tower & Distribution Lines Expense	\$ 52,330
5	Meter Expense - T & D	\$ 197
6	Miscellaneous Expense - T & D	\$ 8
7	Maintenance Supervision Expense - T & D	\$ 737
8	Maintenance of Structures & Improvements	\$ 97
9	Maintenance of Reservoirs & Standpipes	\$ 86,378
10	Maintenance of T & D Mains	\$ 103,084
11	Maintenance of Services	\$ 24,068
12	Maintenance of Hydrants	\$ 8,555
13	Maintenance of Miscellaneous Plant	\$ 70
14	Supervision - Customer Accounts	\$ 4,617
15	Meter Reading Expense - Customer Accounts	\$ 23,141
16	Customer Records & Collection Expense	\$ 188,328
17	Customer Turn-Off/Turn-On Expense	\$ 17,348
18	Uncollectible Accounts	\$ 15,767
19	Safety Meetings & Equipment	\$ 1,623
20	Administration & General - Salaries	\$ 106,382
21	Office Supplies	\$ 39,535
22	Permit Fees - Right of Way	\$ 5,243
23	Payroll Offset - Capitalization	\$ (42,386)
24	Outside Services Employed	\$ 53,388
25	Property Insurance	\$ 28,852
26	Injuries & Damages Insurance	\$ 12,642
27	Employee Pensions & Benefits	\$ 157,052
28	Regulatory Commission Expense	\$ 15,279
29	Rate Case Expense	\$ 7,990
30	Miscellaneous General Expenses	\$ 9,184
31	Directors Fees & Expenses	\$ 10,879
32	Maintenance of General Plant	\$ 11,474
33	Interest on Customer Deposits	\$ 967
34	Sub-Total Operating Expenses	\$ 1,798,664
35	Property Taxes	\$ 106,047
36	MO Franchise Taxes	\$ 2,384
37	Employer FICA Taxes	\$ 32,503
38	Federal Unemployment Taxes	\$ 891
39	State Unemployment Taxes	\$ 1,104
40	State & Federal Income Taxes	\$ 222,577
41	Sub-Total Taxes	\$ 365,506
42	Depreciation Expense	\$ 260,258
43	Amortization of Utility Plant (computer system)	\$ 28,854
44	Sub-Total Depreciation/Amortization	\$ 289,112
45	Return on Rate Base	\$ 483,372
46	Total Cost of Service	\$ 2,936,654
47	Overall Revenue Increase Needed	\$ 273,757

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CASE NO. WR-2005-0052

APPENDIX C

Staff's Rate Design Worksheet

RAYTOWN WATER COMPANY

Development of Proposed Rates

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. Also, service charges for metered customers will be set to reflect a monthly billing cycle rather than the current bi-monthly billing cycle. Additionally, a special five-year surcharge related to recovery of the loan payments for the loan for the Gateway main replacement project will be established. This surcharge will be set on a per customer basis using the most recently available customer numbers and will be set to recover the monthly loan payments.

Revenues Generated by Current Tariffed Rates	\$ 2,479,552
Agreed-Upon Overall Revenue Increase	\$ 273,757
Percentage Increase Needed	11.041%

Metered Customer Rates				
Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 12.87	\$ 7.15	\$ 4.041	\$ 4.487
1.0"	\$ 23.33	\$ 12.95	\$ 4.041	\$ 4.487
1.5"	\$ 40.57	\$ 22.52	\$ 4.041	\$ 4.487
2.0"	\$ 61.26	\$ 34.01	\$ 4.041	\$ 4.487
3.0"	\$ 109.48	\$ 60.78	\$ 4.041	\$ 4.487
4.0"	\$ 178.36	\$ 99.03	\$ 4.041	\$ 4.487

current service charge is bi-monthly charge

new service charge is monthly charge

usage rate is per 1,000 gallons used

Private Fire Service Rates		
Rate Class	Current Charge	Proposed Charge
Hydrant	\$ 144.31	\$ 160.24
2" Tap	\$ 17.22	\$ 19.12
4" Tap	\$ 68.50	\$ 76.06
6" Tap	\$ 144.31	\$ 160.24
8" Tap	\$ 259.75	\$ 288.43
10" Tap	\$ 438.45	\$ 486.86

both charges are annual charges

Gateway Project Surcharge	
Cost of Main Replacement - Redford Contract	\$ 216,678
Engineering Costs - Royal Engineering	\$ 22,125
Company Labor & Overhead	\$ 13,962
Construction Financing - Redford Contract *	\$ 5,248
Total Project Cost	\$ 258,013

* \$216,678 for 109 days at 8%

Bank Loan Amortization - 5 years at 6.75%	
Monthly Payment	\$ 5,079
Annual Payments	\$ 60,943
Current Number of Customers	6,563
Monthly Surcharge Per Customer	\$ 0.77

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RAYTOWN WATER COMPANY

CASE NO. WR-2005-0052

APPENDIX D

**Staff's Summary of Company's Annual
Operating Revenues at Proposed Rates**

RAYTOWN WATER COMPANY

Revenue Annualizations at Proposed Rates

Does Not Include Revenues Generated By The Gateway Project Surcharge

Annualized Customer Counts and Service Charge Revenues

Retail Metered Customers

Meter Size	Residential	Business	Independence	Total Meters	Rate *	Annual Revenue
5/8"	5,441	273	748	6,462	\$ 7.15	\$ 554,090
1.0"	70	74	0	144	\$ 12.95	\$ 22,383
1.5"	15	23	0	38	\$ 22.52	\$ 10,271
2.0"	27	25	0	52	\$ 34.01	\$ 21,223
3.0"	8	3	0	11	\$ 60.78	\$ 8,023
4.0"	1	0	0	1	\$ 99.03	\$ 1,188
Total	5,562	398	748	6,708		\$ 617,179

* monthly service charge

Private Fire Service

Rate Class	Number	Rate *	Annual Revenue
Hydrant	57	\$ 160.24	\$ 9,134
2" Tap	0	\$ 19.12	\$ -
4" Tap	3	\$ 76.06	\$ 228
6" Tap	1	\$ 160.24	\$ 160
8" Tap	4	\$ 288.43	\$ 1,154
10" Tap	0	\$ 486.86	\$ -
Total	65		\$ 10,676

* annual service charge

Annualized Commodity Sales - Volumes and Revenues

sales shown in M gallons

Meter Size	Residential	Business	Independence	Total Sales	Rate	Annual Revenue
5/8"	311,939.3	19,044.9	41,674.0	372,658.2	\$ 4.487	\$ 1,672,180
1.0"	14,632.3	12,087.8	-	26,720.1	\$ 4.487	\$ 119,897
1.5"	6,163.9	8,749.6	-	14,913.5	\$ 4.487	\$ 66,919
2.0"	18,874.5	15,996.8	-	34,871.3	\$ 4.487	\$ 156,473
3.0"	18,320.1	5,065.1	-	23,385.3	\$ 4.487	\$ 104,934
4.0"	1,128.0	-	-	1,128.0	\$ 4.487	\$ 5,061
Total	371,058.1	60,944.2	41,674.0	473,676.3		\$ 2,125,465

volumes adjusted as needed per net revenue annualization at current rates

Other Operating Revenues

Bulk Water Sales	\$ 1,426
Sales to Other Public Authorities	\$ 2,681
Late Charge Fees	\$ 36,339
Turn-Off/Turn-On/Penalty Charges	\$ 40,431
Miscellaneous Revenues - Service Lines	\$ 10,453
Rents from Water Property - Tower Rental	\$ 91,187
Discounts Earned	\$ 828
Total Other Revenues	\$ 183,345

TOTAL OPERATING REVENUES

Service Charges - Retail Customers	\$ 617,179
Commodity Revenues - Retail Customers	\$ 2,125,465
Private Fire Protection Services	\$ 10,676
Sub-Total Tariffed Rate Revenues	\$ 2,753,319
Other Operating Revenues	\$ 183,345
Total Revenues at Proposed Rates	\$ 2,936,664

Revenue Check - Proposed Rates vs. Current Rates

Total Revenues at Proposed Rates	\$ 2,936,664
Total Revenues at Current Rates	\$ 2,662,897
Increase In Revenues at Proposed Rates	\$ 273,767
Agreed-Upon Increase in Operating Revenues	\$ 273,757

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CASE NO. WR-2005-0052

APPENDIX E

Staff's Residential Customer Billing Comparison

RAYTOWN WATER COMPANY

Residential Customer Bill Comparison

Rates for 5/8" Meter				
Current Service Charge	Proposed Service Charge	Proposed Surcharge	Current Usage Rate	Proposed Usage Rate
\$12.87	\$7.15	\$0.77	\$4.041	\$4.487

current service charge is bi-monthly charge

new service charge is monthly charge

usage rate is per 1,000 gallons used

MONTHLY BILL COMPARISON

6,000 gallons/month usage

Current Rates

Service Charge *	\$	6.44
Usage Charge	\$	24.25
Total Bill	\$	30.68

Proposed Rates

Service Charge	\$	7.15
Usage Charge	\$	26.92
Gateway Surcharge	\$	0.77
Total Bill	\$	34.84

Increase in Bill

\$ Increase	\$4.16
% Increase	13.56%

* monthly equivalent of bi-monthly charge

PSC STAFF INFORMATIONAL FILING

RAYTOWN WATER COMPANY

CASE NO. WR-2005-0052

APPENDIX F

**Staff's Summary of Customer Comments Received
in Response to Company's Customer Notices**

Raytown Water Company - EFIS Public Comments Report - 09/16/04

"P2003" I.D. No. Indicates Response Was To First Customer Notice - 28 Responses
 "P2005" I.D. No. Indicates Response Was To Second Customer Notice - 6 Responses

EFIS I.D. No.	Customer Name		City	Customer Comments
P200300322	Nancy	Hardin	Raytown	Opposes the 28% rate increase being proposed by the water company.
P200300323	Frank	Williams		Can't afford this rate increase. Home number is unlisted.
P200300324	Floyd	Wheeler	Raytown	This is increase is not a good idea for the citizens of Raytown, MO. Consumer feels his monthly water bill will double. Wishes the PSC will not accept this proposed increase.
P200300326	Janet	Tucker	Raytown	Opposes the rate increase proposed by the water company. Stated three years ago the citizens of Raytown paid for a new water tower and the cost was charged on the water bill. Feels the rate is too high for most of the citizens of Raytown.
P200300327	Lakeshia	Smith	Raytown	Opposed to rate increase. Water bill is already \$60. When they do come and read the meters they do not put the cover back on the meter. The rate increase is too high.
P200300328	Esther	Light	Raytown	Customer feels this large of an increase is terrible. Esther is a widow & her water is \$26.34 every 2 months. Can see a small increase but not 26%.
P200300329	Press	Dillion	Raytown	Opposes rate increase. Feels 25.75% is too much.
P200300330	Helen	Sousley	Independence	Customer feels a 26% increase in rates is too much.
P200300331	David	Meyer	Raytown	Would like to know when the last time the rate was increased and how long will it be before the rate is increased again. Would also like to know how Raytown Water Company compares to other municipalities of the same size.
P200300333	Carol	Cortney	Raytown	Opposes the rate increase of 25.75%. She is handicapped and cannot afford this increase. Does not understand why Mr. Clevenger is raising the rates since he owns most of the town.
P200300334	Del	Lydell	Raytown	Opposed to rate increase. 25.7% is too much.
P200300335	Dale	Pitts	Raytown	Customer opposed to 25.7% increase in water rates.
P200300336	Leroy	Sutton	Independence	Customer upset over 25.7% increase in rates.
P200300337	Bill	Stitt	Raytown	Opposes rate increase. Is a senior citizen and only received a 1% cost of living increase. When there is a problem the company will not correct the problem. Could understand if the company wanted a smaller increase but 25.75% is too much.
P200300339	Kevin	Caldwell	Raytown	Opposes the rate increase/seems rate increases are too frequent/could understand a much lower one.
P200300340	Terry	Sell	Raytown	Opposes 25.75% rate increase. Calls the company to come out and fix things and the workers never show up. Could understand a much smaller increase.
P200300342	Phyllis	Brewer	Raytown	Customer opposed to rate increase. She can see at little increase but not this much.
P200300345	Don	Netherton	Raytown	Opposes rate increase. Thinks the company makes too much money to justify the increase.
P200300346	Don	Netherton	Raytown	Opposes rate increase. On fixed income and bill is high enough now as it is.

EFIS I.D. No.	Customer Name		City	Customer Comments
P200300352	Barbara	Sellers	Independence	The increase this company is proposing is too high. The rate now is high enough. There are many retired individuals on fixed incomes in this community who will find it hard to pay this 25.75% increase.
P200300355	Anna	Freed	Raytown	Customer opposed to rate increase. Lives in a retirement community and this increase will cause a real hardship on the residents.
P200300361	Florence	Tait	Raytown	Opposes such as high rate increase. Feels this is too high for individuals on fixed incomes such as social security. Would still like to get bills every other month. Would consider a much smaller increase.
P200300362	Betty	Schanz	Raytown	Opposes rate increase. Company does a very poor job and maintaining lines.
P200300363	Tom	Tralle	Raytown	Opposes rate increase/request local public hearing between citizens, water company and PSC officials.
P200300364	Helen	Odneal	Raytown	Opposes rate increase. Has good water service now. How does the Company rationalize such as huge increase?
P200300363	Betty	Schanz	Raytown	Opposes rate increase. Does a poor job of maintaining lines now.
P200300366	Lola	Jacobson	Raytown	Feels the rate increase is unfair to the consumer. All this company wants to do is raise the rates. It is the only thing they are good at.
P200300369	Edwin	Jones	Independence	Opposes rate increase. Wants to know how the increase is justified.
P200500100	John	Whitaker	Raytown	Very upset customers have to pay for Co's new trucks, remodeling and pay raises. Doesn't feel Co. should be allowed to raise their rates. Hopes MPSC considers the consumer for once. Working people can't pay for everything.
P200500102	Don	Belk	Independence	Not happy since he is living in Independence and having to pay for Raytown project.
P200500107	Don	Belk	Independence	Customer of company but lives in Independence. Objects to paying for Gateway Project because that is a city of Raytown local issue that he has nothing to do with. Discussed rates and LPH proposal.
P200500108	Janet	Juliff	Independence	Not concerned about billing. Very upset that the Company is asking for such a high increase for a project that didn't have to be so elaborate. Hopes MPSC doesn't allow the Company the increase. Bills are high enough now.
P200500111	Floyd	Wheeler	Raytown	Questioned the amount of water for the example in the public notice. Jim M tried to call back with proposed rate information to assist in calculating example bills, but unable to contact again.
P200500113	Justin	Davis		Questions regarding Gateway main replacement project in particular, and the rate case process in general. Has talked to the OPC also. Knows about LPH through local newspaper and plans to be there. No service related problems to report.