

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

In the Matter of a Request)
For Increase in Annual Water)
System Operating Revenues)
For Raytown Water Company) **Case No. WR-2015-0246**

NOTICE OF DISPOSITION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and on behalf of Raytown Water Company, Inc. (Raytown), and for their *Notice of Disposition* in this matter hereby state:

1. Raytown filed a letter initiating its Small Company Rate Increase Application with the Commission pursuant to 4 CSR 240-3.050(2) on April 1, 2015. Staff filed a Small Utility Rate Case Timeline pursuant to 4 CSR 240-3.050(5) on April 6, 2015, establishing the procedural schedule.

2. Staff conducted an investigation and audit of Raytown pursuant to 4 CSR 240-3.050(6), complying with 4 CSR 240-3.050(9), the requirement to file a preliminary report within 90 days of filing, and 4 CSR 240-3.050(10), the requirement to file a settlement proposal within 120 days of filing. Staff has provided its findings to Raytown and the Office of the Public Counsel (Public Counsel).

3. On October 2, 2015, the Office of the Public Counsel requested a local public hearing, and on October 8, 2015, the Commission granted that request. A local public hearing was held October 22, 2015, revealing no material information to substantively change the original disposition agreement.

4. Subsequent to Staff's investigation, and through negotiations between Staff, Raytown and Public Counsel, Staff, Raytown and Public Counsel have reached an agreement as to all of the elements of the small company rate increase request. Attached to this pleading as Attachment A, and reflecting that agreement, is a disposition as approved by Staff and Raytown pursuant to 4 CSR 240-3.050(11).

5. The disposition includes expenses, revenues and rate base for the 12-month period ending December 31, 2014, and updated for all known, measurable and significant changes as of July 15, 2015. It reflects agreements reached between the parties as to appropriate accounting of company assets, payroll, structural updates, depreciation and customer rates. It provides for an increase of \$447,005 to be added to the existing Missouri final adjusted jurisdictional revenues of \$3,628,512 for an increase of 12.32% and total annual revenue of \$4,075,517. The rate base agreed upon is \$5,323,601 and the agreed upon capital structure is 82.16% equity with a return of 7.70%.

6. This disposition reflects updates to the water amounts with corrected proper usage. It also reflects that the Evanston House adjustment has been removed from plant.

7. Raytown will file proposed updated tariff sheets with the Commission pursuant to 4 CSR 240-3.050(14), which reflect the agreements set forth in the disposition and bearing an effective date of December 7, 2015. Raytown will also implement Staff's recommendations regarding the creation of new sub accounts

to track expenses relating to new services and regarding the recording of all depreciation expenses in Account 403. Final written notice of the rate revisions and tariff updates will be sent to the customers within Raytown's next billing cycle.

8. Staff has verified that Raytown filed its annual report and is current on payments of all annual assessments.

WHEREFORE, Staff recommends that the Commission approve this disposition as a final resolution of all matters of Raytown's Small Company Rate Increase Request; and grant such other and further relief as the Commission considers just in the circumstances.

/s/ Whitney Payne

Whitney Payne
Legal Counsel
Missouri Bar No. 64078
Attorney for the Staff of the
Missouri Public Service Commission
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(573) 751-9285 (Fax)
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 3rd day of November, 2015, to all counsel of record.

/s/Whitney Payne

APPENDIX A

CASE No. WR-2015-0246

UNANIMOUS DISPOSITION AGREEMENT WITH ATTACHMENTS AND STAFF AFFIDAVITS

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Staff Participant Affidavits

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Unanimous Disposition Agreement

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

RAYTOWN WATER COMPANY

MO PSC FILE NO. WR-2015-0246

BACKGROUND

Raytown Water Company ("Company") initiated a request for small company revenue increase ("Request") for water service, which is the subject of the above-referenced Missouri Public Service Commission ("Commission") File Number. The Company submitted 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, received by the Commission on April 1, 2015, the Company set forth its request for an increase of \$544,980.83 in its total annual water service operating revenues. The Company also acknowledged that the design of its customer rates, service charges, customer service practices, general business practices and general tariff provisions would be reviewed during the Commission Staff's ("Staff") review of the revenue increase request, and could be included in Staff's recommendations. The Company provides service to approximately 6,575 customers, the vast majority of which are residential customers located in Raytown, Missouri.

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. (These activities are collectively referred to hereinafter as "Staff's investigation of the Company's Request" or "Staff's investigation.")

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

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

The Company and Public Counsel were delivered the results of Staff's investigation of Company's Request. Pursuant to the negotiations held regarding the results, Staff, Public Counsel, and the Company hereby state the following agreements:

- (1) The agreed upon revenue requirement increase of \$447,005 (12.32% increase) added to the Missouri final adjusted jurisdictional revenues (previous revenues) of \$3,628,512 results in overall annual revenues of \$4,075,517. This revenue requirement is just and reasonable and designed to recover the Company's cost of service. These amounts are shown on the ratemaking income statement found in Attachment A, incorporated by reference herein;
- (2) The Auditing Unit conducted a full and complete audit of the Company's books and records using the 12-month period ended December 31, 2014, updated for all known, measureable and significant changes of Company's rate base, revenues and expenses as of July 15, 2015, as the basis for the revenue requirement determined above. The audit findings can be found in Attachment B, incorporated by reference herein;
- (3) The agreed upon net rate base is \$5,323,601. The development of this amount is shown on the rate base worksheet that is found in Attachment C, incorporated by reference herein. This amount is included in the audit work papers in the ultimate determination of the revenue requirement shown in (1) above;
- (4) Included in Attachment B is the agreed upon capital structure which includes 82.16% equity for the Company and a return on that equity of 7.70%;
- (5) The schedule of depreciation rates in Attachment D, incorporated by reference herein, includes the depreciation rates used by Staff in its revenue requirement analysis and shall be the prescribed schedule of water plant depreciation rates for the Company;
- (6) To allow the Company the opportunity to collect the revenue requirement agreed to in (1) above, the rates as shown on Attachment E, incorporated by reference herein, are just and reasonable rates that the Company will be allowed to charge its customers. The impact of these rates will be as shown on Attachment F, also attached and incorporated by reference herein;
- (7) For the purposes of implementing the agreements set out in this disposition agreement, the Company will file with the Commission, proposed tariff revisions containing the rates, charges, and language set out in the example tariff sheet(s) attached as Attachment E;
- (8) Within ninety (90) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendation contained in the Auditing Unit Report, attached hereto as

Attachment G and incorporated by reference herein, and provide proof of implementation to the Manager of the Commission's Auditing Unit:

- (a) The Company will create separate sub accounts to track all expenses related to the following new services: facility line locates, vehicle management services using GPS tracking and equipment servicing outsourcing; and
 - (b) The Company will record all depreciation expense in Account 403, Depreciation Expense and not transfer any portion of the depreciation expense to capital accounts or transportation and equipment expense accounts;
- (9) The Company shall review the Engineering & Management Services Unit ("EMSU") Report, attached hereto as Attachment H and incorporated by reference herein;
- (10) The Company shall review the Water & Sewer Unit Memorandum, attached hereto as Attachment I and incorporated by reference herein;
- (11) The Company acknowledges that Staff has updated the water amounts used in revenues with the correct proper usage and that the Evanston House adjustment has been removed from plant:
- (12) The Company shall mail its customers a final written notice of the rates and charges included in its proposed tariff revisions prior to or with its next billing cycle after issuance of the Commission order approving the terms of this Unanimous Disposition Agreement. The notice shall 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 shall also send a copy to Staff Case Coordinator who will file a copy in this case;
- (13) Staff or Public Counsel may conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Unanimous Disposition Agreement;
- (14) Staff or Public Counsel may file a formal complaint against the Company if the Company does not comply with the provisions of this Unanimous Disposition Agreement;
- (15) The Company, Staff and Public Counsel agree that they have read the foregoing Unanimous Disposition Agreement, that facts stated therein are true and accurate to the best of the Company's knowledge and belief, that the foregoing conditions accurately reflect the agreement reached between the Company, Public Counsel, and Staff; and that the Company freely and voluntarily enters into this Disposition Agreement; and
- (16) The above agreements satisfactorily resolve all issues identified by Staff, Public Counsel 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 Unanimous 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.

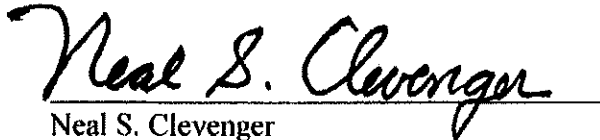
Staff has completed a Summary of Case Events and has included that summary as Attachment J to this Unanimous Disposition Agreement.

The Company acknowledges that Staff will be filing this Unanimous Disposition Agreement and the attachments hereto. The Company also acknowledges that Staff may make other filings in this case.

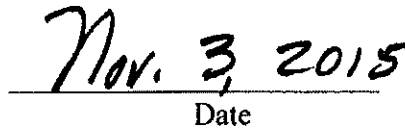
Additionally, the Company agrees that subject to the rules governing practice before the Commission, Staff shall have the right to provide whatever oral explanation the Commission may request regarding this Unanimous Disposition Agreement at any agenda meeting at which this case is noticed to be considered by the Commission. Subject to the rules governing practice before the Commission, Staff will be available to answer Commission questions regarding this Unanimous Disposition Agreement. To the extent reasonably practicable, Staff shall provide the Company with advance notice of any such agenda meeting so that they may have the opportunity to be present and/or represented at the meeting.

SIGNATURES

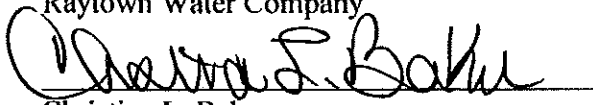
Agreement Signed and Dated:



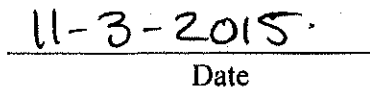
Neal S. Clevenger
President/General Manager
Raytown Water Company



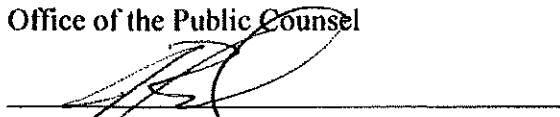
Date



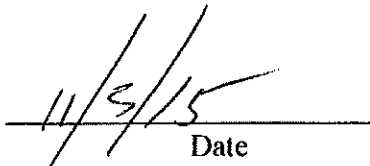
Christina L. Baker
Deputy Public Counsel
Office of the Public Counsel



Date



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



Date

List of Attachments

- Attachment A – Ratemaking Income Statement
- Attachment B – EMS Run
- Attachment C – Rate Base Worksheet
- Attachment D – Schedule of Depreciation Rates
- Attachment E – Example Tariff Sheets
- Attachment F – Billing Comparison Worksheet
- Attachment G – Auditing Unit Recommendation Memorandum
- Attachment H – EMSU Report
- Attachment I – Water & Sewer Unit Memorandum
- Attachment J – Summary of Events

Agreement Attachment A
Ratemaking Income Statement

THE RAYTOWN WATER COMPANY

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	3,287,168
2	Other Operating Revenues *	\$	341,345
3	Total Operating Revenues	\$	3,628,512
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item	Amount		
1	Operation Supervision & Engineering	\$	71,870
2	Storage Facilities Expenses	\$	-
3	Transmission & Distribution Lines Expenses	\$	7,018
4	Meter Testing	\$	62
5	Purchased Water	\$	1,305,136
6	Maintenance of Dist. Reservoirs & Standpipes	\$	27,319
7	Maintenance of Transmission & Distribution Lines	\$	264,667
8	Maintenance of Services	\$	5,448
9	Maintenance of Meters	\$	3,082
10	Maintenance of Hydrants	\$	7,599
11	Meter Reading Expenses	\$	63,902
12	Customer Records & Collection Expenses	\$	195,430
13	Uncollectible Amounts	\$	21,160
14	Customer Services & Information Expense	\$	11,932
15	Administration & General - Salaries	\$	158,917
16	Office Supplies	\$	154,242
17	Admin Expenses Transferred-Credit	\$	(50,398)
18	Outside Services Employed	\$	170,201
19	Property & Liability Insurance	\$	31,480
20	Injuries & Damages	\$	72,510
21	Employee Pensions & Benefits	\$	315,564
22	Regulatory Commission Expense	\$	31,417
23	Institutional or Goodwill Advertising Expense	\$	3,299
24	Miscellaneous General Expenses	\$	19,241
25	Education Expense	\$	11,774
26	Maintenance of General Plant	\$	35,721
27	Interest on Customer Deposits	\$	5,279
28	Evanston House Expense	\$	-
29	Missouri Franchise Taxes	\$	40
30	Sewer-Field Expense	\$	2,684
31	Sewer-Office Expense	\$	2,622
32	Trash Bag Expense	\$	1,758
33	Sub-Total Operating Expenses	\$	2,950,976
34	Property Taxes	\$	119,339
35	MO Franchise Taxes	\$	-
36	Employer FICA Taxes	\$	55,803
37	Deferred Income Taxes	\$	25,733
38	Amortize ITC	\$	-
39	State & Federal Income Taxes	\$	180,915
40	Sub-Total Taxes	\$	381,790
41	Depreciation Expense	\$	385,658
42	CIAC-Depreciation Offset	\$	(15,790)
43	Amortization of Utility Plant	\$	5,980
44	Sub-Total Depreciation/Interest/Amortization	\$	375,848
45	Return on Rate Base	\$	366,903
46	Total Cost of Service	\$	4,075,517
47	Overall Revenue Increase Needed	\$	447,005

Agreement Attachment B

EMS Run

Exhibit No.: "
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staff
Case No: WR-2015-0246
Date Prepared: August 13, 2015



MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

STAFF ACCOUNTING SCHEDULES

RAYTOWN WATER COMPANY

Description Line 1
Description Line 2
Description Line 3
Description Line 4
Description Line 5
Description Line 6
Description Line 7

CASE NO. WR-2015-0246

Jefferson City, Missouri

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Revenue Requirement

Line Number	A Description	B 6.89% Return	C 6.89% Return	D 6.89% Return
1	Net Orig Cost Rate Base	\$5,323,601	\$5,323,601	\$5,323,601
2	Rate of Return	6.89%	6.89%	6.89%
3	Net Operating Income Requirement	\$366,903	\$366,903	\$366,903
4	Net Income Available	\$93,647	\$93,647	\$93,647
5	Additional Net Income Required	\$273,256	\$273,256	\$273,256
6	Income Tax Requirement			
7	Required Current Income Tax	\$180,915	\$180,915	\$180,915
8	Current Income Tax Available	\$7,166	\$7,166	\$7,166
9	Additional Current Tax Required	\$173,749	\$173,749	\$173,749
10	Revenue Requirement	\$447,005	\$447,005	\$447,005
11	Allowance for Known and Measureable Changes/True-Up Estimate	\$0	\$0	\$0
12	Description	\$0	\$0	\$0
13	Gross Revenue Requirement	\$447,005	\$447,005	\$447,005

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
RATE BASE SCHEDULE

Line Number	A Rate Base Description	B Percentage Rate	C Dollar Amount
1	Plant In Service		\$12,772,721
2	Less Accumulated Depreciation Reserve		\$5,733,047
3	Net Plant In Service		<u>\$7,039,674</u>
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		\$0
6	Contributions in Aid of Construction Amortization		\$119,597
7	Materials & Supplies		\$66,434
8	Prepayments		<u>\$64,458</u>
9	TOTAL ADD TO NET PLANT IN SERVICE		<u>\$250,489</u>
10	SUBTRACT FROM NET PLANT		
11	Federal Tax Offset	38.0822%	\$0
12	State Tax Offset	38.0822%	\$0
13	City Tax Offset	38.0822%	\$0
14	Interest Expense Offset	38.0822%	\$0
15	Contributions in Aid of Construction		\$528,521
16	Customer Credit Balance		\$18,955
17	Customer Deposits		\$124,194
18	Deferred Income Taxes		\$1,280,073
19	Investment Tax Credits		<u>\$14,819</u>
20	TOTAL SUBTRACT FROM NET PLANT		<u>\$1,966,562</u>
21	Total Rate Base		<u>\$5,323,601</u>

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Plant In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjust. Number	E Adjustments	F As Adjusted Plant	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	301.000	Organization	\$0	P-2	\$0	\$0	100.00%	\$0	\$0
3	302.000	Franchises and Consents	\$0	P-3	\$0	\$0	100.00%	\$0	\$0
4	303.000	Main GIS Project	\$59,805	P-4	\$0	\$59,805	100.00%	\$0	\$59,805
5		TOTAL INTANGIBLE PLANT	\$59,805		\$0	\$59,805		\$0	\$59,805
6		SOURCE OF SUPPLY PLANT							
7	310.000	Land and Land Rights - SSP	\$0	P-7	\$0	\$0	100.00%	\$0	\$0
8	311.000	Structures and Improvements - SSP	\$0	P-8	\$0	\$0	100.00%	\$0	\$0
9	312.000	Collecting & Impounding Reservoirs	\$0	P-9	\$0	\$0	100.00%	\$0	\$0
10	313.000	Lake, River and Other Intakes	\$0	P-10	\$0	\$0	100.00%	\$0	\$0
11	314.000	Wells and Springs	\$0	P-11	\$0	\$0	100.00%	\$0	\$0
12	315.000	Infiltration Galleries and Tunnels	\$0	P-12	\$0	\$0	100.00%	\$0	\$0
13	316.000	Supply Mains	\$0	P-13	\$0	\$0	100.00%	\$0	\$0
14	317.000	Other Water Source Plant	\$0	P-14	\$0	\$0	100.00%	\$0	\$0
15		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0	\$0		\$0	\$0
16		PUMPING PLANT							
17	320.000	Land and Land Rights - PP	\$0	P-17	\$0	\$0	100.00%	\$0	\$0
18	321.000	Structures and Improvements - PP	\$0	P-18	\$0	\$0	100.00%	\$0	\$0
19	322.000	Boiler Plant Equipment	\$0	P-19	\$0	\$0	100.00%	\$0	\$0
20	323.000	Other Power Production Equipment	\$0	P-20	\$0	\$0	100.00%	\$0	\$0
21	324.000	Steam Pumping Equipment	\$0	P-21	\$0	\$0	100.00%	\$0	\$0
22	325.000	Electric Pumping Equipment	\$0	P-22	\$0	\$0	100.00%	\$0	\$0
23	326.000	Diesel Pumping Equipment	\$0	P-23	\$0	\$0	100.00%	\$0	\$0
24	327.000	Hydraulic Pumping Equipment	\$0	P-24	\$0	\$0	100.00%	\$0	\$0
25	328.000	Other Pumping Equipment	\$0	P-25	\$0	\$0	100.00%	\$0	\$0
26		TOTAL PUMPING PLANT	\$0		\$0	\$0		\$0	\$0
27		WATER TREATMENT PLANT							
28	330.000	Land and Land Rights - WTP	\$0	P-28	\$0	\$0	100.00%	\$0	\$0
29	331.000	Structures and Improvements - WTP	\$0	P-29	\$0	\$0	100.00%	\$0	\$0
30	332.000	Water Treatment Equipment	\$0	P-30	\$0	\$0	100.00%	\$0	\$0
31		TOTAL WATER TREATMENT PLANT	\$0		\$0	\$0		\$0	\$0
32		TRANSMISSION & DIST. PLANT							
33	340.000	Land and Land Rights - TDP	\$107,560	P-33	\$0	\$107,560	100.00%	\$0	\$107,560
34	341.000	Structures and Improvements - TDP	\$0	P-34	\$0	\$0	100.00%	\$0	\$0
35	342.000	Distribution Reservoirs and Standpipes	\$2,752,295	P-35	\$0	\$2,752,295	100.00%	\$0	\$2,752,295
36	343.000	Transmission and Distribution Mains	\$5,550,651	P-36	-\$61,779	\$5,488,872	100.00%	\$0	\$5,488,872
37	343.100	Gateway Transmission Main	\$258,013	P-37	\$0	\$258,013	100.00%	\$0	\$258,013
38	344.000	Fire Mains	\$0	P-38	\$0	\$0	100.00%	\$0	\$0
39	345.000	Services	\$175,646	P-39	\$0	\$175,646	100.00%	\$0	\$175,646
40	346.100	Meters - Bronze Chamber	\$240,215	P-40	\$0	\$240,215	100.00%	\$0	\$240,215
41	346.200	Meters - Plastic Chamber	\$461,885	P-41	-\$443	\$461,442	100.00%	\$0	\$461,442
42	346.300	Meters - Ultrasonic	\$41,045	P-42	\$0	\$41,045	100.00%	\$0	\$41,045
43	347.000	Meter Installations	\$375,302	P-43	-\$7,948	\$367,354	100.00%	\$0	\$367,354
44	348.000	Hydrants	\$964,599	P-44	-\$26,898	\$937,701	100.00%	\$0	\$937,701
45	349.000	Other Transmission & Distribution Plant	\$0	P-45	\$0	\$0	100.00%	\$0	\$0
46		TOTAL TRANSMISSION & DIST. PLANT	\$10,927,211		-\$97,068	\$10,830,143		\$0	\$10,830,143
47		GENERAL PLANT							
48	389.000	Land and Land Rights - GP	\$3,531	P-48	\$0	\$3,531	100.00%	\$0	\$3,531
49	390.000	Structures and Improvements - GP	\$470,000	P-49	\$0	\$470,000	100.00%	\$0	\$470,000
50	391.000	Office Furniture and Equipment	\$37,075	P-50	\$0	\$37,075	100.00%	\$0	\$37,075
51	391.100	Office Electronic Equipment	\$110,862	P-51	\$7,437	\$118,299	100.00%	\$0	\$118,299
52	391.200	New Computer Systems	\$122,159	P-52	\$0	\$122,159	100.00%	\$0	\$122,159
53	392.000	Transportation Equipment	\$466,586	P-53	-\$10	\$466,576	100.00%	\$0	\$466,576
54	393.000	Stores Equipment	\$0	P-54	\$0	\$0	100.00%	\$0	\$0
55	394.000	Tools, Shop and Garage Equipment	\$156,503	P-55	\$0	\$156,503	100.00%	\$0	\$156,503
56	395.000	Laboratory Equipment	\$5,660	P-56	\$0	\$5,660	100.00%	\$0	\$5,660
57	396.000	Power Operated Equipment	\$379,635	P-57	\$83,198	\$462,833	100.00%	\$0	\$462,833
58	397.000	Communication Equipment	\$46,206	P-58	-\$6,069	\$40,137	100.00%	\$0	\$40,137

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Plant In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjust. Number	E Adjustments	F As Adjusted Plant	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
59	398.000	Miscellaneous Equipment	\$0	P-59	\$0	\$0	100.00%	\$0	\$0
60	399.000	Other Tangible Equipment	\$0	P-60	\$0	\$0	100.00%	\$0	\$0
61		TOTAL GENERAL PLANT	\$1,798,217		\$84,556	\$1,882,773		\$0	\$1,882,773
62		TOTAL PLANT IN SERVICE	\$12,785,233		-\$12,512	\$12,772,721		\$0	\$12,772,721

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Adjustments to Plant in Service

A Plant Adj. Number	B Plant In Service Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount	F Jurisdictional Adjustments	G Total Jurisdictional Adjustments
P-36	Transmission and Distribution Mains	343.000		-\$61,779		\$0
	1. To remove depreciation expense that was capitalized for transportation. (Harrison)		-\$17,316		\$0	
	2. To remove depreciation expense that was capitalized for backhoe. (Harrison)		-\$9,809		\$0	
	3. To correct plant balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$34,654		\$0	
	No Adjustmtnent		\$0		\$0	
P-41	Meters - Plastic Chamber	346.200		-\$443		\$0
	1. To correct plant balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$443		\$0	
	No Adjustment		\$0		\$0	
P-43	Meter Installations	347.000		-\$7,948		\$0
	1. To correct plant balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$7,948		\$0	
P-44	Hydrants	348.000		-\$26,898		\$0
	1. To correct plant balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$26,898		\$0	
P-51	Office Electronic Equipment	391.100		\$7,437		\$0
	1. To correct plant balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		\$7,437		\$0	

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Adjustments to Plant in Service

A Plant Adj. Number	B Plant In Service Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount	F Jurisdictional Adjustments	G Total Jurisdictional Adjustments
P-53	Transportation Equipment	392.000		-\$10		\$0
	1. To correct plant balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$10		\$0	
P-57	Power Operated Equipment	396.000		\$83,198		\$0
	1. To correct plant balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		\$83,198		\$0	
P-58	Communication Equipment	397.000		-\$6,069		\$0
	1. To correct plant balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$6,069		\$0	
Total Plant Adjustments				-\$12,512		\$0

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Depreciation Expense

Line Number	A Account Number	B Plant Account Description	C MO Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense	F Average Life	G Net Salvage
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0	0.00%	\$0	0	0.00%
3	302.000	Franchises and Consents	\$0	0.00%	\$0	0	0.00%
4	303.000	Main GIS Project	\$59,805	0.00%	\$0	0	0.00%
5		TOTAL INTANGIBLE PLANT	\$59,805		\$0		
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land and Land Rights - SSP	\$0	0.00%	\$0	0	0.00%
8	311.000	Structures and Improvements - SSP	\$0	0.00%	\$0	0	0.00%
9	312.000	Collecting & Impounding Reservoirs	\$0	0.00%	\$0	0	0.00%
10	313.000	Lake, River and Other Intakes	\$0	0.00%	\$0	0	0.00%
11	314.000	Wells and Springs	\$0	0.00%	\$0	0	0.00%
12	315.000	Infiltration Galleries and Tunnels	\$0	0.00%	\$0	0	0.00%
13	316.000	Supply Mains	\$0	0.00%	\$0	0	0.00%
14	317.000	Other Water Source Plant	\$0	0.00%	\$0	0	0.00%
15		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0		
16		PUMPING PLANT					
17	320.000	Land and Land Rights - PP	\$0	0.00%	\$0	0	0.00%
18	321.000	Structures and Improvements - PP	\$0	0.00%	\$0	0	0.00%
19	322.000	Boiler Plant Equipment	\$0	0.00%	\$0	0	0.00%
20	323.000	Other Power Production Equipment	\$0	0.00%	\$0	0	0.00%
21	324.000	Steam Pumping Equipment	\$0	0.00%	\$0	0	0.00%
22	325.000	Electric Pumping Equipment	\$0	0.00%	\$0	0	0.00%
23	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0	0	0.00%
24	327.000	Hydraulic Pumping Equipment	\$0	0.00%	\$0	0	0.00%
25	328.000	Other Pumping Equipment	\$0	0.00%	\$0	0	0.00%
26		TOTAL PUMPING PLANT	\$0		\$0		
27		WATER TREATMENT PLANT					
28	330.000	Land and Land Rights - WTP	\$0	0.00%	\$0	0	0.00%
29	331.000	Structures and Improvements - WTP	\$0	0.00%	\$0	0	0.00%
30	332.000	Water Treatment Equipment	\$0	0.00%	\$0	0	0.00%
31		TOTAL WATER TREATMENT PLANT	\$0		\$0		
32		TRANSMISSION & DIST. PLANT					
33	340.000	Land and Land Rights - TDP	\$107,560	0.00%	\$0	0	0.00%
34	341.000	Structures and Improvements - TDP	\$0	0.00%	\$0	0	0.00%
35	342.000	Distribution Reservoirs and Standpipes	\$2,752,295	2.50%	\$68,807	40	0.00%
36	343.000	Transmission and Distribution Mains	\$5,488,872	2.00%	\$109,777	50	0.00%
37	343.100	Gateway Transmission Main	\$258,013	0.00%	\$0	0	0.00%
38	344.000	Fire Mains	\$0	0.00%	\$0	0	0.00%
39	345.000	Services	\$175,646	2.50%	\$4,391	40	0.00%
40	346.100	Meters - Bronze Chamber	\$240,215	3.30%	\$7,927	27	10.00%
41	346.200	Meters - Plastic Chamber	\$461,442	10.00%	\$46,144	10	0.00%
42	346.300	Meters - Ultrasonic	\$41,045	5.00%	\$2,052	0	0.00%
43	347.000	Meter Installations	\$367,354	5.70%	\$20,939	18	0.00%
44	348.000	Hydrants	\$937,701	2.00%	\$18,754	48	5.00%
45	349.000	Other Transmission & Distribution Plant	\$0	0.00%	\$0	0	0.00%
46		TOTAL TRANSMISSION & DIST. PLANT	\$10,830,143		\$278,791		
47		GENERAL PLANT					
48	389.000	Land and Land Rights - GP	\$3,531	0.00%	\$0	0	0.00%
49	390.000	Structures and Improvements - GP	\$470,000	2.50%	\$11,750	40	0.00%

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Depreciation Expense

Line Number	A Account Number	B Plant Account Description	C MO Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense	F Average Life	G Net Salvage
50	391.000	Office Furniture and Equipment	\$37,075	0.00%	\$0	0	0.00%
51	391.100	Office Electronic Equipment	\$118,299	14.30%	\$16,917	7	0.00%
52	391.200	New Computer Systems	\$122,159	0.00%	\$0	0	0.00%
53	392.000	Transportation Equipment	\$466,576	7.80%	\$36,393	12	7.00%
54	393.000	Stores Equipment	\$0	0.00%	\$0	0	0.00%
55	394.000	Tools, Shop and Garage Equipment	\$156,503	5.00%	\$7,825	20	0.00%
56	395.000	Laboratory Equipment	\$5,660	5.00%	\$283	20	0.00%
57	396.000	Power Operated Equipment	\$462,833	6.70%	\$31,010	14	6.00%
58	397.000	Communication Equipment	\$40,137	6.70%	\$2,689	15	0.00%
59	398.000	Miscellaneous Equipment	\$0	0.00%	\$0	0	0.00%
60	399.000	Other Tangible Equipment	\$0	0.00%	\$0	0	0.00%
61		TOTAL GENERAL PLANT	\$1,882,773		\$106,867		
62		Total Depreciation	\$12,772,721		\$385,658		

Note: Average Life and Net Salvage columns are informational and have no impact on the entered Depreciation Rate.

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjust. Number	E Adjustments	F As Adjusted Reserve	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	301.000	Organization	\$0	R-2	\$0	\$0	100.00%	\$0	\$0
3	302.000	Franchises and Consents	\$0	R-3	\$0	\$0	100.00%	\$0	\$0
4	303.000	Main GIS Project	\$0	R-4	\$0	\$0	100.00%	\$0	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0	\$0		\$0	\$0
6		SOURCE OF SUPPLY PLANT							
7	310.000	Land and Land Rights - SSP	\$0	R-7	\$0	\$0	100.00%	\$0	\$0
8	311.000	Structures and Improvements - SSP	\$0	R-8	\$0	\$0	100.00%	\$0	\$0
9	312.000	Collecting & Impounding Reservoirs	\$0	R-9	\$0	\$0	100.00%	\$0	\$0
10	313.000	Lake, River and Other Intakes	\$0	R-10	\$0	\$0	100.00%	\$0	\$0
11	314.000	Wells and Springs	\$0	R-11	\$0	\$0	100.00%	\$0	\$0
12	315.000	Infiltration Galleries and Tunnels	\$0	R-12	\$0	\$0	100.00%	\$0	\$0
13	316.000	Supply Mains	\$0	R-13	\$0	\$0	100.00%	\$0	\$0
14	317.000	Other Water Source Plant	\$0	R-14	\$0	\$0	100.00%	\$0	\$0
15		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0	\$0		\$0	\$0
16		PUMPING PLANT							
17	320.000	Land and Land Rights - PP	\$0	R-17	\$0	\$0	100.00%	\$0	\$0
18	321.000	Structures and Improvements - PP	\$0	R-18	\$0	\$0	100.00%	\$0	\$0
19	322.000	Boiler Plant Equipment	\$0	R-19	\$0	\$0	100.00%	\$0	\$0
20	323.000	Other Power Production Equipment	\$0	R-20	\$0	\$0	100.00%	\$0	\$0
21	324.000	Steam Pumping Equipment	\$0	R-21	\$0	\$0	100.00%	\$0	\$0
22	325.000	Electric Pumping Equipment	\$0	R-22	\$0	\$0	100.00%	\$0	\$0
23	326.000	Diesel Pumping Equipment	\$0	R-23	\$0	\$0	100.00%	\$0	\$0
24	327.000	Hydraulic Pumping Equipment	\$0	R-24	\$0	\$0	100.00%	\$0	\$0
25	328.000	Other Pumping Equipment	\$0	R-25	\$0	\$0	100.00%	\$0	\$0
26		TOTAL PUMPING PLANT	\$0		\$0	\$0		\$0	\$0
27		WATER TREATMENT PLANT							
28	330.000	Land and Land Rights - WTP	\$0	R-28	\$0	\$0	100.00%	\$0	\$0
29	331.000	Structures and Improvements - WTP	\$0	R-29	\$0	\$0	100.00%	\$0	\$0
30	332.000	Water Treatment Equipment	\$0	R-30	\$0	\$0	100.00%	\$0	\$0
31		TOTAL WATER TREATMENT PLANT	\$0		\$0	\$0		\$0	\$0
32		TRANSMISSION & DIST. PLANT							
33	340.000	Land and Land Rights - TDP	\$0	R-33	\$0	\$0	100.00%	\$0	\$0
34	341.000	Structures and Improvements - TDP	\$0	R-34	\$0	\$0	100.00%	\$0	\$0
35	342.000	Distribution Reservoirs and Standpipes	\$1,541,560	R-35	-\$4,402	\$1,537,158	100.00%	\$0	\$1,537,158
36	343.000	Transmission and Distribution Mains	\$1,912,865	R-36	\$5,875	\$1,918,740	100.00%	\$0	\$1,918,740
37	343.100	Gateway Transmission Main	\$258,013	R-37	\$0	\$258,013	100.00%	\$0	\$258,013
38	344.000	Fire Mains	\$0	R-38	\$0	\$0	100.00%	\$0	\$0
39	345.000	Services	\$130,336	R-39	-\$143	\$130,193	100.00%	\$0	\$130,193
40	346.100	Meters - Bronze Chamber	\$182,140	R-40	-\$1,466	\$180,674	100.00%	\$0	\$180,674
41	346.200	Meters - Plastic Chamber	\$254,220	R-41	-\$14,205	\$240,015	100.00%	\$0	\$240,015
42	346.300	Meters - Ultrasonic	\$1,122	R-42	\$60	\$1,182	100.00%	\$0	\$1,182
43	347.000	Meter Installations	\$112,615	R-43	\$2,281	\$114,896	100.00%	\$0	\$114,896
44	348.000	Hydrants	\$354,179	R-44	\$3,003	\$357,182	100.00%	\$0	\$357,182
45	349.000	Other Transmission & Distribution Plant	\$0	R-45	\$0	\$0	100.00%	\$0	\$0
46		TOTAL TRANSMISSION & DIST. PLANT	\$4,747,050		-\$8,997	\$4,738,053		\$0	\$4,738,053
47		GENERAL PLANT							
48	389.000	Land and Land Rights - GP	\$0	R-48	\$0	\$0	100.00%	\$0	\$0
49	390.000	Structures and Improvements - GP	\$200,090	R-49	-\$673	\$199,417	100.00%	\$0	\$199,417
50	391.000	Office Furniture and Equipment	\$37,075	R-50	\$0	\$37,075	100.00%	\$0	\$37,075
51	391.100	Office Electronic Equipment	\$78,744	R-51	\$4,149	\$82,893	100.00%	\$0	\$82,893
52	391.200	New Computer Systems	\$122,159	R-52	\$0	\$122,159	100.00%	\$0	\$122,159
53	392.000	Transportation Equipment	\$159,998	R-53	-\$17,354	\$142,644	100.00%	\$0	\$142,644
54	393.000	Stores Equipment	\$0	R-54	\$0	\$0	100.00%	\$0	\$0
55	394.000	Tools, Shop and Garage Equipment	\$99,730	R-55	-\$2,454	\$97,276	100.00%	\$0	\$97,276
56	395.000	Laboratory Equipment	\$4,074	R-56	-\$91	\$3,983	100.00%	\$0	\$3,983
57	396.000	Power Operated Equipment	\$177,557	R-57	\$112,661	\$290,218	100.00%	\$0	\$290,218
58	397.000	Communication Equipment	\$35,041	R-58	-\$15,712	\$19,329	100.00%	\$0	\$19,329
59	398.000	Miscellaneous Equipment	\$0	R-59	\$0	\$0	100.00%	\$0	\$0

Raytown Water Company
 Case No. WR-2015-0246
 Test Year Ending 12-31-2014
 Update Period 7/16/2015, EMS Updated 8/13/2015
 Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjust. Number	E Adjustments	F As Adjusted Reserve	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
60	399.000	Other Tangible Equipment	\$0	R-60	\$0	\$0	100.00%	\$0	\$0
61		TOTAL GENERAL PLANT	\$914,468		\$80,526	\$994,994		\$0	\$994,994
62		TOTAL DEPRECIATION RESERVE	<u>\$5,661,518</u>		<u>\$71,529</u>	<u>\$5,733,047</u>		<u>\$0</u>	<u>\$5,733,047</u>

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Adjustments for Depreciation Reserve

A Reserve Adjustment Number	B Accumulated Depreciation Reserve Adjustments Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount	F Jurisdictional Adjustments	G Total Jurisdictional Adjustments
R-35	Distribution Reservoirs and Standpipes	342.000		-\$4,402		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$4,402		\$0	
R-36	Transmission and Distribution Mains	343.000		\$5,875		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		\$2,305		\$0	
	2. To remove repeated general ledger items from additions and retirements 2012 (Martin)		\$3,570		\$0	
R-39	Services	345.000		-\$143		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$143		\$0	
R-40	Meters - Bronze Chamber	346.100		-\$1,466		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$1,466		\$0	
R-41	Meters - Plastic Chamber	346.200		-\$14,205		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$13,811		\$0	
	2. To correct amounts for meter change out program in 2015 (Martin)		-\$394		\$0	
R-42	Meters - Ultrasonic	346.300		\$60		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		\$60		\$0	

Raytown Water Company
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Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Adjustments for Depreciation Reserve

A Reserve Adjustment Number	B Accumulated Depreciation Reserve Adjustments Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount	F Jurisdictional Adjustments	G Total Jurisdictional Adjustments
R-43	Meter Installations	347.000		\$2,281		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$1,047		\$0	
	2. To adjust deprecation reserve to correct depreciation expense for 2012 from 2.5% to 5.7%. (Martin)		\$3,328		\$0	
R-44	Hydrants	348.000		\$3,003		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		\$2,667		\$0	
	2. To remove COR amounts for hydrants in 2014 and 2015 not booked in Company's general ledger. (Martin)		\$336		\$0	
R-49	Structures and Improvements - GP	390.000		-\$673		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$673		\$0	
R-51	Office Electronic Equipment	391.100		\$4,149		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		\$4,149		\$0	
R-53	Transportation Equipment	392.000		-\$17,354		\$0
	1. To correct reserve balance for current case		-\$17,354		\$0	
R-55	Tools, Shop and Garage Equipment	394.000		-\$2,454		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$2,454		\$0	
R-56	Laboratory Equipment	395.000		-\$91		\$0

Raytown Water Company
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Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Adjustments for Depreciation Reserve

A Reserve Adjustment Number	B Accumulated Depreciation Reserve Adjustments Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount	F Jurisdictional Adjustments	G Total Jurisdictional Adjustments
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$91		\$0	
R-57	Power Operated Equipment	396.000		\$112,661		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		\$112,661		\$0	
R-58	Communication Equipment	397.000		-\$15,712		\$0
	1. To correct reserve balance for current case to tie to ending balance from last case & to include plant additions & retirements up through 7/15/2015 (Martin)		-\$15,712		\$0	
Total Reserve Adjustments				\$71,529		\$0

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Cash Working Capital

Line Number	A Description	B Test Year Adj. Expenses	C Revenue Lag	D Expense Lag	E Net Lag C - D	F Factor (Col E / 365)	G CWC Req B x F
1	OPERATION AND MAINT. EXPENSE						
2	Base Payroll	\$0	43.00	12.38	30.62	0.083890	\$0
3	Tax Withholding	\$0	43.00	365.00	-322.00	-0.882192	\$0
4	Pensions and Employee Benefits	\$0	43.00	39.35	3.65	0.010000	\$0
5	Electric	\$0	43.00	39.51	3.49	0.009562	\$0
6	Telephone	\$0	43.00	43.00	0.00	0.000000	\$0
7	Office Rents	\$0	43.00	43.00	0.00	0.000000	\$0
8	Intercompany Billing	\$0	0.00	0.00	0.00	0.000000	\$0
9	Uncollectible Accounts	\$0	0.00	0.00	0.00	0.000000	\$0
10	PSC Assessment	\$0	0.00	0.00	0.00	0.000000	\$0
11	Cash Vouchers	\$3,113,735	43.00	182.50	-139.50	-0.382192	\$0
12	TOTAL OPERATION AND MAINT. EXPENSE	\$3,113,735					\$0
13	TAXES						
14	FICA - Employer Portion	\$0	0.00	0.00	0.00	0.000000	\$0
15	Unemployment	\$0	0.00	0.00	0.00	0.000000	\$0
16	Property Tax	\$0	43.00	182.00	-139.00	-0.380822	\$0
17	Gross Receipts Tax	\$0	43.00	38.03	4.97	0.013616	\$0
18	Corporate Franchise	\$0	0.00	0.00	0.00	0.000000	\$0
19	Sales Tax	\$0	0.00	0.00	0.00	0.000000	\$0
20	Test Line	\$0	0.00	0.00	0.00	0.000000	\$0
21	TOTAL TAXES	\$0					\$0
22	CWC REQ'D BEFORE RATE BASE OFFSETS						\$0
23	TAX OFFSET FROM RATE BASE						
24	Federal Tax Offset	\$155,593	43.00	182.00	-139.00	-0.380822	\$0
25	State Tax Offset	\$25,322	43.00	182.00	-139.00	-0.380822	\$0
26	City Tax Offset	\$0	43.00	182.00	-139.00	-0.380822	\$0
27	Interest Expense Offset	\$30,132	43.00	182.00	-139.00	-0.380822	\$0
28	TOTAL OFFSET FROM RATE BASE	\$211,047					\$0
29	TOTAL CASH WORKING CAPITAL REQUIRED						\$0

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Income Statement

Line Number	A Category Description	B		C		D		E		G		H		I		J		
		Total Test Year	Test Year Labor	Test Year Non Labor	Adjustments	Total Company Adjusted	Jurisdictional Adjustments	MO Final (Adj) Jurisdictional	MO Juris. Labor	MO Juris. Non-Labor								
1	TOTAL OPERATING REVENUES	\$3,509,632	See Note (1)	See Note (1)	See Note (1)	\$3,509,632	\$118,860	\$3,628,512	See Note (1)	See Note (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	See Note (1)
2	TOTAL SOURCE OF SUPPLY EXPENSES	\$1,237,850	\$0	\$1,237,850	\$67,286	\$1,305,136	\$0	\$1,305,136	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,305,136
3	TOTAL PUMPING EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	TOTAL WATER TREATMENT EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	TOTAL TRANSMISSION & DIST. EXPENSES	\$408,633	\$141,506	\$267,127	-\$21,568	\$387,065	\$0	\$387,065	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$245,324
6	TOTAL CUSTOMER ACCOUNTS EXPENSE	\$294,466	\$251,284	\$43,182	-\$13,974	\$280,492	\$0	\$280,492	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,792
7	TOTAL CUSTOMER SERVICE EXPENSES	\$12,280	\$9,504	\$2,776	-\$348	\$11,932	\$0	\$11,932	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,412
8	TOTAL SALES PROMOTION EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL ADMIN. & GENERAL EXPENSES	\$886,868	\$202,265	\$684,603	\$67,100	\$953,968	\$0	\$953,968	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$751,368
10	TOTAL DEPRECIATION EXPENSE	\$323,238	See Note (1)	See Note (1)	See Note (1)	\$323,238	\$46,630	\$369,868	See Note (1)	See Note (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	See Note (1)
11	TOTAL AMORTIZATION EXPENSE	\$0	\$0	\$0	\$5,980	\$5,980	\$0	\$5,980	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,980
12	TOTAL OTHER OPERATING EXPENSE	\$16,814	\$0	\$16,814	-\$4,431	\$12,383	\$0	\$12,383	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,383
13	TOTAL TAXES OTHER THAN INCOME	\$171,099	\$0	\$171,099	\$4,043	\$175,142	\$0	\$175,142	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175,142
14	TOTAL OPERATING EXPENSE	\$3,351,248	\$604,559	\$2,423,451	\$104,088	\$3,455,336	\$46,630	\$3,501,966	\$605,218	\$605,218	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,526,880
15	NET INCOME BEFORE TAXES	\$156,384	\$0	\$0	\$0	\$54,296	\$72,250	\$126,546	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	TOTAL INCOME TAXES	\$38,953	See Note (1)	See Note (1)	See Note (1)	\$38,953	-\$31,787	\$7,166	See Note (1)	See Note (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	See Note (1)
17	TOTAL DEFERRED INCOME TAXES	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	\$25,733	\$25,733	See Note (1)	See Note (1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	See Note (1)
18	NET OPERATING INCOME	\$119,431	\$0	\$0	\$0	\$15,343	\$78,304	\$93,647	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1) Labor and Non Labor Detail not applicable to Revenue & Taxes

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	E Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) x J	L MO Adj. Juris. Labor L = M + K	M MO Adj. Non Labor M = K
Rev-1		OPERATING REVENUES											
Rev-2	461.100	Residential	\$2,758,186	See note (1)	See note (1)	Rev-2	See note (1)	\$2,758,186	100.00%	\$120,088	\$2,878,274	See note (1)	See note (1)
Rev-3	461.110	Commercial	\$378,488			Rev-3		\$378,488	100.00%	\$17,377	\$395,865		
Rev-4	0.000	Industrial	\$0			Rev-4		\$0	100.00%	\$0	\$0		
Rev-5	462.000	Private Fire Protection	\$14,506			Rev-5		\$14,506	100.00%	-\$1,478	\$13,028		
Rev-6	0.000	Public Fire Protection	\$0			Rev-6		\$0	100.00%	\$0	\$0		
Rev-7	0.000	Other Public Auth.	\$0			Rev-7		\$0	100.00%	\$0	\$0		
Rev-8	0.000	Sales for Resale	\$0			Rev-8		\$0	100.00%	\$0	\$0		
Rev-9	0.000	Other Water Revenue - Oper. Rev.	\$358,452			Rev-9		\$358,452	100.00%	-\$17,107	\$341,345		
Rev-10		TOTAL OPERATING REVENUES	\$3,509,632					\$3,509,632		\$116,880	\$3,626,512		
1		SOURCE OF SUPPLY EXPENSES											
2	600.000	Operation Supervision & Engineering	\$0	\$0	\$0	E-2	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
3	601.000	Operation Labor & Expenses	\$0	\$0	\$0	E-3	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
4	602.000	Purchased Water	\$1,237,850	\$1,237,850	\$0	E-4	\$67,286	\$1,305,136	100.00%	\$0	\$1,305,136	\$0	\$1,305,136
5		TOTAL SOURCE OF SUPPLY EXPENSES	\$1,237,850	\$1,237,850	\$0		\$67,286	\$1,305,136		\$0	\$1,305,136	\$0	\$1,305,136
6		PUMPING EXPENSES											
7		TOTAL PUMPING EXPENSES	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
8		WATER TREATMENT EXPENSES											
9		TOTAL WATER TREATMENT EXPENSES	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
10		TRANSMISSION & DIST. EXPENSES											
11	660.000	Operation Supervision & Engineering - T&D	\$71,767	\$9,670	\$0	E-11	\$103	\$71,870	100.00%	\$0	\$71,870	\$62,200	\$9,670
12	662.000	Transmission & Distribution Lines Expenses	\$6,002	\$1,626	\$0	E-12	\$1,016	\$7,018	100.00%	\$0	\$7,018	\$4,383	\$2,635
13	663.000	Motor Testing T & D	\$62	\$0	\$0	E-13	\$0	\$62	100.00%	\$0	\$62	\$0	\$0
14	664.000	Customer Installations Expenses - T & D	\$0	\$0	\$0	E-14	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
15	665.000	Miscellaneous Expenses - T & D	\$0	\$0	\$0	E-15	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
16	666.000	Rents - T & D	\$0	\$0	\$0	E-16	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
17	671.000	Maint. of Structures & Improvements - T & D	\$0	\$0	\$0	E-17	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
18	672.000	Maint. of Dist. Reservoirs & Standpipes - T & D	\$26,859	\$22,729	\$0	E-18	\$460	\$27,319	100.00%	\$0	\$27,319	\$4,137	\$23,182
19	673.000	Maint. of Transmission & Distribution Mains	\$285,066	\$218,941	\$0	E-19	-\$20,399	\$264,667	100.00%	\$0	\$264,667	\$66,235	\$198,432
20	675.000	Maintenance of Services - T & D	\$5,950	\$4,684	\$0	E-20	-\$502	\$5,448	100.00%	\$0	\$5,448	\$1,268	\$4,180
21	676.000	Maintenance of Meters - T & D	\$3,079	\$1,467	\$0	E-21	\$3	\$3,082	100.00%	\$0	\$3,082	\$1,615	\$1,467
22	677.000	Maintenance of Hydrants - T & D	\$9,848	\$8,010	\$0	E-22	-\$2,249	\$7,599	100.00%	\$0	\$7,599	\$1,841	\$5,758
23		TOTAL TRANSMISSION & DIST. EXPENSES	\$408,633	\$267,127	\$0		-\$21,588	\$387,065		\$0	\$387,065	\$141,741	\$245,324
24		CUSTOMER ACCOUNTS EXPENSE											
25	901.000	Supervision	\$0	\$0	\$0	E-25	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
26	902.000	Motor Reading Expenses	\$64,793	\$25,359	\$0	E-26	-\$891	\$63,902	100.00%	\$0	\$63,902	\$39,503	\$24,399
27	903.000	Customer Records & Collection Expenses	\$195,079	-\$16,767	\$351	E-27	\$351	\$195,430	100.00%	\$0	\$195,430	\$212,197	-\$16,767
28	904.000	Uncollectible Amounts	\$34,594	\$34,594	\$0	E-28	-\$13,434	\$21,160	100.00%	\$0	\$21,160	\$0	\$21,160
29	905.000	Misc. Customer Accounts Expense - CAE	\$0	\$0	\$0	E-29	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
30		TOTAL CUSTOMER ACCOUNTS EXPENSE	\$294,466	\$43,182	\$0		-\$13,974	\$280,492		\$0	\$280,492	\$251,700	\$28,792
31		CUSTOMER SERVICE EXPENSES											
32	907.000	Customer Services & Information Expense	\$12,280	\$2,776	\$0	E-32	-\$348	\$11,932	100.00%	\$0	\$11,932	\$9,520	\$2,412
33		TOTAL CUSTOMER SERVICE EXPENSES	\$12,280	\$2,776	\$0		-\$348	\$11,932		\$0	\$11,932	\$9,520	\$2,412

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	E Adjust Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final/Adj Jurisdictional (H+J)+J	L MO Adj. Juris. Labor L+M=K	M MO Adj. Juris. Non Labor
34	910.000	SALES PROMOTION EXPENSES	\$0	\$0	\$0	E-35	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
35	910.000	Sales Promotion Expenses	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
36		TOTAL SALES PROMOTION EXPENSES	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
37		ADMIN. & GENERAL EXPENSES											
38	920.000	Admin. & General Salaries	\$181,463	\$183,223	-\$21,760	E-38	-\$2,546	\$158,917	100.00%	\$0	\$158,917	\$183,527	-\$24,610
39	921.000	Office Supplies & Other Expenses	\$159,006	\$572	\$158,434	E-39	-\$4,764	\$154,242	100.00%	\$0	\$154,242	\$573	\$153,669
40	922.000	Admin. Expenses Transferred - Credit	-\$50,398	\$0	-\$50,398	E-40	\$0	-\$50,398	100.00%	\$0	-\$50,398	\$0	-\$50,398
41	923.000	Outside Services Employed	\$181,385	\$0	\$181,385	E-41	-\$11,184	\$170,201	100.00%	\$0	\$170,201	\$0	\$170,201
42	924.000	Property Insurance	\$31,051	\$0	\$31,051	E-42	\$429	\$31,480	100.00%	\$0	\$31,480	\$0	\$31,480
43	925.000	Injuries & Damages	\$73,297	\$0	\$73,297	E-43	-\$787	\$72,510	100.00%	\$0	\$72,510	\$0	\$72,510
44	926.000	Employee Pensions & Benefits	\$236,300	\$0	\$236,300	E-44	\$79,264	\$315,564	100.00%	\$0	\$315,564	\$0	\$315,564
45	928.000	Regulatory Commission Expenses	\$26,316	\$0	\$26,316	E-45	\$5,101	\$31,417	100.00%	\$0	\$31,417	\$0	\$31,417
46	929.000	Duplicate Charges - Credit	\$0	\$0	\$0	E-46	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
47	930.100	Institutional or Goodwill Advertising Expenses	\$3,299	\$0	\$3,299	E-47	\$0	\$3,299	100.00%	\$0	\$3,299	\$0	\$3,299
48	930.200	Miscellaneous General Expense	\$19,238	\$2,093	\$17,145	E-48	\$3	\$19,241	100.00%	\$0	\$19,241	\$2,096	\$17,145
49	930.300	Education Expense	\$9,300	\$6,044	\$3,256	E-49	\$2,474	\$11,774	100.00%	\$0	\$11,774	\$6,064	\$5,720
50	931.000	Rents	\$36,611	\$10,333	\$26,278	E-50	\$0	\$26,278	100.00%	\$0	\$26,278	\$0	\$26,278
51	932.000	Maintenance of General Plant	\$0	\$0	\$0	E-51	-\$890	\$0	100.00%	\$0	\$0	\$0	\$0
52	999.000	Vacation, Sick, Holiday Compl/Grievance & Workers Comp Pay	\$0	\$0	\$0	E-52	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
53		TOTAL ADMIN. & GENERAL EXPENSES	\$886,868	\$202,265	\$684,603		\$67,100	\$953,968		\$0	\$953,968	\$202,600	\$751,368
54		DEPRECIATION EXPENSE											
55	403.100	Depreciation Expense, Dep. Exp.	\$323,238	See note (1)	See note (1)	E-55	See note (1)	\$323,238	100.00%	\$62,420	\$385,658	See note (1)	See note (1)
56	403.200	CIAC - Depreciation Offset	\$0	\$0	\$0	E-56	\$0	\$0	100.00%	-\$15,790	-\$15,790	\$0	\$0
57		TOTAL DEPRECIATION EXPENSE	\$323,238	\$0	\$0		\$0	\$323,238		\$46,630	\$369,868	\$0	\$0
58		AMORTIZATION EXPENSE											
59	408.000	Plant-Main GIS Project	\$0	\$0	\$0	E-59	\$5,980	\$5,980	100.00%	\$0	\$5,980	\$0	\$5,980
60		TOTAL AMORTIZATION EXPENSE	\$0	\$0	\$0		\$5,980	\$5,980		\$0	\$5,980	\$0	\$5,980
61		OTHER OPERATING EXPENSES											
62	431.400	Interest on Customer Deposits	\$4,391	\$0	\$4,391	E-62	\$888	\$5,279	100.00%	\$0	\$5,279	\$0	\$5,279
63	431.300	Evanston House Expense	\$5,319	\$0	\$5,319	E-63	-\$5,319	\$0	100.00%	\$0	\$0	\$0	\$0
64	408.000	Missouri Franchise Taxes	\$40	\$0	\$40	E-64	\$0	\$40	100.00%	\$0	\$40	\$0	\$40
65	471.110	Sewer - Field Expense	\$2,684	\$0	\$2,684	E-65	\$0	\$2,684	100.00%	\$0	\$2,684	\$0	\$2,684
66	471.120	Sewer - Office Expense	\$2,622	\$0	\$2,622	E-66	\$0	\$2,622	100.00%	\$0	\$2,622	\$0	\$2,622
67	471.270	Trash Bag Expense	\$1,758	\$0	\$1,758	E-67	\$0	\$1,758	100.00%	\$0	\$1,758	\$0	\$1,758
68	403.000	EIERA Issuance Costs	\$0	\$0	\$0	E-68	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
69		TOTAL OTHER OPERATING EXPENSE	\$16,814	\$0	\$16,814		-\$4,431	\$12,383		\$0	\$12,383	\$0	\$12,383
70		TAXES OTHER THAN INCOME											
71	408.000	Property Taxes	\$114,953	\$0	\$114,953	E-71	\$4,386	\$119,339	100.00%	\$0	\$119,339	\$0	\$119,339
72	408.000	Payroll Taxes	\$56,146	\$0	\$56,146	E-72	-\$343	\$55,803	100.00%	\$0	\$55,803	-\$343	\$56,146
73		TOTAL TAXES OTHER THAN INCOME	\$171,099	\$0	\$171,099		\$4,043	\$175,142		\$0	\$175,142	-\$343	\$175,485
74		TOTAL OPERATING EXPENSE	\$3,351,248	\$604,659	\$2,746,589		\$104,088	\$3,455,356		\$46,630	\$3,501,986	\$605,218	\$2,896,768
75		NET INCOME BEFORE TAXES	\$158,384		\$158,384		\$72,250	\$126,546		\$0	\$126,546	\$0	\$126,546

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	E Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x J) + J	L MO Adj. Juris. Labor	M MO Adj. Juris. Non Labor
76		INCOME TAXES											
77	409.000	Current Income Taxes	\$38,953	See note (1)	See note (1)	E-77	See note (1)	\$38,953	100.00%	-\$31,787	\$7,166	See note (1)	See note (1)
78		TOTAL INCOME TAXES	\$38,953					\$38,953		-\$31,787	\$7,166		
79		DEFERRED INCOME TAXES											
80	0.000	Deferred Income Taxes - Def. Inc. Tax.	\$0	See note (1)	See note (1)	E-80	See note (1)	\$0	100.00%	\$25,733	\$25,733	See note (1)	See note (1)
81	0.000	Amortization of Deferred ITC	\$0			E-81		\$0	100.00%	\$0	\$0		
82		TOTAL DEFERRED INCOME TAXES	\$0					\$0		\$25,733	\$25,733		
83		NET OPERATING INCOME	\$119,431					\$15,343		\$78,304	\$93,647		

(1) Labor and Non Labor Detail not applicable to Revenue & Taxes

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Adjustments to Income Statement Detail

A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
Rev-2	Residential	461.100	\$0	\$0	\$0	\$0	\$120,088	\$120,088
	1. To Annualize Residential Revenue		\$0	\$0		\$0	\$120,088	
	To reconcile FeederA Rounding Error		\$0	\$0		\$0	\$0	
Rev-3	Commercial	461.110	\$0	\$0	\$0	\$0	\$17,377	\$17,377
	1. To Annualize Commercial Revenue		\$0	\$0		\$0	\$17,377	
	2. No Adjustment		\$0	\$0		\$0	\$0	
Rev-5	Private Fire Protection	462.000	\$0	\$0	\$0	\$0	-\$1,478	-\$1,478
	1. To annualize Private Fire Protection (Young)		\$0	\$0		\$0	-\$1,478	
Rev-9	Other Water Revenue - Oper. Rev.		\$0	\$0	\$0	\$0	-\$17,107	-\$17,107
	1. To Annualize Other Water Revenue - Oper. Rev.		\$0	\$0		\$0	-\$17,107	
E-4	Purchased Water	602.000	\$0	\$67,286	\$67,286	\$0	\$0	\$0
	1. To normalize Purchase Water Expense (Harrison)		\$0	\$67,286		\$0	\$0	
E-11	Operation Supervision & Engineering - T&D	660.000	\$103	\$0	\$103	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$103	\$0		\$0	\$0	
	No adjustment		\$0	\$0		\$0	\$0	
E-12	Transmission & Distribution Lines Expenses	662.000	\$7	\$1,009	\$1,016	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$7	\$0		\$0	\$0	
	2. To normalize lab fees (Molina)		\$0	\$1,009		\$0	\$0	
E-16	Maint. of Dist. Reservoirs & Standpipes - T & D	672.000	\$7	\$453	\$460	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$7	\$0		\$0	\$0	
	2. To include a normalized level of tower purchase power expense in cost of service (Young)		\$0	\$453		\$0	\$0	
E-10	Maint. of Transmission & Distribution Mains	673.000	\$110	-\$20,509	-\$20,399	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$110	\$0		\$0	\$0	
	2. To remove line locate expenses from test year (Harrison)		\$0	-\$10,863		\$0	\$0	
	3. To remove Google locating expenses from test year (Harrison)		\$0	-\$7,650		\$0	\$0	
	4. To remove line locate material & supplies expenses from test year (Harrison)		\$0	-\$2,046		\$0	\$0	
	5. To remove line locate & depreciation expense for transportation expenses from test year & COS (Harrison)		\$0	-\$28,288		\$0	\$0	

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Adjustments to Income Statement Detail

A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
	6. To remove depreciation expense for backhoe expenses from COS (Harrison)		\$0	-\$6,035		\$0	\$0	
	6. To remove line locate payroll overtime expenses from test year (Harrison)		\$0	-\$2,319		\$0	\$0	
	7. To include a normalized level of Line locate expense (Harrison)		\$0	\$41,206		\$0	\$0	
	8. To include a normalized level of expense for Vehicle & Equipment tracking (Harrison)		\$0	\$7,956		\$0	\$0	
	9. To normalize maintenance of mains expense (Harrison)		\$0	-\$23,677		\$0	\$0	
	10. To eliminate labor and material for in-house equipment maintenance (Harrison)		\$0	-\$4,247		\$0	\$0	
	11. To include normalized expense for out sourcing the maintenance of the specialized equipment (Harrison)		\$0	\$15,094		\$0	\$0	
	12. To include annualized level of storage lot rent to cost of service. (Harrison)		\$0	\$360		\$0	\$0	
E-20	Maintenance of Services - T & D	675.000	\$2	-\$504	-\$502	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$2	\$0		\$0	\$0	
	2. To include a normalized level of T&D maintenance (Harrison)		\$0	-\$504		\$0	\$0	
E-21	Maintenance of Meters - T & D	676.000	\$3	\$0	\$3	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$3	\$0		\$0	\$0	
E-22	Maintenance of Hydrants - T & D	677.000	\$3	-\$2,252	-\$2,249	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$3	\$0		\$0	\$0	
	2. To include a normalized level of maintenance of hydrants (Harrison)		\$0	-\$2,252		\$0	\$0	
E-26	Meter Reading Expenses	902.000	\$65	-\$956	-\$891	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$65	\$0		\$0	\$0	
	2. To include a normalized level of uniform expense (Harrison)		\$0	-\$956		\$0	\$0	
E-27	Customer Records & Collection Expenses	903.000	\$351	\$0	\$351	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$351	\$0		\$0	\$0	
E-28	Uncollectible Amounts	904.000	\$0	-\$13,434	-\$13,434	\$0	\$0	\$0
	1. To include a normalized level of bad debt in the cost of service. (Young)		\$0	-\$13,434		\$0	\$0	
E-32	Customer Services & Information Expense	907.000	\$16	-\$364	-\$348	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$16	\$0		\$0	\$0	

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Adjustments to Income Statement Detail

A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
	2. To include a normalized expense level of for safety equipment (Harrison)		\$0	-\$364		\$0	\$0	
E-38	Admin. & General Salaries	920.000	\$304	-\$2,850	-\$2,546	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$304	\$0		\$0	\$0	
	2. To eliminate board of director fees for two members, payroll is included in Staff annualized payroll (Harrison)		\$0	-\$3,800		\$0	\$0	
	3. To annualize board of director fees (Harrison)		\$0	\$750		\$0	\$0	
	No Adjustment		\$0	\$0		\$0	\$0	
E-39	Office Supplies & Other Expenses	921.000	\$1	-\$4,765	-\$4,764	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$1	\$0		\$0	\$0	
	2. To normalize communication expense (Molina)		\$0	\$745		\$0	\$0	
	3. To normalize kitchen and bathroom supplies (Molina)		\$0	-\$320		\$0	\$0	
	4. To normalize office supplies (Molina)		\$0	-\$2,625		\$0	\$0	
	5. To normalize office utilities (Molina)		\$0	-\$347		\$0	\$0	
	6. To normalize postage expense (Molina)		\$0	-\$521		\$0	\$0	
	7. To normalize lease office equipment (Molina)		\$0	-\$1,697		\$0	\$0	
E-41	Outside Services Employed	923.000	\$0	-\$11,184	-\$11,184	\$0	\$0	\$0
	1. To normalize outside service expense (Harrison)		\$0	-\$11,184		\$0	\$0	
E-42	Property Insurance	924.000	\$0	\$429	\$429	\$0	\$0	\$0
	1. To normalize property insurance payable expense (Young)		\$0	\$429		\$0	\$0	
E-43	Injuries & Damages	925.000	\$0	-\$787	-\$787	\$0	\$0	\$0
	1. To normalize insurance expense (Young)		\$0	-\$787		\$0	\$0	
E-44	Employee Pensions & Benefits	926.000	\$0	\$79,264	\$79,264	\$0	\$0	\$0
	1. To normalize medical dental expense (Molina)		\$0	\$82,555		\$0	\$0	
	2. To remove Christmas bonuses. (Harrison)		\$0	-\$3,291		\$0	\$0	
E-45	Regulatory Commission Expenses	928.000	\$0	\$5,101	\$5,101	\$0	\$0	\$0
	1. To include a normalized level of PSC Assessment (Harrison)		\$0	-\$726		\$0	\$0	
	2. To include a normalized level of rate case expense (Harrison)		\$0	\$5,827		\$0	\$0	
E-48	Miscellaneous General Expense	930.200	\$3	\$0	\$3	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$3	\$0		\$0	\$0	

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Adjustments to Income Statement Detail

A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
E-49	Education Expense	930.300	\$10	\$2,464	\$2,474	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$10	\$0		\$0	\$0	
	2. To normalize education expense (Molina)		\$0	\$2,464		\$0	\$0	
	3. To include a normalized level of board of directors expense. (Harrison)		\$0	\$0		\$0	\$0	
E-51	Maintenance of General Plant	932.000	\$17	-\$907	-\$890	\$0	\$0	\$0
	1. To include a normalized level of payroll (Molina)		\$17	\$0		\$0	\$0	
	2. To Included a normalized level for maintenance of general plant (Harrison)		\$0	-\$907		\$0	\$0	
E-55	Depreciation Expense, Dep. Exp.	403.100	\$0	\$0	\$0	\$0	\$62,420	\$62,420
	1. To Annualize Depreciation Expense		\$0	\$0		\$0	\$62,420	
E-56	CIAC - Depreciation Offset	403.200	\$0	\$0	\$0	\$0	-\$15,790	-\$15,790
	1. To include CIAC depreciation offset for test year. (Harrison)		\$0	\$0		\$0	-\$15,790	
E-59	Plant Main GIS Project	408.000	\$0	\$5,980	\$5,980	\$0	\$0	\$0
	1. To amortize the GIS Project over 10 years (Harrison)		\$0	\$5,980		\$0	\$0	
E-62	Interest on Customer Deposits	431.400	\$0	\$888	\$888	\$0	\$0	\$0
	1. To include an annualized level of customer deposit interest in the cost of service (Young)		\$0	\$888		\$0	\$0	
E-63	Evanston House Expense	431.300	\$0	-\$5,319	-\$5,319	\$0	\$0	\$0
	1. To remove evanston house expense from COS		\$0	-\$5,319		\$0	\$0	
E-71	Property Taxes	408.000	\$0	\$4,386	\$4,386	\$0	\$0	\$0
	1. To include a normalized level of property taxes in cost of service (Young)		\$0	\$4,386		\$0	\$0	
E-72	Payroll Taxes	408.000	-\$343	\$0	-\$343	\$0	\$0	\$0
	To normalize payroll taxes		-\$343	\$0		\$0	\$0	
E-77	Current Income Taxes	409.000	\$0	\$0	\$0	\$0	-\$31,787	-\$31,787
	1. To Annualize Current Income Taxes		\$0	\$0		\$0	-\$31,787	
E-80	Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0	\$0	\$0	\$25,733	\$25,733
	1. To Annualize Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0		\$0	\$25,733	
Total Operating Revenues			\$0	\$0	\$0	\$0	\$118,880	\$118,880

Raytown Water Company
 Case No. WR-2015-0246
 Test Year Ending 12-31-2014
 Update Period 7/15/2015, EMS Updated 8/13/2015
 Adjustments to Income Statement Detail

A	B	C	D	E	F	G	H	I
Income Adj. Number	Income Adjustment Description	Account Number	Company Adjustment Labor	Company Adjustment Non Labor	Company Adjustments Total	Jurisdictional Adjustment Labor	Jurisdictional Adjustment Non Labor	Jurisdictional Adjustments Total
	Total Operating & Maint. Expense		\$659	\$103,429	\$104,088	\$0	\$40,576	\$40,576

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 6.89% Return	E 6.89% Return	F 6.89% Return
1	TOTAL NET INCOME BEFORE TAXES		\$126,546	\$573,551	\$573,551	\$573,551
2	ADD TO NET INCOME BEFORE TAXES					
3	Book Depreciation Expense		\$369,868	\$369,868	\$369,868	\$369,868
4	CIAC		\$56,868	\$56,868	\$56,868	\$56,868
5	TOTAL ADD TO NET INCOME BEFORE TAXES		\$426,736	\$426,736	\$426,736	\$426,736
6	SUBT. FROM NET INC. BEFORE TAXES					
7	Interest Expense calculated at the Rate of	0.5660%	\$30,132	\$30,132	\$30,132	\$30,132
8	Tax Straight-Line Depreciation		\$369,868	\$369,868	\$369,868	\$369,868
9	Excess Tax Depreciation		\$117,339	\$117,339	\$117,339	\$117,339
10	TOTAL SUBT. FROM NET INC. BEFORE TAXES		\$517,339	\$517,339	\$517,339	\$517,339
11	NET TAXABLE INCOME		\$35,943	\$482,948	\$482,948	\$482,948
12	PROVISION FOR FED. INCOME TAX					
13	Net Taxable Inc. - Fed. Inc. Tax		\$35,943	\$482,948	\$482,948	\$482,948
14	Deduct Missouri Income Tax at the Rate of	100.000%	\$2,088	\$25,322	\$25,322	\$25,322
15	Deduct City Inc Tax - Fed. Inc. Tax		\$0	\$0	\$0	\$0
16	Federal Taxable Income - Fed. Inc. Tax		\$33,855	\$457,626	\$457,626	\$457,626
17	Federal Income Tax at the Rate of	See Tax Table	\$5,078	\$155,593	\$155,593	\$155,593
18	Subtract Federal Income Tax Credits					
19	Credits - Solar		\$0	\$0	\$0	\$0
20	Net Federal Income Tax		\$5,078	\$155,593	\$155,593	\$155,593
21	PROVISION FOR MO. INCOME TAX					
22	Net Taxable Income - MO. Inc. Tax		\$35,943	\$482,948	\$482,948	\$482,948
23	Deduct Federal Income Tax at the Rate of	50.000%	\$2,539	\$77,797	\$77,797	\$77,797
24	Deduct City Income Tax - MO. Inc. Tax		\$0	\$0	\$0	\$0
25	Missouri Taxable Income - MO. Inc. Tax		\$33,404	\$405,151	\$405,151	\$405,151
26	Subtract Missouri Income Tax Credits					
27	Test MO State Credit		\$0	\$0	\$0	\$0
28	Missouri Income Tax at the Rate of	6.250%	\$2,088	\$25,322	\$25,322	\$25,322
29	PROVISION FOR CITY INCOME TAX					
30	Net Taxable Income - City Inc. Tax		\$35,943	\$482,948	\$482,948	\$482,948
31	Deduct Federal Income Tax - City Inc. Tax		\$5,078	\$155,593	\$155,593	\$155,593
32	Deduct Missouri Income Tax - City Inc. Tax		\$2,088	\$25,322	\$25,322	\$25,322
33	City Taxable Income		\$28,777	\$302,033	\$302,033	\$302,033
34	Subtract City Income Tax Credits					
35	Test City Credit		\$0	\$0	\$0	\$0
36	City Income Tax at the Rate of	0.000%	\$0	\$0	\$0	\$0
37	SUMMARY OF CURRENT INCOME TAX					
38	Federal Income Tax		\$5,078	\$155,593	\$155,593	\$155,593
39	State Income Tax		\$2,088	\$25,322	\$25,322	\$25,322
40	City Income Tax		\$0	\$0	\$0	\$0
41	TOTAL SUMMARY OF CURRENT INCOME TAX		\$7,166	\$180,915	\$180,915	\$180,915
42	DEFERRED INCOME TAXES					
43	Deferred Income Taxes - Def. Inc. Tax.		\$25,733	\$25,733	\$25,733	\$25,733
44	Amortization of Deferred ITC		\$0	\$0	\$0	\$0
45	TOTAL DEFERRED INCOME TAXES		\$25,733	\$25,733	\$25,733	\$25,733
46	TOTAL INCOME TAX		\$32,899	\$206,648	\$206,648	\$206,648

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 6.89% Return	E 6.89% Return	F 6.89% Return
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Federal Tax Table						
Federal Taxable Income			\$33,855	\$457,626	\$457,626	\$457,626
15% on first \$50,000			\$5,078	\$7,500	\$7,500	\$7,500
25% on next \$25,000			\$0	\$6,250	\$6,250	\$6,250
34% > \$75,000 < \$100,001			\$0	\$8,500	\$8,500	\$8,500
39% > \$100,000 < \$335,001			\$0	\$91,650	\$91,650	\$91,650
34% > \$335,000 < \$10,000,001			\$0	\$41,693	\$41,693	\$41,693
35% > \$10MM < \$15,000,001			\$0	\$0	\$0	\$0
38% > \$15MM < \$18,333,334			\$0	\$0	\$0	\$0
35% > \$18,333,333			\$0	\$0	\$0	\$0
Total Federal Income Taxes			\$5,078	\$155,593	\$155,593	\$155,593

Raytown Water Company
Case No. WR-2015-0246
Test Year Ending 12-31-2014
Update Period 7/15/2015, EMS Updated 8/13/2015
Capital Structure Schedule

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital 7.70%	F Weighted Cost of Capital 7.70%	G Weighted Cost of Capital 7.70%
1	Common Stock	\$5,064,334	82.16%		6.326%	6.326%	6.326%
2	Other Security Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
4	Long Term Debt	\$1,099,830	17.84%	3.17%	0.566%	0.566%	0.566%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
6	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
7	TOTAL CAPITALIZATION	\$6,164,164	100.00%		6.892%	6.892%	6.892%
8	PreTax Cost of Capital				10.681%	10.681%	10.681%

Agreement Attachment C

Rate Base Worksheet

WR-2015-0246
Raytown Water Company
Rate Base Worksheet
Source: WR-2015-0246 EMS-7-20-2015

Raytown Water Company
Rate Base Schedule - Water

1	Plant in Service	\$12,772,721
2	Accumulated Depreciation Reserve	<u>(\$5,733,047)</u>
3	Net Plant in Service	\$7,039,674
4	Other Rate Base Items:	
	Add to net Plant in Service:	
	CIAC Amortization	\$119,597
	Materials & Supplies	\$66,434
	Prepayments	<u>\$64,458</u>
	Total Add to net Plant in Service	\$250,489
	Subtract from net Plant in Service:	
	Contribution in Aid of Construction	(\$528,521)
	Customer Credit Balance	(\$18,955)
	Customer Deposits	(\$124,194)
	Deferred Income Taxes	(\$1,280,073)
	Investment Tax Credits	<u>(\$14,819)</u>
	Total Subtract from net Plant in Service	(\$1,966,562)
	Total Rate Base	<u><u>\$5,323,601</u></u>

Agreement Attachment D

Schedule of Depreciation Rates

RAYTOWN WATER COMPANY

Attachment G - Schedule of Depreciation Rates (WATER) Date prepared 6/15/2015

WR-2015-0246

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
303	Misc. Intangible Plant	0.0%	NA	NA
340	Land and Land Rights	0.0%	NA	NA
342	Distribution Reservoirs & Standpipes	2.5%	40	0%
343	Transmission & Distribution Mains	2.0%	50	0%
343.1	Gateway Transmission Project	0.0%	Fully Amortized	0%
345	Services	2.5%	40	0%
346.1	Meters, Bronze	3.3%	27	10%
346.2	Meters, Plastic	10.0%	10	0%
346.3	Meters, Ultrasonic	5.0%	20	0%
347	Meter Installations	5.7%	17.5	0%
348	Hydrants	2.0%	48	5%
389	Land and Land Rights	0.0%	NA	NA
390	Structures & Improvements	2.5%	40	0%
391	Office Furniture & Equipment	0.0%	Fully Accrued	0%
391.1	Office Electronic Equipment	14.3%	7	0%
391.2	Computer System Upgrade	0.0%	Fully Amortized	0%
392	Transportation Equipment	7.8%	12	7%
394	Tools, Shop, Garage Equipment	5.0%	20	0%
395	Laboratory Equipment	5.0%	20	0%
396	Power Operated Equipment	6.7%	14	6%
397	Communication Equipment	6.7%	15	0%

Agreement Attachment E

Example Tariff Sheets

The Raytown Water Company
Name of Issuing Company

For: Raytown, MO & Territory Adjacent Thereto
Certificated Service Area

Rules Governing Rendering of Water Service

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*Indicates New Rate or Text

+Indicates Changed Rate or Text

Issue Date: September 3, 2015
Month/Day/Year

Effective Date: October 23, 2015
Month/Day/Year

Issued By: Neal Clevenger, President
Name & Title of Issuing Officer

9820 E. 63rd Street, Raytown, MO 64133
Company Mailing Address

Name of Utility: The Raytown Water Company

For: Raytown MO & Territory Adjacent Thereto

Rules Governing
Rendering of Water Service

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- * Indicates new rate or text
- + Indicate change

DATE OF ISSUE September 3, 2015
Month Day Year

DATE EFFECTIVE October 23, 2015
Month Day Year

ISSUED BY Neal Clevenger, President
name or officer title

9820 E. 63rd Street, Raytown, MO 64133
address

Name of Utility: The Raytown Water Company

For: Raytown MO & Territory Adjacent Thereto
Certified Service Area

Rules Governing
Governing Rendering of Water Service

SCHEDULE OF RATES

Rules and Regulations: The Rules and Regulations set forth in this Tariff shall cover the supply of service under this rate.

Availability: Any metered customer located in the Company's service territory.

Water Rates: There shall be a monthly minimum charge on the size of the water meters as follows:*

Meter Size	Charge	Meter Size	Charge
5/8"	\$11.31	2.0"	\$53.88
1.0"	\$20.53	3.0"	\$96.30
1.5"	\$35.67	4.0"	\$156.88

There shall be a metered usage charge applied on a monthly basis, and billed by the Company on a monthly basis of \$7.11 per 1,000 gallons. ""

+Bulk Water Service Rate:

Bulk Water sales shall be at the rate of \$0.25 per 33.4 gallons. *

Payment Terms: Bills are due and payable within twenty-one (21) days after rendition of the bill. Online payment thru OPAY: third party fee assessed by and paid directly to OPAY

* Indicates new rate or text

+ Indicates change

DATE OF ISSUE September 3, 2015
Month Day Year

DATE EFFECTIVE October 23, 2015
Month Day Year

ISSUED BY Neal Clevenger, President
name or officer title

9820 E. 63rd Street, Raytown, MO 64133
address

The Raytown Water Company
Name of Issuing Company

For: Raytown, MO & Territory Adjacent Thereto
Certificated Service Area

**Rules Governing
Rendering of Water Service**

Private Fire Service Charges

Applicability: These rates are for fire hydrants and fire protection systems installed on private property.

Construction Provision: Expense of installation will be borne by the customer. A detector meter of Missouri Department of Natural Resources approved make and size must be incorporated in each fire protection system.

Contract Term and Billing: All bills under this schedule will be rendered monthly.

Rate Table

Fire Hydrants

For each hydrant installed \$186.06 annually

Automatic Sprinkler System

Rates

+

<u>Tap Size</u>	<u>Annual Charge</u>
2.0" or less	\$24.79
4.0"	\$98.63
6.0"	\$207.78
8.0"	\$373.99
10.0"	\$631.28

Payment Terms: Bills are due and payable within twenty-one (21) days after remittance.

Special Provisions

- Private fire protection hydrants and systems are to be used solely for the extinguishment of fires or for fire drills.
- No connections for water service for uses other than fire protection shall be made to any private fire protection system.
- The addition of any hydrants, sprinkler heads or other outlets shall be reported immediately to the Company.

*Indicates New Rate or Text

+Indicates Changed Rate or Text

Issue Date: September 3, 2015
Month/Day/Year

Effective Date: October 23, 2015
Month/Day/Year

Issued By: Neal Clevenger, President
Name & Title of Issuing Officer

9820 E. 63rd Street, Raytown, MO 64133
Company Mailing Address

The Raytown Water Company
Name of Issuing Company

For: Raytown, MO & Territory Adjacent Thereto
Certificated Service Area

Rules Governing Rendering of Water Service

Schedule of Service Charges

Contractor Fire Hydrant Meter Rental: Contractors may rent a hydrant meter for use in construction. This meter may only be installed/uninstalled by Company personnel.

An application for service must be completed and a security deposit of the actual cost of a replacement meter must be paid in advance. Billing will include a minimum charge of \$25.00 plus water usage, based on the rate on file with the Missouri Public Service Commission, which will be deducted from the deposit and a final billing or refund will be issued upon return of the meter.

Discontinuance of Service for Non-payment of Bill, Bad Check or Non Compliance with Cross Connection/Backflow Prevention

1. Collection Administrative Fee Chargeable on accounts which payment is received after the specified disconnect date and time but service has not yet been disconnected \$15.00
2. Door Note charge \$20.00
3. Disconnect turn-off charge (meter still installed) \$25.00
4. Reconnect turn-on charge (meter still installed) \$25.00 (During regular restoration hours)
5. A Reconnect turn-on charge of \$40.00 will be charged where the customer has requested the reconnection be made during times other than regular working hours Payment must be received in the Company's office by 3:30 pm to ensure timely dispatch during regular working hours. A customer will be told the level of the charge in advance of the reconnect.

If the customer or representative is not present, the Company will leave a Customer Notice advising that company representative attempted to turn on water service, however, the meter showed water was running inside the property and no-one was present to remedy the problem. \$25.00 will be assessed for each additional restoration trip during normal business hours and \$40.00 will be assessed for each additional restoration trip after business hours. *

IF METER REQUIRES REINSTALLATION – AN ADDITIONAL FEE MAY APPLY. SEE METER REINSTALL FEE SCHEDULE.

*Indicates New Rate or Text

+Indicates Changed Rate or Text

Issue Date: September 3, 2015
Month/Day/Year

Effective Date: October 23, 2015
Month/Day/Year

Issued By: Neal Clevenger, President
Name & Title of Issuing Officer

9820 E. 63rd Street, Raytown, MO 64133
Company Mailing Address

The Raytown Water Company
Name of Issuing Company

For: Raytown, MO & Territory Adjacent Thereto
Certificated Service Area

Rules Governing Rendering of Water Service

Emergency Call Out Charge: An Emergency Call Out Charge of \$25.00 per occurrence during regular hours (weekdays 7:00 am-4:00 pm, excluding holidays) or of \$40.00 per occurrence during all other times, will be assessed where a customer requests a shut-off of service and the emergency exists entirely on the customer owned facilities or customer requests “no water investigation” and result is due to customer service line breakage or frozen meter. Repairs may incur additional costs by customer.

Reasonable additional labor costs, which can be directly attributed to the emergency, will be charged after the 1st hour as follows:

- $\frac{3}{4}$ During regular business hours \$20.00/hr per person Minimum 1 hr increments
- $\frac{3}{4}$ After regular business hours \$30.00/hr per person Minimum 1 hr increments

Meter Testing Charge: There will be a charge of \$20.00 for each meter test that a customer requests, for any test that is over one per any twelve (12) month period. [See Rule 8 on Sheet No. 28]. Should the customer request the meter testing be performed outside the Company, the actual cost of the independent test will be borne by the customer.

+ Temporary Water Service Charge: If a customer requires the use of a metered jumper to obtain temporary water service when interruption is not a result of Company maintenance, the Customer will complete a Metered Jumper Rental Agreement and pay a security deposit for the equipment in the sum of the actual cost of the Jumper. A one time charge of \$25.00 and the actual usage at the current rate set by the Missouri Public Service Commission will be deducted from the security deposit and the remainder billed or refunded to customer.

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Issued By: Neal Clevenger, President
Name & Title of Issuing Officer

9820 E. 63rd Street, Raytown, MO 64133
Company Mailing Address

The Raytown Water Company
Name of Issuing Company

For: Raytown, MO & Territory Adjacent Thereto
Certificated Service Area

Rules Governing Rendering of Water Service

Rule 1: Definitions *

- A.** An **Applicant** is a person, firm, corporation, governmental body, or other entity which has applied for service; two or more APPLICANTS may make one application for a main extension.*
- B. Billing Period:** Normal usage period of not less than twenty-six (26) nor more than thirty-five (35) days for a monthly billed customer nor more than one hundred (100) days for a quarterly billed customer, except for initial, corrected or final bills.
- C. Budget Billing Plan:** Allows customers to be billed a set amount in each billing cycle.
- D. City:** Jurisdiction in which the service address is governed by, either the City of Raytown, Independence or Kansas City.
- E. Commercial:** Commercial customers shall mean those whose use of water is of a non-residential, non-manufacturing and non-mining character.
- F. Company:** Raytown Water Company, acting through its officers, managers, or other duly authorized employees or agents.*
- G. Company Property:** All belongings and possessions owned by the Company, including but not limited to: water meter, meter box, valves and fittings, service connection from meter setting to the Company water main in addition to all real property titled in Company name.
- H. Cross Connection:** Any connection or structural arrangement between the Company's public water supply and any source or system through which back flow can occur. Bypass arrangements, jumper connections, removable sections, swivel or changeover devices and other temporary or permanent devices through which backflow can occur are considered cross connections.
- I. Curb Stop:** is a valve on the Service Connection, located at or near the Customer's property line, and used to shut off water service to the premises. The Curb Stop is owned and maintained by the Company.*
- J. Customer:** Any adult individual, firm, partnership or entity receiving water service from Raytown Water Company.
- K.** The **Date Of Connection** shall be the date of the permit for installation and connection issued by the Company. In the event no permit is taken and a connection is made, the date of connection shall be based on available information such as construction/occupancy permits, electric service turn-on date, or may be the date of commencement of construction of the building upon the property.*

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- L. Discontinuance Of Service:** is the intentional cessation of service by the Company not requested by the Customer.*
- M. Delinquent Charge:** A charge remaining unpaid after twenty-one (21) days from the rendition of a bill for a monthly billed customer.
- N. Delinquent Date:** The day after the date stated on a bill when the charge is considered due and payable.
- O. Domestic use:** That portion of metered water service, which an individual purchaser uses for non-business, noncommercial or non-industrial purposes.
- P. Electronic Bill (E-bill):** A billing notification delivered to an electronic address selected by the customer that can be viewed on a computer screen. All electronic bills or notices will begin with an email to the customer at an address of their choosing.
- Q. Individual Premises:** A single dwelling unit, whether in an apartment or condominium or other multiple-family building, or in the case of commercial or business premises, office or suite of offices.
- R. Industrial:** Customers whose use of water changes raw or unfinished materials into other forms of products such as: the production of ordinance and accessories; food and kindred products; tobacco products; textile mill products; printing, publishing and allied products, chemicals and allied products; petroleum and coal products; rubber products; leather and leather products; stone, clay and glass products; primary metals; fabricated metal products; machinery; electrical machinery, equipment and supplies; transportation equipment; instruments; miscellaneous manufactured products, coal, oil, gas, electric power and ice; mining and quarrying; establishments engaged in the overhaul and repair of transportation and other equipment; and other similar establishments.
- S. Landlord:** The owner of a house, apartment, condominium, or real estate which is rented or leased to an individual or business.
- T. Late Payment Charge:** An assessment on a delinquent charge in accordance with a utility tariff on file with the commission and in addition to the delinquent charge.
- U. Living Unit:** A dwelling for use by one family.
- V. Meter:** A device, owned by the Company, used to measure and record the quantity of water that flows through the service line, and is installed in the outdoor meter setting, or inside the Customer's building where the water service line enters through a foundation wall.*

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- W. Meter Setting:** Includes the meter box, meter yoke, lid and appurtenances, all of which shall be owned and maintained by the Company.
- X. Payment Extension:** A verbal agreement between the utility and the customer extending the due date of payment for fifteen (15) days or less.
- Y. Point of Delivery:** The point of delivery shall be the Company's meter outlet or the connection of Company's piping to customers piping, whichever is further downstream.
- Z. Premises:** That separate walled portion of any building undivided by any common area, or that separate portion of a single contiguous tract of tank (including all improvements thereon) undivided by any way for use by the public, as designated by customer(s) in the application.
- AA. Residential Service:** Use of water is for non-commercial or non-industrial purpose.
- BB. Returned Check:** Any check returned from the bank unpaid
- CC. Service Connection:** is the pipeline connecting the main to the Customer's water service line and includes the curb stop, or outdoor meter setting and all necessary appurtenances located at or near the property line. This service connection shall be owned and maintained by the Company. If the property line is in a street, and if the curb stop or meter setting is not located near the edge of the street abutting the Customer's property, the said service connection shall be deemed to end at the edge of the street abutting the Customer's property.
- DD. Tenant:** Someone who pays rent to use land or a building or a car that is owned by someone else;
- EE. Termination of service/termination:** A cessation of service requested by a customer.
- FF. Turn-Off** is the act of turning water service off by physically turning a valve such that water is unavailable to a Customer's premises.*
- GG. Turn-On** is the act of turning water service on by physically turning a valve to allow water to be available to a Customer's premises.*

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- HH. Water Main:** A pipeline which is owned and maintained by the company, located on public property or private easements, and used to transport water throughout the company's service area.
- II. Water Service Line:** A pipe with appurtenances installed, owned and maintained by the customer, used to conduct water to the customer's unit from the property line or outdoor meter setting, including connection to the meter setting. If the property line is in a street, then the water service line shall be deemed to begin at the edge of the street abutting the customer's property.

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Rules Governing Rendering of Water Service

Rule 2: Application for Service

- A. Service connection will be made, and water will be furnished upon written application by the prospective customer(s).
- B. Application is subject to review for past due balance incurred by the customer within the Company's service area. Any past due and/or unpaid balance and all associated collection fees will need to be paid in full in the form of certified funds prior to new water service being turned on.
- C. The application for service shall state clearly the class, scope, and type of use to be made of the service as well as the purpose for which it will be used. New Service connections cannot be completed until a main is directly adjacent to or on the other side of the street of the property to be served by a line perpendicular from the point on the main to a point on the building. If an available water main does not exist, then Rule 17, Extension of Water Mains shall apply.
- D. The application and these rules and regulations constitute the contract between the customer and the Company; and each customer by accepting of water, agrees to be bound thereby. Rates applicable to customers under the tariff provision and may change periodically, subject to approval.

A new application must be made to, and approved by, the Company upon any change in the identity of the contracting customer at a property or in the service as described in the application.

But if a customer is taking service and has not completed a proper application for water service, then the Company may, upon proper notice as provided by these rules, discontinue water service until such new and proper application has been made and approved.

- E. Customer service shall be provided and paid for by the customer for a term of not less than one day, except in the case of contracts accompanying a petition for an extension of water main pipeline, in which case contracts for a term of two years must accompany the petition.
- F. Customers supplied with water by the Company will not be permitted to use water for any other purpose than as stated in the contract/application
- G. The point of delivery of water service shall be at the connection of the Customer's service line to the Company's service connection.*

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- H.** Each meter installed on a separate service line shall be considered as a separate customer and shall be billed as a separate customer, unless such additional meter installation is required by the Company for its own convenience in measuring the amount taken, and shall be subject to the provisions of this Rule in its entirety.
- I.** Where water is currently being supplied to several parties in apartments, offices or stores, all located in a single building and supplied through one service, the Company will contract with only one party for the supply and that party shall be responsible to the Company for the payment of the water bills.

*[This is for existing service only. All new construction/service must be on separate service and meters to each living unit.]

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- H. Each Customer posting a security deposit shall receive in writing at the time of deposit or with the first bill, a receipt as evidence thereof, unless the Company shows the existence or non-existence of a deposit on the Customer's bill, in which event the receipt shall not be required unless requested by the Customer. The receipt shall contain the following minimum information:
 - 1. Name of Customer
 - 2. Date of Payment
 - 3. Amount of Payment
 - 4. Identifiable name, signature, and title of the Company employee receiving payment.
 - 5. Statement of the terms and conditions governing the payment, retention and return of the deposits.
- I. The Company may not refuse to return a Customer's deposit for failure to present the original receipt as long as the Customer can prove their identity. +
- J. The Company shall provide means whereby a Customer, required to make deposit may pay such deposit in installments unless the Company can show likelihood that the Customer does not intend to pay for such service. 4 CSR 240-13.030(4)(1). +
- K. In lieu of a security deposit required by these rules, the Company may accept the written guarantee of a responsible 3rd party as surety for a Customer service account. A guarantee accepted by the Company is subject to the following terms and conditions: +
 - 1. It shall be in writing and shall state the terms of guarantee and the maximum amount guaranteed. The Company shall not hold the guarantor liable for sums in excess of the maximum amount of the required cash deposit unless the guarantor consents thereto in a separate written instrument.
 - 2. Credit shall be established for the Customer and the guarantor shall be released upon satisfactory payment by the Customer of all proper charges for the utility service for a period of twelve (12) successive months. Payment of a charge is satisfactory if received prior to the date upon which the charge becomes delinquent provided it is not in dispute. Payment of a disputed bill shall be satisfactory if made within ten (10) days of resolution or withdrawal of the dispute. +

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ISSUED BY Neal Clevenger, President 9820 E. 63rd Street, Raytown, MO 641 33
name of officer title address

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Rules Governing Rendering of Water Service

Rule 5: Service Connections and Taps

- A.** Each customer and/or living unit shall be supplied through a separate service line and will complete an application for service. Such applications must be filed on standard forms stating name, house number, and other information necessary to designate the permanent location of premises to be served, name of applicant, name of owner, and size of service pipe.
- B.** All new service lines shall be installed according to Company and city specifications. The Company makes taps and constructs service connections after proper application for service by customers or their authorized agents and all fees are paid. Taps are made and service connections constructed by the Company in consideration of payment of the connection fee by applicant. The Company will place the meter box/pit just inside the property line, and shall remain accessible to the Company at all times.
- C.** Only the Company or its authorized agents may tap the water main and construct service connections.
- D.** When application for service is made to the Company, the customer/contractor is responsible for any payment of all necessary plumbing and excavation permits from any city, county and Company, or other authority having jurisdiction over such work. The Company shall be given at least three (3) business days' notice in advance of the time a tap is to be made and an application fee for new service must be paid in advance at the office. Material and vault expenses for 1" and larger taps will need to be paid accordingly and will be charged to customer at current market price. Fees for service taps for residential and small Commercial customers are as specified in the Schedule of Service Charges. Larger size service taps will be made by the Company at actual cost.
- E.** All tap fees plus any additional applicable costs must be paid in advance, prior to tap and connection. Upon receipt of payment, Company shall initiate the MO one call Dig-rite Ticket to have proper marking completed.
- F.** Water service lines must be laid in a trench separate from a service sewer trench. The undisturbed earth between the separate trenches shall not be less in width than the depth of the water service line below the finished grade. A shelf cut into the side of a sewer drain trench is not a separate trench within the meaning and requirements of this Rule.

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Rule 9: Terms and Conditions of Billing and Payments

- A.** Customers receiving water service are liable for bills calculated using the appropriate approved rates as set forth on the Schedule of Rates, along with applicable service charges as set forth in the Schedule of Service Charges, and applicable fees or taxes imposed by government authorities.
- B.** Payment of all bills must be made at the Company's office either in person, by mail, internet, Automatic Clearing House (ACH) or by phone on or before the delinquent date printed on the bills. Bills are considered delinquent if not paid within twenty-one (21) days of the bill date, unless the date due falls on a non-business day in which case payment must be received by the next business day.

Acceptable forms of payment are:

1. ACH – Original application must be completed and received by Company prior to issuance of a bill. May take up to thirty (30) days to verify bank routing information.
 2. Internet payment through Company's website, www.raytownwater.net, - Customer must have Book, Account and Pin number to access account online. There is a 3rd party transaction fee paid directly to 3rd party vendor for handling secured transactions.
 3. Cash- Only accepted during Company Office hours at the counter. Dropping cash in the drop box is strongly discouraged.
 4. Money order, cashier check, personal check – Accepted in the Office during hours and in the drop box and mail.
 5. Visa and/or MasterCard. – Accepted over the phone, at the front counter and through the mail if all information is on the remittance stub.
- C.** A transaction fee per transaction is assessed to customer for payment by credit/debit card thru a third party. No post-dated checks will be accepted.
- D.** In addition to any and all charges due the Company, if a check that has been received as payment for service is returned by the bank unpaid; a Returned Check charge will be assessed to cover the cost of processing this transaction.

¹ Pursuant to a variance issued by the Commission May 10, 1995 in its Case No. WO-95-6, previous balances for utility charges and charges for services not subject to Commission jurisdiction may not be separately itemized. Customers may contact Company's Customer Service department by telephone to obtain detailed itemization of any balance forward amounts.

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- M.** Billings will be made and distributed on a monthly interval and will bear the last date on which payment will then be considered delinquent. The period after which the payment is considered delinquent is twenty-one (21) days after rendition of the bill. A late payment charge will be added to the delinquent amount. Late payment charges shall accrue and be billed monthly.
- N.** If payment is not received by the specified disconnect time and date on the Final Disconnect Notice and a trip to a customer premise is necessary, the minimum administrative collection fee will be assessed to the customer account. If the service is discontinued for non payment, payment of the past due balance and the additional fee for restoration will be required in cash, money order, Visa, MasterCard or cashier's check.

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Rule 10: BILL ADJUSTMENTS BASED ON METER TESTS

- A. Whenever any test by the Company of a meter while in service or upon its removal from service shall show such meter to have an average error of more than five percent (5%) on the test streams prescribed by the Missouri Public Service Commission, the Company shall adjust the Customer's bills by the amount of the actual average error of the meter and not the difference between the allowable error and the error as found. The period of adjustment on account of the under-registration or over-registration shall be determined as follows:
1. Where the period of error can be shown, the adjustment shall be made for such period; or
 2. Where the period of error cannot be shown, the error found shall be considered to have existed for three (3) months preceding the test.
- B. If the meter is found on any such test to under-register, the Company may render a bill to the Customer for the estimated consumption not covered by bills previously rendered during the period of inaccuracy as above outlined. Such action shall be taken only when the Company was not at fault for allowing the inaccurate meter to remain in service.
- C. If the meter is found on any such test to over-register, the Company shall refund to the Customer any overcharge caused during the period of inaccuracy as above defined. The refund shall be paid within a reasonable time and may be in the form of a bill credit.

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Rule 11: Termination of Service by Customer

- A.** Whenever the customer desires to have their service contract terminated, the customer shall notify the Company to that effect in writing, by phone or in person at Company counter, by giving not less than twenty-four (24) hours notice. The customer will be responsible for the payment of all service rendered by the Company prior to receipt of such written notice and during a reasonable time thereafter, not to exceed two (2) working days, to enable the Company to make the final reading of the meter or meters, or to discontinue water service.
- B.** When a customer is a tenant and is vacating, the Company will not complete an automatic revert of service to the Owner/landlord. The Owner/landlord will need to contact Company directly to have service started in their name, verifying all pertinent information and maybe required to pay any past due balance owing for any account listed under the owner's name and/or deposit prior to service being started.
- C.** If customer notifies the Company that the premises will be unoccupied temporarily, and water will be turned off, all charges will cease from the date when water service is turned off for a turn off fee. When the property is again occupied, the customer shall notify the company in writing, and the water will be turned on for a turn on fee. No refund or allowance will be made for unoccupied property when written notice has not been given as provided. No refund will be allowed for property unoccupied for a period less than one month.

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Rules Governing Rendering of Water Service

Rule 12: General Rules

- A.** The Company reserves the right at all times, without notice to customers, to shut off the water in a main for the purpose of making repairs or extensions, or for any other purpose necessary. All persons having boilers or tanks within their premises depending on the pressure from the main to keep them filled, are hereby cautioned against danger of collapse. It is the intention of the Company to notify their patrons of the necessity of shutting off the main supply, but an emergency may, at times, not permit taking the time to do so.
- B.** Plumbers are not allowed to turn water off or on at the corporation or stopcock to any service pipe, except to make repairs and test their work, after which they will leave it as they found it. All other parties not connected with the Company are strictly forbidden to turn the water on or off at the corporation or stopcock. Water shall not be turned on to any premises except by an employee of the Company.
- C.** The Company is authorized to regulate or limit, by special regulations or orders, any unusual, unnecessary or wasteful use of water, or the filling of tanks, basins, swimming pools, etc., requiring large flows of water, where such use of water may affect service to other customers, and to restrict or regulate the quantity of water used by customers in case of scarcity or whenever in its judgment an emergency affecting public health and welfare may require such restrictions.
- D.** The Company shall have the right to enter upon the Customer's premises for the purpose of inspecting for compliance with these Rules and Regulations. Company personnel shall also have the right to enter the customer's property or premises for the purpose of discontinuance of service to that Customer, or for turn-off and turn-on of water service for other reasons. Company personnel shall identify themselves, and such inspections, discontinuances of service, turn-offs or turn-ons shall be conducted during reasonable hours.

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Rule 13: Discontinuance of Service by Company

A. The Company may discontinue service for any of the following reasons:

1. Non-payment of a delinquent account not in dispute; or
2. Failure to post a security deposit or guarantee acceptable to the utility; or
3. Unauthorized interference, diversion or use of the utility service situated or delivered on or about the Customer's premises; or
4. Misrepresentation of identity in obtaining utility service; or
5. Enclosing or obstructing any meter so as to make reading or repairs unreasonably difficult, or
6. Failure to comply with the terms and conditions of a settlement agreement; or
7. Refusal after reasonable notice to grant access at reasonable times to equipment installed upon the premises of the Customer for the purpose of inspection, meter reading, maintenance or replacement; or
8. Violation of any of these Rules and Regulations on file with and approved by the Missouri Public Service Commission, or for any condition which adversely affects the safety of the Customer or other persons, or the integrity of the utility's delivery system; or
9. Non-payment of a sewer bill issued by the Company or by a sewer utility requesting discontinuance of water service by an agreement between the Company and such sewer utility. When water service is discontinued for non-payment of a sewer bill and if the sewer bill is not issued by the Company, any service charges for turn on/off or disconnection/reconnection within these Rules and Regulations shall not apply, and notice to the Customer shall be provided by rules and procedure applicable to the Customer's sewer service in lieu of notification required by these Rules and Regulations.

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B. None of the following shall constitute sufficient cause for the Company to discontinue service:

1. The failure of the Customer to pay for merchandise, appliances, or service not subject to Commission jurisdiction as an integral part of the utility service provided by the Company; or
2. The failure of the Customer to pay for service received at a separate metering point, residence, or location. In the event of discontinuance or termination of service at a separate residential metering point, residence, or location in accordance with these rules, the Company may transfer and bill any unpaid balance to any other residential service account of the Customer and may discontinue service after twenty-one (21) days after rendition of the combined bill, for nonpayment, in accordance with this rule; or
3. The failure of the customer to pay for a different class of service received at the same or different location. The placing of more than one (1) meter at the same location for the purpose of billing the usage of specific devices under operational rate schedules or provisions is not construed as a different class of service for the purpose of this rule; or
4. The failure to pay the bill of another customer, unless the customer whose service is sought to be discontinued received substantial benefit and use of the service billed to the other customer; or
5. The failure of a previous owner or occupant of the premises to pay an unpaid or delinquent bill except where the previous occupant remains an occupant of the living unit; or
6. The failure to pay a bill correcting a previous underbilling, whenever the customer claims an inability to pay the corrected amount, unless a utility has offered the customer a payment arrangement equal to the period of underbilling.

C. The Company may discontinue service after notice by first class mail is sent to the Customer at least ten (10) days prior to the date of the proposed discontinuance. Service of notice by mail is complete upon mailing. If written notice is hand delivered to the Customer, it shall be done at least ninety-six (96) hours prior to discontinuance. If the Company intends to discontinue service to a multi-tenant dwelling with occupants who are not customers, a notice shall also be conspicuously posted in the building ten (10) days prior to the proposed discontinuance, along with information pertaining to how one or more of the tenants may apply to become customers. Discontinuance shall occur within thirty (30) calendar days after the date given as the discontinuance date, shall occur between the hours of 8:00 a.m. and 4:00 p.m., and shall not occur on a day when the Company will not be available to reconnect service or on a day immediately preceding such a day.

*Indicates New Rate or Text

+Indicates Changed Rate or Text

Issue Date: September 3, 2015
Month/Day/Year

Effective Date: October 23, 2015
Month/Day/Year

Issued By: Neal Clevenger, President
Name & Title of Issuing Officer

9820 E. 63rd Street, Raytown, MO 64133
Company Mailing Address

The Raytown Water Company
Name of Issuing Company

For: Raytown, MO & Territory Adjacent Thereto
Certificated Service Area

D. A discontinuance notice provided to a customer shall include:

1. The name and address of the Customer, the service address if different than the Customer's address; and
2. A statement of the reason for the proposed discontinuance of service and the cost for reconnection; and
3. How the customer may avoid the discontinuance; and
4. The possibility of a payment agreement if the claim is for a charge not in dispute and the Customer is unable to pay the charge in full at one time; and
5. A telephone number the Customer may call from the service location without incurring toll charges and the address and any available electronic contact information of the utility prominently displayed where the customer may make an inquiry.

E. The Company shall make reasonable efforts to contact the Customer, at least twenty-four (24) hours prior to any discontinuance, regarding the reason(s) for discontinuance of service, and the resolution. If discontinuance of service would affect an occupant who is not the Company's Customer, or is not responsible for payment of the bill, then the Company shall make reasonable efforts to inform such occupant(s).

F. The Company shall postpone the discontinuance if personnel will not be available to restore service the same day, or if personnel will not be available to restore service the following day. The Company also shall postpone discontinuance if a medical emergency exists on the premises, however the postponement may be limited to twenty-one (21) days, and the Company may require proof of a medical emergency.

G. The Company shall have the right to enter the Customer's premises for purposes of discontinuance of service in compliance with these Rules and Regulations. Discontinuance of service will be made during reasonable hours. Company personnel shall identify themselves and announce the intention to discontinue service, or leave a conspicuous notice of the discontinuance. The Company shall have the right to communicate with the owner of the Customer's Unit for purposes of gaining access to the property for discontinuance of service in accordance with the Missouri Public Service Commission's billing practices, but any extra costs for arranging such access shall not be charged to the Customer's account.

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- H. The provisions of paragraphs C. and E. above may be waived if safety of Company personnel while at the premises is a consideration.
- I. Discontinuance of service to a unit for any reason shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of monies due from the Customer.
- J. In case the Company discontinues its service for any violation of these Rules and Regulations, then any monies due the Company shall become immediately due and payable. In order to have service restored, customer is required to make payment in full for the entire bill in addition to applicable charges. Acceptable forms of payment include cash (in Company office only), money order, cashier's check, or credit/debit card only. All debit cards will be processed as Credit.
- K. The Company has the right to refuse or to discontinue service to any unit to protect itself against fraud or abuse.
- L. The Company shall deal with Customers and handle Customer accounts in accordance with the Missouri Public Service Commission's Utility Billing Practices.
- M. Applicable Turn-off and turn-on charges are specified in the Schedule of Service Charges.
- N. If it is necessary to make a shut-off at the corporation cock or disconnect the service line from the main, a charge equivalent to the actual cost of material and labor will be charged for renewal of service. Every effort will be made to work with the customer to prevent disconnection at the corporation cock.
- O. If account remains unpaid and meter remains off and locked for thirty-one (31) or more days and property is vacant, the account will be closed and a final bill will be issued.
- P. When the property is found to be occupied by someone new and an application for service has not been received, the Company may discontinue service by giving no less than twenty-four (24) hours written notice to the customer.

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**Rules Governing
Rendering of Water Service**

Rule 13: Discontinuance of Service by Company, cont'd

N. Discontinuance of Water due to Collection for City of Raytown Sewer Bill

1. The Company shall discontinue water service for non-payment of a sewer bill issued by a sewer utility requesting discontinuance of water service by the terms of an authorized agreement between the Company and such sewer utility. When water service is discontinued for this reason, any service charges for turn on/off or disconnection/reconnection within these rules shall not apply, and notice to the customer shall be provided by rules and procedure applicable to the customer's sewer service in lieu of notification required by these rules. Customer is responsible to pay the City of Raytown for all assessed fees related to collection of their sewer account. The Company is bound by contract with the City of Raytown and will only restore water service after receiving written release from the City of Raytown, giving directive to restore water service to the customer.

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**Rules Governing
Rendering of Water Service**

**Rule 14: Temporary Service for Service Disruption Caused
By A Party Other than Raytown Water Company**

The Company can provide temporary service connection by use of a jumper. This service is restricted to meters of 5/8" can be used only as a temporary means to supply water to a customer in emergency situations such as a broken service line, which cannot be replaced immediately. The customer is required to complete a Jumper Rental Agreement and pay a deposit equal to the cost of replacement. The deposit is to be held until meter is returned and usage is invoiced. The invoice will be comprised of a base charge and actual usage of water charged at the current rate per 1,000 gallons set forth in the Rate Schedules in this tariff.

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Rules Governing Rendering of Water Service

Rule 15: Extensions of Water Mains

- A. The Company will extend its water mains within its service area on the following terms and conditions:
1. Upon application being made for extension of water main, the Company shall determine the necessary size of main and shall make an estimate of the cost of the proposed extension, including pipe, valves, fittings, booster pumps, and storage tanks if required, all other materials, and all other costs such as labor, permits, etc., including the Company's direct expense associated with supervision, engineering, tools and equipment, and the Company's overhead expenses.
 2. Payment to the Company shall be made prior to start of construction.
 3. Should the actual cost of the extension be less than the estimated cost, the Company shall refund the difference as soon as the actual cost has been ascertained. No interest shall be paid by the Company on the applicant's payment or on any unrefunded balances.
- B. Extensions made under this rule shall be and remain the property of the Company. Applicant shall enter into an agreement with the Company. At the time of the execution of the agreement the Applicant shall pay to the Company the estimated cost of the required water main extension.
- C. The Company reserves the right to further extend its water mains from and beyond each water main extension made under this rule. The applicant or applicant's agent paying for an extension shall not be entitled to any refund for the attaching of customers to any further extension.
- D. Extensions made under this rule shall be of pipe of such size as is reasonably required to serve the customers to be supplied immediately, without effect on supply and hydrants in the existing surrounding areas; provided however, that such pipe shall in no event be less than six (6) inches in diameter. If the Company desires to make the extension with pipe of a size larger than that reasonably required to serve the customers to be supplied immediately, then the additional cost of the larger pipe shall be borne by the Company. The determination of pipe size and number of feeds shall be provided by a registered Professional Engineer licensed to practice in Missouri at developers' expense. If there is a dispute between Company Engineer and/or developer on pipe size and feeds, then a hydraulic study shall be performed at developers' expense to ascertain the requirements for the extension.

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**Rules Governing
Rendering of Water Service**

Rule 15: Extensions of Water Mains, cont'd

- E. Should the Applicant have an outside contractor complete the work for Water Main extension, and if any new fire hydrants are proposed to be installed due to new development, then **all plans must be submitted to Company in duplicate and final approval must be received by Company prior to work being started.** Not following Company procedures for prior approval may result in additional costs to dismantle, remove and /or replace new water main extension and fire hydrants.
- F. ONLY Company or its authorized agent may make a connection of a new water main extension, or service connection, to a water main that has been placed in service.
- G. Applicant and Contractor must provide Company with a Bond, warranting work for a minimum of two (2) years from the installation and turn-over to Company.
- H. It is understood that **ALL APPLICANT installed water mains are to be the sole property of the Company** and Company will maintain after the two (2) year warranty expires.

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Rules Governing Rendering of Water Service

Rule 16: Fire Hydrants

APPLICABILITY: These Rules and Regulations shall apply to all fire hydrants and fire protection systems installed in the Company's service territory.

- A. Field location of such fire hydrants shall be specified by the Company and Fire Chief of the city, or other designated official empowered to act on behalf of the city.
- B. The Company may refuse to accept orders for new fire hydrant installations, and relocations or removal of existing public fire hydrants which do not conform in general to the recommendations of the Insurance Services Office of Missouri which are appropriate for that insurance rating for which the city, town or village is at that time eligible, based upon all factors other than fire hydrants within said city.
- C. The Company may refuse to accept orders for installation of new fire hydrants or the relocation of existing fire hydrants at locations where there is not an existing water main, 6" or larger in diameter.
- D. The Company will not accept orders for new fire hydrant installations or relocation of existing fire hydrants on private property, unless easements are provided.
- E. Fire service on private property will have an annual charge billed to owner per current rate schedule issued by the Missouri Public Service Commission.
- F. The Company shall not be required to install new fire hydrants or relocate existing fire hydrants on roads or streets where the political entity having jurisdiction refuses or fails to issue a permit to the Company for such installation.
- G. New fire hydrants installed under this Tariff shall conform to AWWA specifications C502-64 or the latest revision thereof with 1 steamer outlet, 2 hose outlets, 5 1/4" valve opening, and be of the anti-freeze, self-draining type.

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Agreement Attachment F

Billing Comparison Worksheet

THE RAYTOWN WATER COMPANY

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>
\$9.96	\$11.31	\$6.26	\$7.11

current service charge is monthly charge

usage rate is per 1,000 gallons used

MONTHLY BILL COMPARISON

6,000 gallons/month usage

Current Rates

Customer Charge	\$ 9.96
Usage Charge	\$ 37.56
Total Bill	\$ 47.52

Proposed Rates

Customer Charge	\$ 11.31
Usage Charge	\$ 42.67
Total Bill	\$ 53.98

INCREASES

Customer Charge

\$ Increase	\$1.35
% Increase	13.60%

Usage Charge

\$ Increase	\$5.11
% Increase	13.60%

Total Bill

\$ Increase	\$6.46
% Increase	13.60%

Agreement Attachment G

Auditing Unit Recommendation Memorandum

AUDITING UNIT RECOMMENDATION MEMORANDUM

**FROM: Paul R. Harrison
Matthew Young
Joel Molina
Auditing Unit Staff**

**TO: James Russo
Water and Sewer Department, Case Coordinator
Whitney Payne
Kevin Thompson
Staff Counsel's Office**

**SUBJECT: Auditing Unit's Findings and Recommended Cost of Service
Raytown Water Company
Case No. WR-2015-0246**

DATE: Updated October 29, 2015

Raytown Water Company ("Raytown Water" or "Company") filed a rate increase request with the Missouri Public Service Commission ("Commission") on April 1, 2015. The proposed increase is in the amount of \$544,981; and, if approved, would result in an increase over current revenues of approximately 15.48%. Raytown Water currently serves approximately 6,500 water customers within the city limits of Raytown, MO and Independence, MO. After Raytown Water's filing, the Commission's Staff ("Staff") performed an audit of Raytown Water's operations to determine whether an increase was appropriate, and if so, the amount thereof that was reasonable.

Based upon Staff's examination of Raytown Water's books and records and discussions with the Company's employees, Staff's recommended revenue requirement calculation for Raytown Water through July 15, 2015, using a return on equity (ROE) of 6.89%, is \$447,005. Staff concludes that this revenue requirement amount requires an increase in Raytown Water's current rates. An increase in rates by this amount would represent an approximate 12.74% increase from current rates. Attached to this Memorandum are Staff's Accounting Schedules and relevant workpapers related to its review and audit of Raytown Water's financial operations.

Test Year and Update Period

Staff used a test year consisting of the twelve months ending December 31, 2014, with an update period through March 31, 2015, to develop its revenue requirement recommendation in this case. In addition, Staff made adjustments for significant known and measurable changes beyond March 31, 2015, and in some cases up through July 15, 2015, to account for material changes in Raytown Water's capital structure and debt cost rates, rate base (plant-in-service and depreciation reserve), revenue levels, (tower rentals),

payroll expense (employee levels and pay rates), and purchased water expense (namely, an increase in rates charged to Raytown Water by the Kansas City, Missouri Water Department (KCWD)).

Rate Base

Plant-in-Service and Depreciation Reserve were updated through July 15, 2015, for all investment that is paid for and in service. Staff is proposing in this case to reclassify the Evanston house to Account 105, Plant Held for Future Use. This house is not used and useful in providing service to Raytown Water's rate payers. Staff is also recommending that the revenue, expense, property taxes and depreciation expense be removed from Raytown's cost of service in this case. Staff has made the adjusting entries to transfer the Evanston house to plant held for future use and removed revenues and expenses associated with this asset in this case.

Investment Tax Credit (ITC) and Contributions in Aid of Construction (CIAC) were updated through July 15, 2015.

Purchase and Replacement of Service Truck

During Staff's audit, the General Manager of the Company, Mr. Neal Clevenger, informed Staff of his intent to purchase one vehicle to replace a 2000 Ford F250 that is un-drivable. Staff concluded that given the age, mileage, condition, and needed repairs of this vehicle, it was appropriate for Raytown Water to purchase a truck to replace this one. The Company purchased this vehicle within the cut-off date for inclusion of new Plant-in-Service in rate base for this case. Therefore, Staff has included in Plant-in-Service the prudent and necessary acquisition costs for this new vehicle. Staff removed the replaced truck cost basis from plant-in-service and depreciation reserve. Staff also deemed that the trade-in value of the vehicle that was replaced should be treated as salvage and included that component in Staff's depreciation reserve balances.

Facility Line Locates, Vehicle Management Services using GPS Tracking and Equipment Servicing Outsourcing

On April 30, 2015, Raytown Water and USIC Locating Services LLC (USIC) entered into an Underground Facilities Locating and Marking Service Agreement. USIC will provide the necessary labor and equipment to provide certain services relative to locating and marking Raytown Water's underground facilities in Raytown Water's service area whenever Missouri One Call (One Call) notifies the Company that there will be construction or digging in the Raytown Water's service area. Per the contract, each ticket received from One Call will be \$9.50 each. By contracting the line locates with USIC, Raytown will eliminate a significant amount of its liability when doing construction if their utilities are damaged, will not have to invest in expensive locating equipment, will avoid training costs for its field technicians and will free up time (regular and overtime) to allow the field technicians to perform their normal duties. Staff agrees with the

Company that this service is worth the cost and have included the annualized cost in its cost of service. Staff made an adjustment to include a normalized amount based upon a multi-year average of the number of locates that the Company performed for (CY 2012-2014) and eliminated any line locate costs that were included in the test year.

On April 1, 2015 Raytown Water and Fleetmatics entered discussions to install GPS tracking on all of Raytown Water's vehicles and equipment. This tracking equipment would assist Raytown Water in the location of these vehicles and equipment if they are stolen. In addition, it will aid Raytown Water management in tracking the use of their vehicle and equipment to insure its employees are at the locations that they are scheduled to be and performing the work that they are scheduled to accomplish. The cost on this tracking system is \$663 per month or \$7,956 annually. Staff has concluded that this service is a benefit to the Company and would insure that the employees are performing the work that they are scheduled to perform. Staff has included the annualized cost for this service in its cost of service.

On April 23, 2015 Raytown Water obtained an estimate from Murphy Tractor and Equipment Co. of Kansas City Missouri to service and perform preventive maintenance on eight pieces of its equipment (i.e...Backhoes, Sweepster, Valve Machine, Tractor and Brush Hog, etc.) During a meeting that Staff had with the Company, Neal explained that his employees were not qualified to perform this maintenance and they did not have time to perform the work on a frequent basis thus the equipment was not being serviced as recommended by the manufacturer. Staff reviewed the service estimates and the equipment warranty information, and equipment logs, showing concerning the number of hours that the equipment was used. Staff determined that it would be beneficial for the servicing and preventive maintenance to be performed by a qualified mechanic. However, after reviewing the annual hourly use of several pieces of equipment, Staff determined that there was some equipment that was only being used by the Company for a few hours and did not warrant a service contract. Staff made an adjustment to the test year to remove any costs associated with servicing and preventive maintenance from the Company's test year and included an annualized level of this expense in its cost of service for the equipment that was being utilized for a significant number of hours per year by the Company.

Meter Change-Out Program

During Staff's audit, Staff reviewed Raytown Water's meter change out program to insure that the Company is recording the meters and labor into the proper plant accounts. During the test year, Raytown Water purchased 650 meters as part of its Meter Change-Out Program and is charging meters and labor to the appropriate Uniform System of Accounts (USOA) meter account. Since meters are a capital asset, all of the labor associated with removal and replacement of these meters should be charged to USOA Plant Account 346, Meters. If a meter is repaired instead of being replaced, then the labor associated with the repair of that meter should be expensed. The 650 new

meters are included in Raytown's plant account and the cost basis of the 650 old meters was removed from plant in service and reserve.

Depreciation Rates

The depreciation rates used in this case were provided by Staff member, Mr. Ryan Martin, of the Commission's Engineering and Management Services Unit (EMSU).

During the audit, it was discovered that the Company is recording depreciation expense for transportation equipment and backhoe equipment into Account 184-1, Transportation Expense Clearing and Account 184-2, Backhoe Expense Clearing. These two clearing accounts are then cleared to a capital account (plant account) and/or into maintenance expense accounts instead of being recording into Account 403, Depreciation Expense.

Staff, OPC and the Company has reached an agreement concerning the proper treatment of the depreciation expense for transportation equipment and backhoe equipment that is currently being booked into the transportation equipment clearing account and the backhoe clearing account. In this case, Staff has made an adjustment to remove the capitalized depreciation from plant in service for calendar year 2012 thru May, 2015. Staff also made adjustments to remove the annualized expense portion of depreciation expense that was included in the maintenance and administrative expense accounts for calendar year 2012 through 2015. Staff recommends that on a going forward basis, the Company record all depreciation expense in Account 403, Depreciation Expense and not transfer any portion of depreciation expense to any other accounts. The adjustments to plant in service made by the Staff will need to be made to the Company's account balances in its general ledger within 30 days from the Commission Order in this case.

Revenues

For purposes of annualizing revenues, the average number of customers over a three year period ending December 31, 2014 was used to develop revenues in this case. The Company's monthly customer counts tend to be volatile because a portion of its customers are renters, and the numbers of renters are in constant fluctuation. The average number of customers, based on a three year average period ending December 31, 2014, was multiplied by the current monthly tariff rate (the rate effective from rate case WR-2012-0405), and then multiplied by twelve to derive the annualized customer charge revenue. Staff also used a three-year average, ending December 2014, to normalize Raytown's customer water usage revenue because Raytown's customers' water usage varied from one year to the next, and a three-year average was used to normalize the effect of this fluctuation. Staff reviewed the customer numbers and usage for the update period and construction cutoff period, but saw no significant changes. In addition, Staff normalized Raytown Water's miscellaneous revenues over a three year

period or used the ending balance, whichever was appropriate. Staff's analysis of revenues for the Company produced an annualized level of \$3,274,139, for metered sales and \$218,883 for miscellaneous revenues.

In addition, the Company receives rental income from tower lease contracts with cellular phone companies. The annualized level of revenue from this rental income is \$135,490 as of December 31, 2014, (this amount is included in total miscellaneous revenues stated above).

Bad Debt

Staff used a four year average of actual write-offs recorded in USOA Account 904, Uncollectible Customer Accounts, to normalize bad debt expense. Staff reviewed the level of yearly write-offs for the last seven (7) years and compared them to the level of revenues for those same years to determine if there was a correlation between an increase in revenue and the amount of bad debt expense on the Company books. Based upon Staff's analysis, Staff determined there was no direct correlation between the level of revenues and bad debt. Staff's analysis determined that both revenues and bad debt expense fluctuated from one year to the next, therefore Staff determined that a multi-year average of actual write-offs was the appropriate method to adjust Raytown Water's bad debt expense.

Weighted Cost of Capital

The rate of return and capital structure used to develop Staff's recommended revenue requirement in this case was provided by Ms. Shana Griffin of the Commission's Financial Analysis Unit. Staff's capital structure includes the EIARA loans that were issued in August 2013 in the long-term debt balance. The capital structure also includes loans for vehicles and equipment. Raytown Water's capital structure, as of the end of the test year December 31, 2014, consists of 82.16 % equity and 17.84 % long-term debt. Staff estimated a return on equity of 7.10 % and a total overall rate of return of 6.89 %.

Purchased Water

The most significant item included in Raytown's operating expense is the cost of purchased water. Raytown Water purchases all of its water requirements from the Kansas City Water District (KCWD). KCWD increased its water rates by 3% beginning May 1, 2015. Staff's annualized purchased water volumes were determined by inflating annualized sales volumes, as calculated in Staff's revenue annualization, by a three-year average percentage of lost and unaccounted for water experienced by the Company. Purchased water expense for this case is \$1,305,136.

Payroll

Staff adjusted Raytown Water's test year payroll expense to reflect an annualized and normalized level of payroll and payroll taxes as of July 15, 2015. To account for the amount of labor that is associated with construction activities, Staff applied a 92.71 % operation and maintenance expense ratio (O&M expense ratio) to its annualized payroll amount. This percentage was determined by calculating a three year average of Raytown Water's annual O&M expense ratio.

According to Raytown Water's Personnel Policy Manual, non-exempt employees will be paid one and one-half (1 ½) times their hourly rate for all time worked in excess of forty (40) hours in a payroll week. Overtime payroll for Raytown Water was calculated based on a three year average of the Company's overtime that was included on its books and its employees' timesheets. Staff reviewed Raytown Water's 2011 through 2014 employee timesheets to ensure the exclusions made by Staff in Raytown Water's last rate case had been fully implemented in determining the amount of overtime booked per week in this case. These overtime exclusions typically apply in two different circumstances: (1) when a Raytown employee included vacation or sick leave hours in their 40 hours of work in a week; or (2) when an employee included holiday time in their 40 hours of work. The Company has fully incorporated the changes in its time reporting on its employees' timesheets as recommended by Staff in the last Raytown Water rate case.

During this case, Raytown Water and Staff conducted several meetings concerning employee retention for Raytown Water and ways of improving employee retention. Since Raytown Water's last rate case, the Company has lost four (7) of its field technicians to other water districts in the area. The main reason given by the employee was they could earn more money working for a water district than what they were being paid by Raytown Water. Staff performed an analysis of several different water districts in the Raytown area and determined that the Raytown Water employees were in the mid to top end of their particular pay scales. Therefore, Staff concludes that the current pay scale is appropriate for the Raytown employees.

Up until Raytown Water's last rate case, Raytown Water had a long-standing practice of compensating each of its employees through a lump-sum payment at year-end equal to 15 % of their salary in lieu of a formal pension plan. In another initiative to improve employee retention, the Company developed a Defined Contribution Plan/401(k) for its employees in lieu of its previous lump-sum payments. During this case, Staff reviewed Raytown Water's Defined Contribution Plan and was briefed by the plans representative in order to get a better understanding of the plan. The Company is matching up to 7% of each employee's pay for the Company 401k plan. Each individual is also contributing to their 401k plan since the last rate case. Therefore Staff has included the Company's match (7%) into its cost of service for Raytown Water. Staff concludes that the 401k match is beneficial to the Company employees; however, there still seems to be a retention problem. Payroll taxes were normalized by multiplying the current OASDI, Medicare, FUTA and SUTA rates to Staff's current annualized payroll.

Employee Benefits

Raytown Water provides medical, life and dental insurance for their employees. Staff reviewed all of the invoices for the benefits to determine the level of insurance to include in the cost of service.

In Staff's analysis, medical, life and dental insurance were annualized by multiplying the monthly premium in effect as of May 2015 by 12 months to arrive at a yearly total. Staff used the May 2015 amount because that is when the current rates went into effect and this represented a time when Raytown Water was at full employment capacity.

Dental insurance was normalized by taking a three-year (3-year) average of the total insurance paid from 2012-2014. The premium amount fluctuated slightly from year to year, therefore Staff elected to use a 3-year average to normalize this expense in its cost of service.

Auto, Property and Workman's Compensation Insurance

Auto, property, and workers' compensation insurance were adjusted by taking the amount of the premiums for the applicable period and adjusting the test year to match the amount of the premiums.

Property Taxes

An adjustment was made to property taxes to include property taxes for plant in service through July 15, 2015. A ratio of total property taxes paid compared to the amount of total Plant-in-Service was derived from previous cases and updated to develop the appropriate ratio to apply to the 2014 year-end balance of Plant-in-Service in order to determine the level of property taxes to include in Staff's recommendation.

An adjustment was also made to remove a portion of the taxes associated with the Evanston House property, as this is associated with plant held for future use.

Rate Case Expense

Staff included the actual costs incurred by Raytown Water for rate case expense as of July 15, 2015 for this case (Case No. WR-2015-0246). Staff's rate case expense adjustment is based upon all costs associated with filing and bringing this case before the Commission such as administrative costs, employee overtime associated with the rate case, and outside consulting fees. The ultimate amount of rate case expense incurred by the Company in this proceeding will be directly associated with the length of the case through the settlement conference and hearing process. Staff will continue to update these

costs throughout the course of the case. Staff is proposing to normalize this cost over a three-year (3-year) period. The normalized amount of rate case expense included in Staff's revenue requirement is \$5,827.

Utilities Expenses

Electricity and natural gas costs were normalized using a three-year average of Raytown Water's electricity and natural gas expenses.

Additional Adjustments

Staff has reflected adjustments in its cost of service to normalize amounts related to: 1) various O&M expenses, 2) operator training and certification, 3) telephone expenses, 4) postage increases due to new postage rates, 5) costs associated with uniform rental, weekly floor mat replacement service, and cleaning expenses, 6) permit and degradation fees, 7) Board of Directors fees and insurance, 8) General Casualty and Liability insurance, 9) Department of Natural Resources (DNR) lab fees, 10) the Commission's annual assessment, 11) tank painting, and 12) amortization of a portion of prior Contributions in Aid of Construction (CIAC).

Staff excluded from the cost of service disallowances for, if any: 1) dues and donations; 2) Christmas bonuses 3) miscellaneous expenses; 4) non-regulated expenses; 5) director fees for Mr. Neal Clevenger and Ms. Chiki Thompson, who are both full-time employees of Raytown Water Company; 6) property taxes for the Evanston House; 8) amortization of the Investment Tax Credit; and 9) depreciation expense on CIAC.

Audit Staff Recommendations for Raytown Water Company:

1.) Staff, OPC and the Company have reached an agreement concerning the proper treatment of the depreciation expense for transportation equipment and backhoe equipment that is currently being booked into the transportation equipment clearing account and the backhoe clearing account. These amounts are then transferred either as a capitalized item to plant in service or as an expense to maintenance or administrative expense accounts. In this case, Staff has made an adjustment to remove the capitalized depreciation from plant in service for calendar year 2012 thru May, 2015. Staff also made adjustments to remove the expense portion of depreciation expense that was included in the maintenance and administrative expense accounts for calendar year 2012 through 2015. Staff recommends that on a going forward basis, the Company record all depreciation expense in Account 403, Depreciation Expense, and not transfer any portion of depreciation expense to any other accounts. The adjustments to plant in service made by the Staff will need to be made to the Company's account balances in its general ledger within 30 days from the Commission Order in this case.

2.) Staff has included costs in its cost of service based upon contracts between Raytown Water and certain vendors as discussed above for facility line locates, vehicle

management services using GPS tracking and equipment servicing outsourcing. Between this case and Raytown Water's next rate case, Staff will expect Raytown Water to track all expenses associated with these new services and they will be reviewed in detail in Raytown Water's next rate case.

Agreement Attachment H

EMSU Report

REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW

Engineering and Management Services Unit

Small Company Rate Increase Request

Case No. WR-2015-0246

The Raytown Water Company

Mark Kiesling

The Engineering and Management Services Unit (EMSU) staff of the Missouri Public Service Commission (“Commission”) initiated an informal review in May 2015, of the customer service and business processes, procedures, and practices of The Raytown Water Company, (“Raytown Water” or “the Company”) located in Raytown, Missouri. The review was performed in conjunction with the Company’s rate increase request in, Case No. WR-2015-0246, filed on April 1, 2015. The Company is requesting an increase of \$544,980.93 in its annual water system operating revenues. This request represents an increase of approximately 15.48% to the Company’s annual water system operating revenues.

The EMSU staff examined the Company’s tariffs, annual reports, Commission complaint and inquiry records, along with other documentation related to the Company’s customer service and business operations. In preparation of this report, the EMSU staff submitted data requests to the Company on April 10, 2015, and conducted on-site interviews on May 18, 2015, with Company personnel located in Raytown, Missouri. During this time, the staff also reviewed the Company’s customer record and billing system, this system allows The Company to make electronic bank deposits. The EMSU staff performed a review for the current rate increase request.

Comprehensive customer service and business office operations reviews of Raytown Water have been performed by the EMSU staff in 2003, 2008, and 2010 with implementation reviews in 2009 and 2012.

A significant number of recommendations have been made to Raytown Water by the EMSU staff during the course of the numerous reviews that have been performed. The Company has implemented these recommendations after each review. Staff has no recommendations to make in this present report.

The purpose of the EMSU is to promote and encourage efficient and effective utility management. These objectives contribute to the Commission's overall mission to ensure that customers receive safe and adequate service at reasonable rates while providing utilities the opportunity to earn a fair return on their investment.

The objectives of this review are to document and analyze the management control processes, procedures, and practices used by the Company to ensure that its customers' service needs are met and to make recommendations, where appropriate, by which the Company may improve the quality of services provided to its customers. The findings of this review will also provide the Commission with information regarding the Company's customer service and business operations.

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

- Meter Reading
- Customer Billing
- Payment Remittance
- Credit and Collections
- Collection Agency
- Vehicle Logs/Employee Time Sheets

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

Overview:

The Company's business office is located at 9820 East 63rd Street, Raytown, MO 64133. Business office hours are 7 a.m. to 4 p.m., Monday through Friday. Customers can contact the Company after normal business hours by calling the office at (816) 356-0333. The call is then routed to the General Managers cell phone who handles all after business hour phone calls. Raytown Water's web site address is www.raytownwaterco.com.

The Company has 16 full-time employees. The General Manager is Neal Clevenger. The General Manager is responsible for setting the project priorities and Company direction for Raytown Water. The General Manager serves as the primary contact for all regulatory agencies. The office has 6 full-time employees that handle accounts receivables, customer service, walk-in

payments, and other office duties. There are two field crews, made up of seven employees, who handle all service calls and system maintenance. Raytown Water has two full-time meter readers.

Raytown Water employees manually keep track of their time with weekly timesheets. These timesheets track regular hours worked and overtime. Each timesheet is turned into the General Manager before being entered into the payroll system. The Company provided sample timesheets to Commission staff.

The Company purchases the water it provides to its customers from the City of Kansas City, Missouri. Thus, the Company is not actively involved in the production or treatment of water. The Company does operate a water distribution system, and as such is a public water supply that is subject to the regulations of the Commission and the Missouri Department of Natural Resources (DNR).

The Company provides water service to approximately 6,350 customers in a service area located mostly in Raytown, Missouri, with some customers located in Independence, Missouri. All meters are read, whether active or inactive. The Company's future growth is very limited, because a large majority of its service territory has already been developed and is bounded on all sides by a public water district and a municipal water system.

Raytown Water recently completed a project with the City of Raytown. The City of Raytown received a Cityscapes grant in 2013 to help replace sidewalks and trees in the downtown area. In conjunction with the Cityscapes Project, Raytown Water used this opportunity to replace its infrastructure in downtown Raytown, replacing mains, and water valves, as well as adding hydrants.

According to the Company's General Manager, Raytown Water's long-term plans include continued installation of an Automated Meter Reading (AMR) system and a replacement facility for its main office that was built in 1925.

Meter Reading

Raytown Water manually reads meters and records readings using electronic handheld devices. The readings from the handhelds operate on a Windows platform and readings are uploaded to the Company's billing software called Comprehensive Utility Billing Control System (CUBIC). The Company's customer base is divided into four quadrants, with each quadrant's meters being read once a month on rotating bases. Two meter readers manually read

both active and inactive meters in each quadrant. Meter readers continuously evaluate the routes for efficiency and advise the billing clerk when a route needs to be adjusted.

The Company indicated that it estimates reads only when there are extraordinary events, such as heavy snow, extreme temperatures, field emergencies, and covered meters. If a meter reader is unable to read a meter on the first effort, they will try again later in the week, typically the next day. The Company's billing system tracks estimated reads by meter reading book, account number, customer name, and read date. The Company's Billing Journal Report also shows the previous reading, current reading, and comments section that notes any reasons for estimation. If there is a continuing issue with a particular meter, at least two months in a row, Raytown Water mails the customer a letter to resolve the issue.

Raytown Water indicates they replace on average 650 meters every year through their meter replacement program. Additional meters are replaced when they break or malfunction. A few are replaced with an automated meter reading (AMR) meter, but due to the expense of AMR meters, most are replaced with a standard meter. The Company has indicated plans to eventually change every meter to an AMR meter in the future.

Customer Billing

When initiating service, Raytown Water requires customers to complete an application for service and provide photo identification, along with a copy of their rental agreement, lease, or proof of home ownership. In the event the customer does not have a written rental agreement, Raytown Water contacts the property manager or landlord for verification. When applications are received by noon, Raytown Water generally turns on service that business day. As applications for service are accepted, Raytown Water searches its system for prior customer records. If the customer is transferring within its system, the customer service representative checks to see if a deposit or final bill also needs to be transferred. When a previous customer has a good pay history, Raytown Water may waive the deposit requirement. Raytown Water follows the required criteria per the Commission rules for deposits which includes owning or purchasing a home, being employed on a full-time basis for at least one year, having an adequate regular source of income, or providing adequate credit references from a commercial credit source. However, when a customer does not meet the required criteria, they will be charged a deposit. The Company stated that those customers required to pay a deposit according to the Company's

tariff are charged a deposit that does not exceed two times the highest bill of the customer at the same address during the preceding twelve months. Interest is credited at the rate of the prime bank lending rate, as published in the *Wall Street Journal* for the last business day of the preceding calendar year, plus one (1) percentage point. If a previous customer had a bad debt with Raytown Water, the Company requires the customer to pay the bad debt, as well as any collection fees along with a deposit before initiating service.

As noted above in the Meter Reading section, Raytown Water divides its monthly billing into four cycles. Bills are generally mailed on the Thursday of the week they are read. In accordance with the Company's tariffs and the Commission's Chapter 13 rules, payment is due 21 days after rendition or mailing of the bill.

Payment Remittance

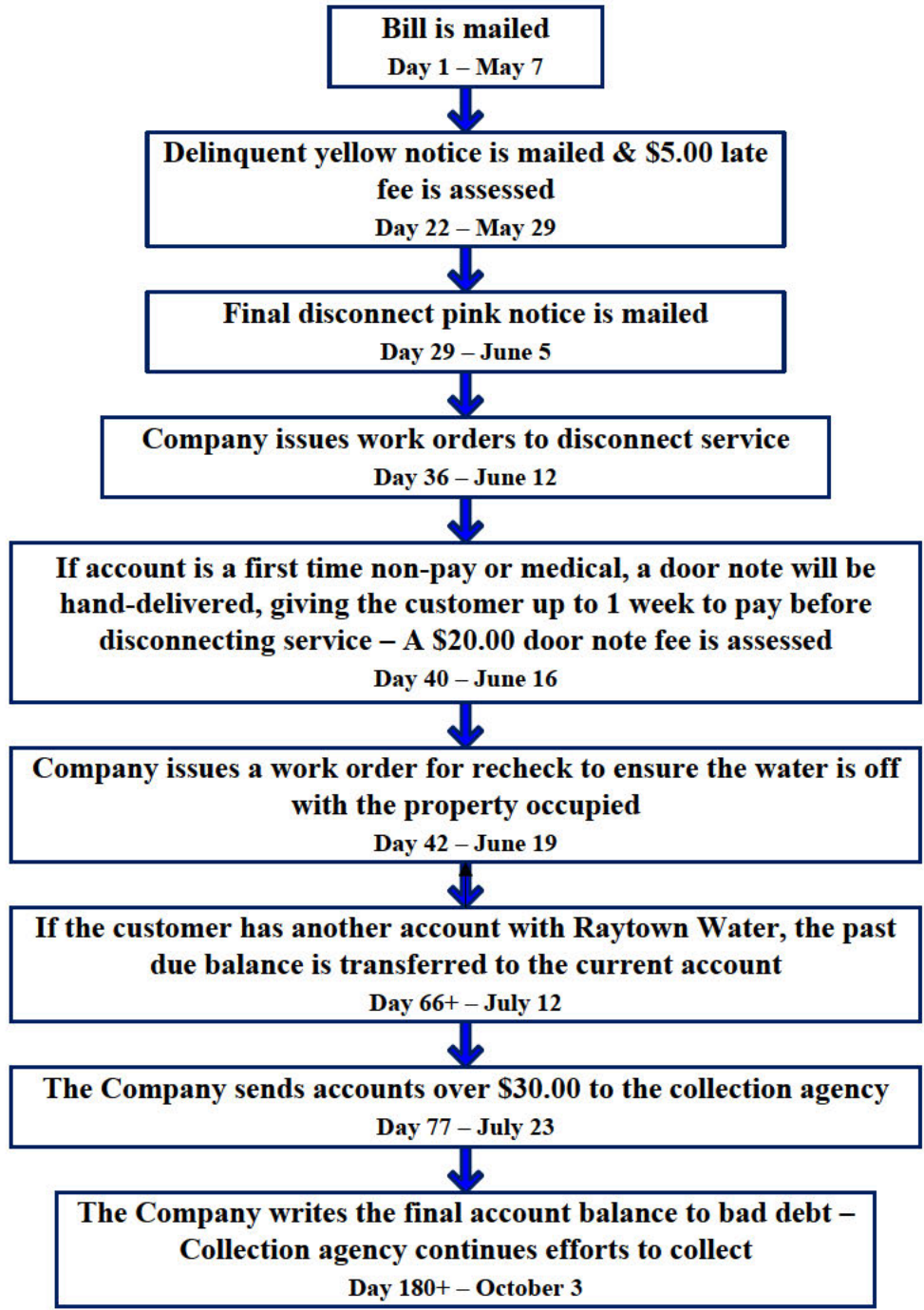
Payment options include cash, check, credit or debit cards, money orders, and automatic bank account withdraw (otherwise known as automatic clearing house or ACH). Payment methods include mail, Internet payments through OPay on the Company website, Company drop box, and walk-ins to Raytown Water's office. Payments are only collected in the field after 4:00 p.m. for restoration of service on the same date customers have been disconnected. Payments for restoration must be in the form of a money order made payable to Raytown Water Company. Payments are posted to customer accounts several times each day, Monday through Saturday, with the exception of holidays. The Company makes frequent bank deposits based on the volume of account receipts on a given day.

Credit and Collections

Raytown Water has an established procedure for handling delinquent accounts. The following illustration shows the actions that would be taken on an account that remains unpaid if the bill was mailed on May 7th.

continued on next page

Delinquent Account Actions



As shown in the above illustration, accounts that remain unpaid are subject to disconnection after they become delinquent. Raytown Water hand-delivers a door note in lieu of turn-off for first time customers who have not paid, as well as customers who have known medical needs. In accordance with the Company's tariffs, customers who receive a door note are charged a \$20 fee and are given one additional week to pay.

The Company asserts that after proper customer notification, Raytown Water disconnects service for non-payment of customer accounts. Upon disconnection, customers must pay their account balance including the \$5 late fee, \$25 disconnect fee, \$25 reconnect fee during business hours (or \$40 reconnect fee after business hours), plus a deposit if a deposit is not already on the account prior to getting their service restored, pursuant to the tariff. Company management represented to the EMSU staff that a service that is disconnected for delinquent non-pay is usually reconnected the day the bill is paid in full, including the extra fees, unless it occurs late in the day.

The Company also has a process in place to deal with insufficient funds payments. Upon notification from the bank that a customer's payment has been returned for insufficient funds or an account that has been closed, the Company immediately reverses the payment and adds applicable charges. A \$25.00 fee is charged for an insufficient funds payment in accordance with the Company's tariffs. A printed notice, a copy of the returned check, and a door hanger is hand-delivered to the customer's premise that same date. A notation is made on the customer's account. The total amount due and a minimum 10-day due date are both listed on the notice. On the first day following the due date, the account is reviewed for payment. If no payment or contact has been made by the customer, a work order is issued to disconnect service for non-payment of the insufficient funds check. The Company stated that about 450 accounts out of about 1,500 bills that are due each week will become delinquent. Out of that number the Company disconnects between 40 and 60 customers for non-pay.

Collection Agency

Raytown Water, as indicated earlier in this report, has a contract with Green Flag Profit Recovery, a subsidiary of Transworld Systems, Inc. Raytown Water sends an account to Green Flag for collection approximately 70 days from the account delinquency date. These accounts

have delinquent balances over \$30.00. Raytown Water indicated to staff that on average they send about 60 customers to collection per quarter.

Vehicle Logs

Raytown Water maintains vehicle and equipment logs tabbed for each of its vehicles. Those logs note the vehicle identification, date used, driver, beginning mileage, total mileage or hours, destination, and purpose.

Findings, Conclusions, and Recommendation

After a thorough review of the customer service operations at Raytown Water, the staff does not have any current recommendations. The EMSU staff encourages the Company to continue its present operational standards.

Agreement Attachment I

Water & Sewer Unit Memorandum

Water and Sewer Unit
Report on System Operations
Raytown Water Company
Case No. WR-2015-0246

INTRODUCTION

The Water and Sewer Unit conducted an investigation of Raytown Water Company's (RWC) system operations and operations recordkeeping practices in the context of RWC's pending rate case before the Missouri Public Service Commission (PSC or Commission). The investigation was conducted by, and this report was prepared by, James Merciel, Curtis Gateley and James Russo. During a Staff visit to RWC on June 19, 2015, RWC stated that it has plans to obtain bond financing to undertake several capital improvement and rehabilitation projects. Although none of the costs of these projects are proposed to be included in this pending rate case, some of the planned projects to be included with this upcoming capital improvements program are important for system operations, and for that reason will be mentioned within this report.

WATER SYSTEM OVERVIEW

RWC has a described service area that includes approximately two-thirds of the City of Raytown, and also a small portion of the City of Independence, both of which are suburban communities near Kansas City, MO. RWC reported 6,611 metered service connections¹ in its 2014 annual report filed with the Commission, consisting of residential customers, small and large commercial customers, and private fire protection customers. RWC's source of supply is the City of Kansas City (KC), from which it purchases water through seven 6-inch metering points and one 4-inch metering point. RWC borders KC and its municipal water system on its north, east and west, and borders Jackson County Public Water Supply District No. 2, also a wholesale customer of KC, to the south. RWC's distribution system consists of cast iron and ductile iron pipe of 2-inch through 12-inch sizes, and galvanized iron and poly vinyl chloride (PVC) of the smaller sizes, 2-inch and less. RWC has three elevated storage tanks, totaling 2.5 million gallons volume. (Merciel)

SYSTEM CAPACITY EVALUATION

RWC's Water Purchase Agreement with KC, which expired in 2011 and is being renegotiated for renewal, contemplates purchase by RWC of up to 3 million gallons per day (mgd). RWC's maximum day demand is estimated by Staff to be approximately 1.2 to 1.5 mgd. Average day demand is approximately 1.1 mgd, according to information reported by RWC in its annual report. RWC has the responsibility to be able to take the amount of water it requires, by

¹ This customer count is snapshot at the end of the year 2014, and also there are variations in how to count customers; as a result, it is likely a different number will be used by the Auditing and Water and Sewer Units to calculate revenues and rate design.

constructing adequate metering points if necessary, with KC's approval. The amount of water that is available through the metering points is also subject to emergencies that could take place within KC's system, and actual flow capability. The actual source of supply capacity for RWC as a wholesale customer cannot be expressed as easily as for a water utility that operates a source facility such as a treatment plant or a series of wells. The reason for this is because the availability of water through the KC meters depends upon the localized hydraulic flow capabilities of both KC's and RWC's distribution systems, customer water-usage, and emergency events that take place within KC's water system such as main breaks and water flow for firefighting. Extraordinary usage such as this can affect available flow through several of the metering points at the same time. RWC has not studied flow testing of the metering points recently, if ever, either by hydraulic modeling, nor by actual flow with the metering points isolated. RWC has studied hydraulic modeling of its own distribution system in the past. Flow testing of the metering points probably is not necessary because of the apparent adequacy of the source of supply, and also due to the fact that it would be rather expensive to create hydraulic models to study both the KC and RWC distribution systems. Although variable hydraulic flow conditions through KC's and RWC's distribution pipelines is a factor, just simple water meter flow capacity of approximately 1,200 gallons per minute (gpm) for six-inch meters and 600 gpm for four-inch meters, would suggest source capacity of approximately 7 million gallons per day (mgd) available at most times even with several metering points shut off, exceeding RWC's current demand. Staff thus concludes that source capacity is adequate, absent highly unusual hydraulic limitation.

Water in storage tanks normally is used to supplement source capacity during peak-hour flow times during the day, and also to maintain a reserve for fire protection. Since RWC is a wholesale customer, its own storage on most days is a supplement to storage from KC's water system, which is available as well for peak flow and fire flow, again subject to unusual hydraulic flow limitations affecting flow through the metering points. However, since emergencies in KC and occasional flow limitations are in fact real considerations, KC requires all of its wholesale customers, RWC among them, to be able to meet their own flow requirements including their own emergencies and fire flows during the evening hours between 5:00pm and 11:00pm with all metering points shut off². So, as a result, unlike storage capacity design for most other water systems, RWC's storage capacity is designed to meet all evening demand especially on peak days, plus fire reserve and other contingencies such as main breaks, without any flow through the metering points. The construction of an additional new storage tank for this purpose, along with distribution system upgrades to address flow throughout the RWC distribution system from the storage tanks rather than from the metering points, was addressed when this newly created turnoff provision was included with the renewed Wholesale Water Agreement in the early 1990s.

Staff takes the position that RWC has a sufficient source of supply capacity, storage capacity and distribution system capacity that is needed to provide safe and adequate water service. (Merciel)

² This requirement is by the terms of RWC's 1991 Wholesale Water Agreement with KC. Construction of a new storage tank to comply with this requirement, and additional water mains to address associated distribution system hydraulics, were among the issues in Case Nos. WR-92-88 and WF-92-95.

SYSTEM OPERATIONS REVIEW

The KC metering points are owned by RWC, except for the meters installed in them. These facilities consist of concrete or mason vaults, inside which an operator may access valves and the meters along with associated components. RWC states that replacement of the meter vaults is one project intended to be included with its upcoming capital improvements program. The two newest vaults were constructed more than 23 years ago along with the distribution system improvements constructed at that time. The vaults are becoming obsolete, some are difficult to enter, and vault modernization will result in features such that both KC and RWC could read the meters remotely at any time, resulting in better monitoring of flows during peak usage or any other time, and remote valve operation by either KC or RWC.

RWC states that KC in fact occasionally shuts off individual metering points when KC experiences emergencies or when it has scheduled major repairs on its system. RWC also states that during times of normal water usage it sometimes chooses to turn off certain individual metering points on its own, in order to draw down water in its storage tanks. The reason for doing this is because normal flow available through the KC metering points can largely meet average and peak flows, and as such water does not flow out of the storage tanks to a significant extent. Aged water in storage tanks is undesirable from a drinking water quality standpoint, and for this reason, some percentage of storage water turnover, usually approximately 25% of the volume, is incorporated into water system design³ and/or operations practices.

RWC utilizes a specialty contractor for storage tank maintenance. The contractor monitors tank condition, and undertakes minor and major repairs and rehabilitation when necessary. RWC states that the contractor provides excellent response when called upon. The storage tanks are in generally good condition. RWC's storage tank in the northern portion of its service area along East 51st Street has a leak at its control valve, called an "altitude valve," which is located in a vault near the base of the tank. Water from this leak, occasionally visible on the road surface, was reported by a customer in a Public Comment that was sent to the Commission in the context of this rate case. The correction of this problem is a major undertaking, and is planned to be included in RWC's capital improvements program.

RWC's elevated storage tanks have water level indicators. At present, an operator must go to each storage tank location to monitor water levels. RWC has remote indicators in its office that continuously indicate and record tank levels on circular paper charts, which it has used for many years; but these indicators are no longer working well, and are obsolete. RWC states that one of the projects to be included in its upcoming capital improvements program will be to convert the tank level indicators to electronic readout and recording. This will allow easier and more effective tank level monitoring, and allow electronic storage of tank level records.

As stated above, RWC's distribution system includes 2-inch galvanized iron water mains, most of which are located on cul-de-sac streets or other short, dead-end locations. Galvanized iron

³ Water system design in Missouri most often follows the recommendations of the Missouri Department of Natural Resources *Minimum Design Standards for Missouri Community Water Systems*, publication number 2489, referred to as the "Design Guide". "One-quarter" turnover of the water in a storage tank is stated in Section 7.1.1.c. of the Design Guide.

was used as water main material many years ago, and like other water utilities that utilize this material, RWC's galvanized water main pipelines are old and corroded, with leakage and restricted flow problems. RWC has been replacing galvanized pipe in past years as funds are available, with either ductile iron pipe or PVC pipe of appropriate size needed for the specific location. RWC reported more than 13,000 feet of galvanized iron pipe in its 2004 annual report, and reported a little more than 4,000 feet in its 2014 annual report. RWC states that it plans to complete the remaining 2-inch galvanized iron replacements with the upcoming capital improvements program. RWC has also undertaken replacements of larger sized water main pipeline, often related to either valve or fire hydrant repair or installation, or in conjunction with other projects such as street work or the City of Raytown's downtown revitalization projects.

In addition to water main replacements, RWC modified its water service line rules several years ago, converting the portion of the water service pipe between the water main and the customers' property lines, defined as the "service connection," from customer ownership to RWC ownership. Essentially, when an existing customer-owned service connection requires repair or replacement, RWC steps in and undertakes the work, and then after replacement owns the service connection. The customer retains ownership of the service line between the property line and the premises. Several of the service connections that RWC has replaced involved removal of obsolete galvanized iron pipe. (Merciel)

OPERATIONS RECORDS

RWC contracted to create a Geographic Information System (GIS) record of its water mains along with locations of valves, fire hydrants and meter settings. Locations of these components are on photograph maps, both on paper and in electronic format that is available in the office on a computer or in the field on an electronic tablet.

In addition to locations on the GIS map system, fire hydrant inventory with information regarding the make, condition, and maintenance work is kept in paper form. RWC undertakes routine painting and maintenance checks every few years. Additionally, RWC states that it regularly corresponds with the city fire department, which is authorized to operate and test fire hydrants, and which keeps hydrant test flow records. RWC's communication with the fire department includes information regarding correct operation of fire hydrants; i.e. slowly opening and closing hydrants to prevent mechanical shock or water hammer, and to open hydrants completely⁴.

Similar to hydrants, valve inventory is shown on RWC's GIS map system, but RWC also has paper records of valve location and operation with information regarding size, location, direction

⁴ To prevent freezing, fire hydrants are drained after use by an underground orifice that remains normally open. As a hydrant is opened, water begins flowing not only out of the hydrant nozzle, but also under pressure out of the drainage orifice, in order to clear dirt and debris and allow drainage to occur. The orifice becomes closed when the hydrant is fully open. Proper operation requires the hydrant be fully opened so that the drainage orifice closes, because if water continually flows from the orifice while the hydrant is open, then the surrounding ground could become saturated, potentially compromising thrust block footing, which in extreme cases could cause the hydrant to blow off the water main.

and number of turns to open, normal position (open or closed), condition information of the valve and valve box, and date of exercise/inspection. Valves are inspected and operated as needed, and as such, there is not a regularly conducted valve exercise program. RWC states that it has identified several areas where additional valves are desirable, in order to reduce the number of affected customers when work is conducted in those areas. Installations of additional valves, in conjunction with new mains or main replacements, are future capital improvements to be included with the upcoming capital improvements program.

All RWC customers are metered. Meter records are kept by electronic database format that can be sorted for a necessary task, for example to look at meter/customer locations, meter serial numbers, meter size, and meter ages. RWC uses the meter size and age sort functions for the meter test/replacement program that meets the Commission's rule 4 CSR 240-10.030(38). This rule requires 5/8-inch meters, used on most residential and small commercial customers, to be tested or replaced every ten (10) years or 1.5 million gallons indication⁵. Larger meters are required to be tested or replaced on more frequent schedules and with greater registered volumes, based on size. Although in the past, water utilities including RWC would test and rebuild all meters on this schedule, now most utilities simply replace 5/8-inch and 3/4-inch size meters with new meters, because the low cost of new small meters makes simple replacement more economical. However, it is more economical to test and if necessary rebuild the larger meters of 1-inch and greater size, because these meters are more expensive, and because of the greater cost of more frequent testing. RWC's larger meters are aging past their useful lives however, and RWC has begun a program of replacing the larger-size mechanical displacement meters with meters that register usage using a principle of measuring the speed of sound through the flowing water. There are no moving parts in these new meters. The cost of the large meters that have already been replaced may be included in this rate case, but the cost of future meter replacements may be included with RWC's capital improvements program.

RWC manually reads most of its meters by opening the meter box lid, visually observing the reading and recording it, but for certain locations it uses "radio-read" meters. Radio read meters have an electronic wireless transponder that permits electronic reading and recording while driving by the location in a service vehicle, without the need for visual access or physical contact. Radio reads are currently used by RWC where access is dangerous or difficult, such as along busy streets or in potentially obstructed areas like parking lots. At the time of Staff's visit on June 19, 2015 RWC stated it had 6,071 visual read meters and 481 radio-read meters.

Because of RWC's proximity to its wholesale water provider, KC, there are some sections of KC's or RWC's water mains that are located generally along city limit boundaries in streets, with KC residents/customers on one side of the street and RWC customers as either City of Raytown or City of Independence residents on the other side. There are currently eleven (11) RWC customers who are actually connected directly to a water main owned by KC and served through KC meters, where KC bills RWC for water service and RWC bills each customer using its approved water rates. Additionally the opposite scenario exists; there are currently twenty-six (26) KC customers who are connected directly to a water main owned by RWC and served

⁵ 1.5 million gallons over ten years is about 400 gallons per day average use. Residential customers typically use less than that, approximately 180 gallons per day. Therefore, the ten year period is almost always the test/replacement frequency applied to residential customers.

through RWC meters, where RWC bills KC for water service and then KC (presumably) bills its customers using its water rates. (Merciel)

OTHER OPERATIONS MATTERS

RWC, and the City of Raytown, have an agreement that provides for discontinuance of water service by RWC for nonpayment of sewer bills to the City of Raytown, which is the sewer utility. This activity is authorized by state statutes §393.015 and §393.016, and RWC tariff Rule 13 B.1. RWC states that the agreement is exercised routinely, and seems to be working well.

As a public water system that is subject to the Missouri Department of Natural Resources (DNR), defined in DNR's regulations at 10CSR 60-2.015(2)(P)8., RWC is required to comply with a number of regulations that pertain to drinking water quality. DNR conducted an inspection of RWC within the past year. RWC has a copy of DNR's inspection report readily available for reference, which is in notebook format. There are no violations, nor major compliance issues.

Among the DNR requirements directly affecting customers:

- RWC collects routine water samples for analysis of chemical and microbiological contaminant levels, as per 10 CSR 60-4.010 and 10 CSR 60-4.020. Other provisions of 10 CSR 60 Chapter 4, involving water quality, safety and characteristics, are undertaken by or with the cooperation of KC as the owner and operator of a surface water treatment facility.
- RWC is subject to public notice requirements of 10 CSR 60 Chapter 8 involving extraordinary conditions that adversely affect water quality, and also to annually publish a Consumer Confidence Report (CCR) that provides pertinent information to customers about the drinking water.
- RWC and some of its customers are required to comply with what is sometimes referred to as the "backflow prevention rule," in 10 CSR 60 Chapter 11, which outlines requirements for the installation and testing of backflow prevention devices to protect the public water system from contaminants flowing from customers' premises. RWC keeps records of customers required to install and regularly test backflow devices. The City of Raytown has ordinances pertaining to backflow rule compliance and can assist with enforcement if necessary.
- RWC is subject to DNR's Lead and Copper rule, 10 CSR 60 Chapter 15, as is KC as the water supplier. RWC has a sampling site plan for monitoring of lead and copper, and also provides information to customers since a major source of lead and copper contamination is within house plumbing fixtures.

This report is not intended to be an all-inclusive overview of DNR's regulations regarding water quality and monitoring, treatment facility and distribution system operator certification,

laboratory requirements, or construction approval. These items listed above are certain major points that directly involve customer service or impose requirements upon customers. (Merciel)

Tariff Review

Staff reviewed RWC's current tariff. Raytown's current tariff became effective December 21, 2012. Based on this review, Staff is recommending the Company update the tariff to align with the latest changes to 4 CSR 240 Chapter 13, by adding some definitions, clarifying a rule regarding service connections, and correcting some minor typographical errors. The most significant changes were in Rule 10 'Bill Adjustments Based on Meter Tests', and Rule 13, 'Discontinuance of Service by the Company'. Staff is not recommending changes to any service charges at this time. (Gateley)

Rate Design

Staff reviewed and discussed with the Company the current rate design. As a result of this review and discussions, Staff is not making any recommendations in this rate case that would change the existing rate structure. Currently, all of the Company's customers pay a monthly fixed customer charge and a commodity rate per thousand gallons of water consumed. (Russo)

Conclusion and Recommendations

Staff has no specific recommendations at this time for RWC regarding operations. Staff has not received any substantial number of customer complaints nor significant customer comments that would indicate shortcomings from an operations perspective. Staff notes that RWC appears to be undertaking adequate planning for future projects regarding repairs, rehabilitations and improvements that are necessary for continued safe and adequate service, but none of the projects are so critical as to be immediately needed.

The Staff of the Water and Sewer Unit makes the following recommendations:

- The Commission cancel the current water tariff PSC MO Number 5 1st revised sheet No. 3, and replace with 2nd revised sheet No. 3.
- The Commission cancel the current water tariff PSC MO Number 5 original sheet Nos. 2, 10, 11, 13, 15-17, and replace with 1st revised sheet Nos. 2, 10, 11, 13, and 15-17.
- The Commission cancel the current water tariff PSC MO Number 5 2nd revised sheet No. 9, and replace with 3rd revised sheet No. 9.
- The Commission approve the addition of water tariff PSC MO Number 5 original sheet No. 17A.
- The Commission cancel the current water tariff PSC MO Number 5 original sheet Nos. 18-19, 21, 23, 34, and 36-39, and replace with 1st revised sheet Nos. 18-19, 21, 23, 34, and 36-39.

- The Commission cancel the current water tariff PSC MO Number 5 original sheet No. 40, and replace with first revised sheet No. 40.
- The Commission approve the addition of water tariff PSC MO Number 5 original sheet Nos. 40A, 40B, and 40C.
- The Commission cancel the current water tariff PSC MO Number 5 original sheet No. 41, and replace with 1st revised sheet No. 41.
- The Commission cancel the current water tariff PSC MO Number 5 original sheet Nos. 42-45, and replace with 1st revised sheet Nos. 42-45.

Agreement Attachment J

Summary of Case Events

Raytown Water Company
Case #WR-2015-0246
Summary of Case Events

Date Filed	April 1, 2015
Day 150	August 31, 2015
Extension?	No
If yes, why?	
Amount Requested	\$544,981
Amount Agreed Upon	\$447,005
Item(s)/Dollar(s) Driving Rate Increase	Increase in operating expenses and the cost of purchased water.
Number of Customers	6,575
Return on Equity	7.70%
Assessments Current	Yes
Annual Reports Filed	Yes
Statement of Revenue Filed	Yes
Other Open Cases before Commission	None
Status with Secretary of State	Good Standing
DNR Violations	None
Significant Service/Quality Issues	None

Staff Participant Affidavits

James M. Russo – Water & Sewer Department

James Merciel – Water & Sewer Department

Curtis Gateley – Water & Sewer Department

Paul Harrison – Auditing Department

Matthew Young – Auditing Department

Mark Kiesling – Engineering & Management Services Department

Ryan Martin – Engineering & Management Services Department

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

In the Matter of a Request for Increase in)
Annual Water System Operating Revenues) Case No. WR-2015-0246
for Raytown Water Company)

AFFIDAVIT OF CURT B. GATELEY

State of Missouri)
) ss.
County of Cole)

AFFIDAVIT

COMES NOW Curt B. Gateley and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Unanimous Stipulation Agreement and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



Curt B. Gateley

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 2nd day of November, 2015.



NOTARY PUBLIC



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

In the Matter of a Request for Increase in)
Annual Water System Operating Revenues) Case No. WR-2015-0246
for Raytown Water Company)

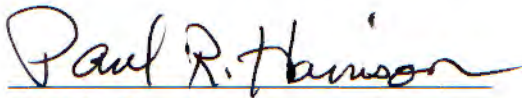
AFFIDAVIT OF PAUL R. HARRISON

State of Missouri)
) ss.
County of Cole)

AFFIDAVIT

COMES NOW Paul R. Harrison and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Unanimous Stipulation Agreement and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



Paul R. Harrison

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 2nd day of November, 2015.


NOTARY PUBLIC



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

In the Matter of a Request for Increase in)
Annual Water System Operating Revenues) Case No. WR-2015-0246
for Raytown Water Company)


AFFIDAVIT OF MARK KIESLING

State of Missouri)
) ss.
County of Cole)

AFFIDAVIT

COMES NOW Mark Kiesling and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Unanimous Stipulation Agreement and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



Mark Kiesling

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 2nd day of November, 2015.



NOTARY PUBLIC



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

In the Matter of a Request for Increase in)
Annual Water System Operating Revenues) Case No. WR-2015-0246
for Raytown Water Company)

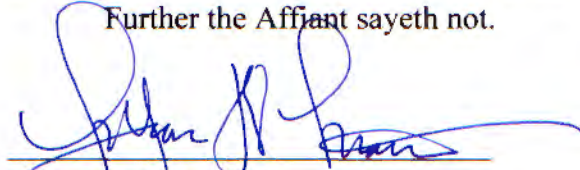
AFFIDAVIT OF RYAN W. MARTIN, PE

State of Missouri)
) ss.
County of Cole)

AFFIDAVIT

COMES NOW Ryan W. Martin, PE and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Unanimous Stipulation Agreement and that the same is true and correct according to his best knowledge and belief.

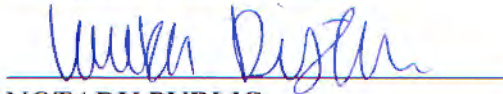
Further the Affiant sayeth not.



Ryan W. Martin, PE

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 2nd day of November, 2015.



NOTARY PUBLIC



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

In the Matter of a Request for Increase in)
Annual Water System Operating Revenues) Case No. WR-2015-0246
for Raytown Water Company)

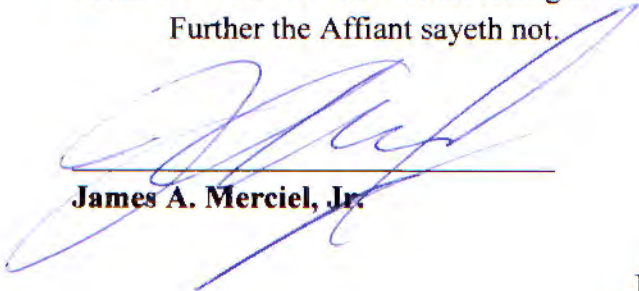
AFFIDAVIT OF JAMES A. MERCIEL, JR.

State of Missouri)
) ss.
County of Cole)

AFFIDAVIT

COMES NOW James A. Merciel, Jr. and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Unanimous Stipulation Agreement and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



James A. Merciel, Jr.

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 2nd day of November, 2015.



NOTARY PUBLIC



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

In the Matter of a Request for Increase in)
Annual Water System Operating Revenues) Case No. WR-2015-0246
for Raytown Water Company)


AFFIDAVIT OF JAMES M. RUSSO

State of Missouri)
) ss.
County of Cole)

AFFIDAVIT

COMES NOW James M. Russo and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Unanimous Stipulation Agreement and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.



James M. Russo

JURAT

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 2nd day of November, 2015.



NOTARY PUBLIC

