

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

In the Matter of the Water Utility Small       )  
Company Rate Increase Request of Noel       )  
Water Company, Inc.                                )

**Case No. WR-2005-0452**

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

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through Counsel, and for its Notice of Agreement Regarding Disposition of Small Company Rate Increase Request states the following to the Missouri Public Service Commission ("Commission").

1. On May 31, 2005, Noel Water Company, Inc. ("Company") submitted to the Commission revised tariff sheets to implement increases in its water service rates and charges, and other tariff changes, and the instant case was established.

2. As is noted in the Company's tariff filing transmittal letter, the tariff changes contained in the subject revised tariff sheets are based upon a *Unanimous Agreement Regarding Disposition of Small Water Company Rate Increase Request* ("Disposition Agreement") entered into by the Company, the Staff and the Office of the Public Counsel. As is also noted in the Company's tariff filing transmittal letter, the Disposition Agreement pertains to the small company rate increase request that the Company submitted to the Commission on March 14, 2005 (Work I.D. No. QW-2005-0002.)

3. Included in the document that is attached hereto and identified as Appendix A are copies of the Disposition Agreement, and related attachments, which are referenced in the Company's tariff filing transmittal letter.

4. Consistent with established internal procedures regarding small company rate increase requests, the Staff intends to file its recommendation in this case by the end of business on June 20, 2005.

**WHEREFORE**, the Staff respectfully submits the above-referenced Disposition Agreement and related attachments for the Commission's information and consideration in this case.

Respectfully Submitted,

DANA K. JOYCE  
General Counsel

**/s/ Keith R. Krueger**

Keith R. Krueger  
Deputy General Counsel  
Missouri Bar No. 23857

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 (facsimile)  
[keith.krueger@psc.mo.gov](mailto:keith.krueger@psc.mo.gov) (e-mail)

### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 6th day of June 2005.

**/s/ Keith R. Krueger**

# APPENDIX A

## DISPOSITION AGREEMENT & ATTACHMENTS

### CASE NO. WR-2005-0452

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## Company/Staff/OPC Disposition Agreement

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

**NOEL WATER COMPANY, INC.**

**MO PSC WORK I.D. No. QW-2005-0002**

**BACKGROUND**

Noel Water Company, Inc. ("Company") initiated the small company rate increase request ("Request") for water service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") tracking file by submitting a letter to the Secretary of the Commission. The Company submitted its Request under the provisions of Commission Rule 4 CSR 240-3.635, Water Utility Small Company Rate Increase Procedure ("Small Company Rate Increase Procedure"). The date the Company's Request was received at the Commission's offices was March 14, 2005.

By its request letter, the Company was requesting Commission approval of customer rates intended to generate an increase of \$42,000 in its total annual water service operating revenues. The Company provides service to approximately 645 customers, the vast majority of which are residential customers.

Upon receipt of the Company's Request, personnel in the Commission's Data Center entered the Request into the Commission's electronic filing and information system and the system assigned Work I.D. No. QW-2005-0002 to the Request. The Request was then forwarded to the Commission's Water & Sewer Department for processing under the Small Company Rate Increase Procedure.

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

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

### **RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST**

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

- (1) That for the purpose of implementing the agreements set out herein, the Company will file tariff revisions with the Commission containing the rates, charges and language set out in the example tariff sheets that are attached hereto as Attachment A.
- (2) That the ratemaking income statement that is attached hereto as Attachment B accurately reflects the Company's annualized revenues generated by its current customer rates, the Company's total annualized cost of providing service and the agreed-upon annualized operating revenue increase of \$42,000.
- (3) That the rates set out in the attached example tariff sheets, the development of which is shown on the rate design worksheet that is attached hereto as Attachment C, are designed to generate revenues sufficient to recover the agreed-upon annualized operating revenue increase of \$42,000, and that the provisions of the attached example tariff sheets also properly reflect all other agreements set out herein, where necessary.
- (4) That the rates included in the attached example tariff sheets are just and reasonable.
- (5) That the schedule of depreciation rates that is attached hereto as Attachment D should be the prescribed schedule of water plant depreciation rates for the Company, as the depreciation rates set out in that schedule were the rates used by the Staff in its revenue requirement analysis.
- (6) That the Company will revise its policies related to collecting deposits from new customers consistent with Commission Rule 4 CSR 240-13.030.
- (7) That the Company will establish a procedure that will allow customers to contact the Company outside of normal business hours in the event of an emergency.
- (8) That the above agreements satisfactorily resolve all issues identified by the Staff, the Company and the OPC regarding the Company's Request, except as otherwise specifically stated.

### **ADDITIONAL MATTERS**

Since this Disposition Agreement is between the Staff, the Company and the OPC, the Small Company Rate Increase Procedure does not require that the Company send a notice to its customers regarding the rates and charges that would result from implementation of the provisions of this Disposition Agreement, nor does it provide for a local public hearing, unless the Commission orders otherwise.

Other than the specific conditions agreed upon and expressly set out herein, the terms of this Disposition Agreement reflect compromises between the Staff, the Company and the OPC, and none of the parties have agreed to any particular ratemaking principle in arriving at the amount of the annual operating revenue increase specified herein.

The Company and the OPC acknowledge that the Staff will be making an additional filing with the Commission regarding this matter, with that filing including the following: (a) the Staff's recommendation for approval of the subject tariff revisions, and any other related recommendations; (b) background information regarding the Company's Request and the Staff's investigation thereof; (c) the Staff's audit workpapers; (d) a general overview of the Company, including an overview of the Company's customer service procedures and practices; (e) information regarding the status of the Company's payment of its Commission assessments; (f) the status of the Company's submission of its Commission annual reports; (g) the status of the Company's submission of its Commission annual statement of operating revenues; (h) any other pending cases that the Company may have before the Commission; (i) any recent Notices of Violations issued to the Company by the Missouri Department of Natural Resources; and (j) the status of the Company's corporate standing with the Missouri Secretary of State.

Additionally, the Company and the OPC agree that the Staff shall have the right to provide whatever oral explanation the Commission may request regarding the rate case that will be created when the Company

files the tariff revisions called for in this agreement, at any agenda meeting at which that case is noticed to be considered by the Commission. To the extent reasonably practicable, the Staff will provide the Company with advance notice of any such agenda meeting so that it 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 tariff revisions required herein with the Commission.

Agreement Signed and Dated:



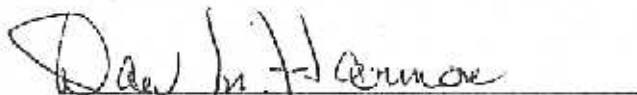
Dale W. Johansen  
Manager - Water & Sewer Department  
Missouri Public Service Commission Staff

5/23/05  
Date



Lewis Mills  
Public Counsel  
Office of the Public Counsel

5-23-05  
Date



Dan M. Harmon  
President  
Noel Water Company, Inc.

5/20/05  
Date

**List of Attachments**

- Attachment A - Example Tariff Sheets
- Attachment B - Ratemaking Income Statement
- Attachment C - Rate Design Worksheet
- Attachment D - Schedule of Depreciation Rates



# Agreement Attachment 1

## 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 provisions 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 state sales tax may still be applicable to such sales.

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 \$ 3.97 per mo.

+

3/4" Meter \$ 5.27 per mo.

+

1" Meter \$ 7.86 per mo.

+

2" Meter \$22.15 per mo.

+

4" Meter \$66.31 per mo.

+

(Continued on next sheet)

\* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: May 31, 2005  
Month/Day/Year

Effective Date: June 30, 2005  
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

1st Revised Sheet No. 6

Canceling Original 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. \$1.518 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: May 31, 2005  
Month/Day/Year

Effective Date: June 30, 2005  
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 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	\$ 3.97 per mo.	+
3/4" Meter	\$ 5.27 per mo.	+
1" Meter	\$ 7.86 per mo.	+
2" Meter	\$22.15 per mo.	+
4" Meter	\$66.31 per mo.	+

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

All water metered over 1,000 gal.	\$1.518 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: May 31, 2005  
Month/Day/Year

Effective Date: June 30, 2005  
Month/Day/Year

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

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

Canceling

Original Sheet No. 8

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 and only where the Company and Customer have entered into a special contract for such service due to the consideration of the capacity of the Company's system to deliver such service..

APPLICABILITY +

This rate schedule applies to water service supplied at one point of delivery to industrial 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	\$ 3.97 per mo.	+
3/4" Meter	\$ 5.27 per mo.	+
1" Meter	\$ 7.86 per mo.	+
2" Meter	\$ 22.15 per mo.	+
4" Meter	\$ 66.31 per mo.	+
6" Meter	\$113.46 per mo.	+

(Continued on next sheet)

\* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: May 31, 2005  
Month/Day/Year

Effective Date: June 30, 2005  
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

1st Revised Sheet No. 9

Canceling

Original Sheet No. 9

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 up to and including 1,000,000 gallons per month \$2.121 per 1,000 gal. +

Metered usage over 1,000,000 gallons per month: \$0.32 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: May 31, 2005  
Month/Day/Year

Effective Date: June 30, 2005  
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

1st Revised Sheet No. 10

Canceling Original Sheet No. 10

Noel Water Company  
Name of Issuing Company

For: Noel Missouri  
Certificated Service Area +

**SPECIAL WATER SERVICE – FLAT RATE WATER SERVICE  
AND PRIVATE FIRE PROTECTION SERVICE**

**RESIDENTIAL AND COMMERCIAL FLAT RATE WATER SERVICE**

AVAILABILITY +

This service is only available at certain points on the Company's existing distribution facilities located within the Company's certificated area. The availability of this schedule is restricted to existing residential and commercial customers with an unmetered service connection of one inch diameter or smaller. This service is also restricted to those special situations or unusual circumstances which, in the opinion of the Company, make it applicable.

APPLICABILITY +

This rate schedule applies to water service supplied at one point of delivery.

RATE

Residential and Commercial.....\$7.00 per month +

SALES TAX

Pursuant to section 144.030.2(23), Revised Statutes of Missouri, the Company shall add all applicable sales taxes to the amount billed.

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: May 31, 2005  
Month/Day/Year

Effective Date: June 30, 2005  
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 +

**SPECIAL WATER SERVICE – FLAT RATE WATER SERVICE  
AND PRIVATE FIRE PROTECTION SERVICE**

**PRIVATE FIRE PROTECTION SERVICE**

**AVAILABILITY** +

This service is available to Industrial customers who wish to make use of this schedule for fire protection (sprinkler) systems installed on private property. This service shall be provided only with the permission of the Company and only where the connection is to a main of six inches diameter or greater. This service is restricted to those special situations or unusual circumstances which, in the opinion of the Company, make it applicable. If, in the opinion of the Company, a detecto check meter is needed at the installation, the actual cost of installation, shall be paid by the Customer. +

**APPLICABILITY** +

This rate schedule applies to water service supplied at one point of delivery.

**RATE**

Same charge as the monthly minimum for a 6" meter under the Industrial rate schedule (Sheet 8) +

**SALES TAX**

Pursuant to section 144.030.2(23), Revised Statutes of Missouri, the Company shall add all applicable sales taxes to the amount billed.

**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: May 31, 2005  
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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 +

### **SPECIAL WATER SERVICE – UNMETERED TANK WATER**

#### AVAILABILITY +

This service is available from a facility located at the Company's headquarters which dispenses water. It is available to any person who wishes to purchase water utilizing the person's own container. The person taking water under these conditions assumes responsibility for ensuring the continued sanitary condition of the water once the water leaves the Company's facility.

#### APPLICABILITY +

Customers utilizing this schedule are required to show the container to be used to Company personnel and to allow Company personnel to track the gallons taken. Bills will be rendered each month based on actual water taken.

#### RATE

Except as noted herein, the charge for water under this rate schedule is \$5.10 per 1,000 gallons per month. Persons taking water under this rate schedule may fill up a container as many times per month as desired, so long as the actual water taken aggregates no more than 1,000 gallons in one calendar month. If more than 1,000 gallons are taken in one calendar month, another charge of \$5.10 per 1,000 gallons shall be applied to each 1,000 gallons taken over 1,001 gallons. +

#### SALES TAX

Pursuant to section 144.030.2(23), Revised Statutes of Missouri, the Company shall add all applicable sales taxes to the amount billed.

#### 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: May 31, 2005  
Month/Day/Year

Effective Date: June 30, 2005  
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 8 a.m. to 5 p.m. 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. +

If Company has discontinued service because of diversion of service, the applicable above amount, plus all actual costs of the Company for investigation of the diversion, and the estimated cost of all water diverted, shall be paid by the customer before reconnection shall take place.

#### Meter Test Charge

Fee for testing meter at Customer request when 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 \$15.00 for any check returned by the bank for insufficient funds.

\* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: May 31, 2005  
Month/Day/Year

Effective Date: June 30, 2005  
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 2

### Ratemaking Income Statement

# NOEL WATER COMPANY, INC.

## Rate Making Income Statement

### Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$ 241,207
2	Other Operating Revenues *	\$ 8,214
3	<b>Total Operating Revenues</b>	<b>\$ 249,421</b>

\* See "Revenues - Current Rates" for Details

### Cost of Service

Item	Amount
1 Pumping Equipment-Purchased Power	\$ 60,717
2 Water Treatment Expense-Chemicals	\$ 5,176
3 Operation Supervision, Engineering and Labor	\$ 20,444
4 Maintenance of Pumping Plant	\$ 1,747
5 Miscellaneous Plant Repair	\$ 3,310
6 Mains	\$ 4,168
7 Customer Records and Collection Expense	\$ 8,387
8 Meter Reading Expense	\$ 29,626
9 Administration & General - Salaries	\$ 10,049
10 Medical	\$ 9,266
11 Postage and Office Supplies	\$ 3,425
12 Outside Services Employed	\$ 2,666
13 Regulatory Commission Expense	\$ 1,920
14 General Expense	\$ 4,244
15 Vehicle Expense	\$ 6,480
16 Interest Expense	\$ 5,000
17 <b>Sub-Total Operating Expenses</b>	<b>\$ 176,625</b>
18 Property Taxes	\$ 11,624
19 MO Franchise Taxes	\$ -
20 Employer FICA Taxes	\$ -
21 Federal Unemployment Taxes	\$ -
22 State Unemployment Taxes	\$ -
23 State & Federal Income Taxes	\$ -
24 <b>Sub-Total Taxes</b>	<b>\$ 11,624</b>
25 <b>Depreciation Expense</b>	<b>\$ 36,797</b>
26 <b>Return on Rate Base</b>	<b>\$ 70,987</b>
27 <b>Total Cost of Service</b>	<b>\$ 296,033</b>
28 <b>Overall Revenue Increase Needed</b>	<b>\$ 46,612</b>
29 Amount Over Company's Request	\$ 4,612
30 <b>Overall Revenue Increase Recommended</b>	<b>\$ 42,000</b>

## Agreement Attachment 3

### Rate Design Worksheet

# NOEL WATER COMPANY, INC.

## Development of Tariffed Rates

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

<b>Revenues Generated by Current Tariffed Rates</b>	<b>\$ 244,058</b>
<b>Agreed-Upon Overall Revenue Increase</b>	<b>\$ 42,000</b>
<b>Percentage Increase Needed</b>	<b>17.21%</b>

## Metered Customer Rates

<b>Meter Size</b>	<b>Current Service Charge</b>	<b>Proposed Service Charge</b>	<b>Current Usage Rate</b>	<b>Proposed Usage Rate</b>
5/8"	\$ 3.39	\$ 3.97	\$ 1.300	\$ 1.518
3/4"	\$ 4.50	\$ 5.27	\$ 1.300	\$ 1.518
1"	\$ 6.71	\$ 7.86	\$ 1.300	\$ 1.518
2"	\$ 18.90	\$ 22.15	\$ 1.300	\$ 1.518
4"	\$ 56.57	\$ 66.31	\$ 1.300	\$ 1.518
6" <1,000,000	\$ 96.80	\$ 113.46	\$ 1.810	\$ 2.121
6" +1,000,000	\$ 96.80	\$ 113.46	\$ 0.260	\$ 0.320

## Agreement Attachment 4

### Schedule of Depreciation Rates

**NOEL WATER COMPANY  
DEPRECIATION RATES**

(WATER)

FILE NO. QW-2005-0002

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT</u>	<u>DEPRECIATION RATE %</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>
314	Wells & Springs	2.0%	50
321	Structures & Improvements	2.5%	40
325	Electric Pumping Equipment	10.0%	10
332	Water Treatment Equipment	2.9%	35
342	Distribution Reservoirs & Standpipes	2.5%	40
343	Transmission & Distribution Mains	2.0%	50
345	Services	2.5%	40
346	Meters	10.0%	10
347	Meter Installations	3.3%	30
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%	8
394	Tools, Shop, Garage Equipment	5.0%	20
396	Power Operated Equipment	6.7%	15