

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

ENVIRONMENTAL UTILITIES, L.L.C.

MO PSC FILE NO. WR-2018-0001

BACKGROUND

Environmental Utilities, L.L.C. ("Company") initiated a small company revenue increase request ("Request") for water service, which is the subject of the above-referenced Missouri Public Service Commission ("Commission") File Number, by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-3.050, Small Utility Rate Case Procedure ("Small Company Procedure"). In its request letter, received by the Commission on July 3, 2017, the Company set forth its request for an increase of \$5,908.35 in its total annual 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 thus be the subject of Staff's recommendations. The Company provides service to 21 residential customers.

Pursuant to the provisions of the Small Company Procedure and related internal operating procedures, Staff initiated an audit of the Company's books and records, a review of the Company's customer service and general business practices, a review of the Company's existing tariff, an inspection of the Company's facilities, and a review of the Company's operation of its facilities. (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

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

- (1) The agreed upon revenue requirement increase of \$7,764 (106.9% increase) added to the level of previous revenues of \$7,263 results in overall annual revenues of \$15,027. This revenue requirement is just and reasonable and designed to recover the Company's cost of service. This amount is shown on the ratemaking income statement found in Attachment A, incorporated by reference herein;
- (2) The Auditing Department conducted a full and complete audit of the Company's books and records using the 12-month period ended March 31, 2017, as the basis for the revenue requirement determined above. The audit findings can be found in Attachments B and C, incorporated by reference herein;
- (3) The agreed upon net rate base is \$44,791. The development of this amount is shown in Attachment C, and 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 of 100% common equity and no long-term debt, with a calculated return on equity and overall rate of return of 7.93%;
- (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 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 in Attachment F, 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 in Attachment E, also 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 a new proposed tariff containing the rates, charges, and language set out in the example tariff sheet(s), attached as Attachment F. The proposed tariff sheets with revisions will bear an effective date of January 4, 2017;
- (8) The current PSC MO Number 1 tariff will be cancelled and replaced by PSC MO Number 2, which is included in the example tariff described above;
- (9) The Company agrees to implement the recommendations contained in the CMAU Report attached hereto as Attachment G and incorporated by reference

herein, as well as provide proof of implementing the recommendation to the Manager of the Commission's Consumer and Management Analysis Unit:

- (a) Within thirty (30) days of the effective date of the Commission order approving this Company/Staff Disposition Agreement, the Company will develop and initiate a system for documenting customer contacts in compliance with Commission Rule 4 CSR 240-13.040(5).
- (b) Within thirty (30) days of the effective date of the Commission order approving this Company/Staff Disposition Agreement, the Company will develop and distribute, to all current and future customers, written information specifying the rights and responsibilities of the Company and its customers as required by Commission Rule 4 CSR 240-13.040(3).
- (c) Within ninety (90) days of the effective date of the Commission order approving this Company/Staff Disposition Agreement, the Company will develop and utilize time sheets for individuals to record the time associated with Company work activity.

(10) The Company agrees to implement the recommendations contained in the Water and Sewer Department Report attached hereto as Attachment I and incorporated by reference herein, as well as provide proof of implementing the recommendations to the Manager of the Commission's Water and Sewer Department:

- (a) Within thirty (30) days of the effective date of the Commission order approving this Company/Staff Disposition Agreement, the Company shall replace the dysfunctional master meter and continue to maintain a master meter log.
- (b) Within thirty (30) days of the effective date of the Commission order approving this Company/Staff Disposition Agreement, the Company shall place bracing under the piping in the well house to support it and help lessen the vibrations when the well pump kicks on.
- (c) Within sixty (60) days of the effective date of the Commission order approving this Company/Staff Disposition Agreement, the Company shall make repairs to the well house roof and wall to make it weather tight and prevent birds and rodents from entering. The Company also agrees to install appropriate insulation where it is missing or in a degraded condition.

(11) Within one hundred eighty (180) days of the effective date of the Commission order approving this Company/Staff Disposition Agreement, the Company agrees to implement the recommendations contained in the Auditing Department Report attached hereto as Attachment B and incorporated by reference herein; as well as provide proof of implementation of the recommendations to the Manager of the Commission's Auditing Department:

- (a) The Company must maintain the Company's books and records in

accordance with National Association of Regulated Utility Commissioners ("NARUC") Uniform System of Accounts ("USOA"), for its entire rate base, revenues, and expenses;

- (b) The Company shall develop continuing property records ("CPR") for all of the Company's plant in service and CIAC that include, where applicable, the amount of plant, depreciation reserve, CIAC, and CIAC reserve used by Staff in this case;
- (c) The Company must keep the Company's CPRs up-to-date and complete;
- (d) The Company must calculate depreciation expense on a monthly basis and update the amount in the Company's books and records;
- (e) The Company must update the description of duties and responsibilities for the general manager, manager, and bookkeeper.

(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 Company/Staff 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's 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 Company/Staff 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 Company/Staff Disposition Agreement;

(15) The Company and Staff agree that they have read the foregoing Company/Staff 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 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 and the Company regarding the Company's Request, except as otherwise specifically stated herein.

ADDITIONAL MATTERS

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

In arriving at the amount of the annual operating revenue increase specified herein, neither party has agreed to any particular ratemaking principle.

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

The Company acknowledges that Staff will be filing this Company/Staff 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 Company/Staff Disposition Agreement at any agenda meeting at which this case is noticed to be considered by the Commission. To the extent reasonably practicable, Staff shall provide the Company with advance notice of any such agenda meeting so that it may have the opportunity to be present and/or represented at the meeting.

SIGNATURES

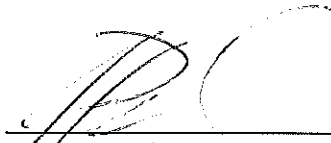
Agreement Signed and Dated:



Gregory D. Williams
Environmental Utilities L.L.C.

11/28/2017

Date



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

11/29/17

Date

List of Attachments

- Attachment A – Ratemaking Income Statement
- Attachment B – Auditing Department Report
- Attachment C – EMS
- Attachment D – Schedule of Depreciation Rates
- Attachment E – Billing Comparison Worksheet
- Attachment F – Example Tariff
- Attachment G –CMAU Report
- Attachment H – Water and Sewer Department Report
- Attachment I – Summary of Events

Disposition Agreement Attachment A

Ratemaking Income Statement

Environmental Utilities, L.L.C.

Rate Making Income Statement

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	7,262
2	Other Operating Revenues *	\$	1
3	Total Operating Revenues	\$	7,263
4	* See "Revenues - Current Rates" for Details.		

Cost of Service

Item	Amount				
5 Operators Salary/Contract Services	\$ 3,300	0.50	\$ 1,650	\$ 1,650	
6 Pumping	\$ 1,489	0.00	\$ -	\$ 1,489	
7 Postage	\$ 206	1.00	\$ 206	\$ -	
8 Administrative & General Salary	\$ 1,511	0.80	\$ 1,209	\$ 302	
9 PSC Assessment	\$ 398	1.00	\$ 398	\$ -	
10 Sub-Total Operating Expenses	\$ 6,904		\$ 3,463	\$ 3,441	
11 Income Taxes	\$ 884	0.50	\$ 442	\$ 442	
12 Sub-Total Taxes	\$ 884		\$ 442	\$ 442	
13 Depreciation	\$ 3,687	0.50	\$ 1,844	\$ 1,844	
14 Sub-Total Depreciation/Interest/Amortization	\$ 3,687		\$ 1,844	\$ 1,844	
15 Return on Equity	\$ 3,552	0.50	\$ 1,776	\$ 1,776	
16 Total Cost of Service	\$ 15,027		\$ 7,524	\$ 7,503	
17 Cost to recover in rates	\$ 15,026		\$ 7,524	\$ 7,502	
18 Overall Revenue Increase Needed	\$ 7,764		\$ 263	\$ 7,502	

Disposition Agreement Attachment B

Auditing Department Report

AUDITING DEPARTMENT REPORT MEMORANDUM
For Settlement Purposes Only

TO: Curtis Gateley, Water and Sewer Department, Case Manager
Nicole Mers, Staff Counsel
Jacob Westen, Chief Staff Counsel

FROM: Ashley Sarver, Utility Regulatory Auditor IV
Jennifer K. Grisham, Utility Regulatory Auditor II
Auditing Department Staff

SUBJECT: Auditing Department's Findings and Cost of Service
Environmental Utilities, LLC
Case No. WR-2018-0001

DATE: October 31, 2017

Environmental Utilities, L.L.C. ("Environmental" or "Company") filed a rate increase request with the Missouri Public Service Commission ("Commission") on July 3, 2017. The Company filed a request to implement a rate increase of \$5,908.35 in its annual water system operating revenues which, if approved, would result in an increase of approximately 85% over its current revenues for the water system. Environmental currently serves 21 water customers in Camden County, Missouri. Environmental's current water rates became effective on April 20, 2003, as a result of Case No. WA200265xxxx. After Environmental's filing, Commission Staff ("Staff") performed an audit of the Company's water operations to determine whether a rate increase was appropriate, and if so, the amount thereof that was reasonable.

The Company's cited reasons for the requested increase in the annual operating revenues for water service include: (1) increases in utility plant investment; and (2) increases in operation and maintenance expenses.

COMPANY STRUCTURE

Environmental first became certificated to provide water service in April 2003. Currently, Environmental is owned and managed by Gregory D. and Debra J. Williams. The Company has no employees and is operated under contractual agreement by LO Environmental, LLC ("LOE"). Bookkeeping services are provided by an individual employed by Mr. Williams' law office (The Williams Law Firm).

AUDIT FINDINGS

Based upon Staff's examination of Environmental's books and records, along with discussions with The Williams Law Firm employees who provide services to Environmental, Staff's incremental increase to Environmental's rate revenues, using a return on equity (ROE) of 7.93%, is \$7,764 for the water system. This is an increase of approximately 106.9%. Staff's

accounting schedules related to its review and audit of Environmental's financial operations are attached to this Memorandum.

TEST YEAR

Staff used the twelve months ended March 31, 2017, as its test year.

WEIGHTED COST OF CAPITAL

The rate of return and capital structure used to develop Staff's revenue requirement in this case were provided by Robert Bickel of the Staff's Financial Analysis Unit. Staff's rate of return is based on a capital structure consisting of 100% common equity and is 7.93%.

RATE BASE

Staff used the Company's plant in service balances as of June 27, 2002, previously determined by Staff in Case No. WA-2002-65xxxx, as its starting point in performing this review and included all capital investments that were completed and plant retirements that have occurred since that time. Staff verified each capital investment completed during the period covering June 27, 2002, through March 31, 2017, through a review of the Company's general ledger, check register, bank statements, plant records, and invoices.

In order to ensure accuracy of the Company's plant in service and accumulated depreciation reserve balances for Environmental, Staff reviewed all invoices relating to the additions of plant in service for the water improvements.

The Engineering Analysis Unit updated plant in service and depreciation reserve for Environmental by beginning with initial invoices provided by the Company and making adjustments for any subsequent plant additions and retirements. At March 31, 2017, the total plant in service for the water system is \$80,102 while depreciation reserve is \$29,885, and net plant is \$50,217. Contributions in Aid of Constructions (CIAC) and CIAC Amortization as of March 31, 2017, are \$8,023 and \$2,597, respectively.

DEPRECIATION

Keenan Patterson of the Engineering Analysis Unit developed the depreciation rates used in Staff's depreciation expense calculations. Staff used these depreciation rates to develop an annualized level of depreciation expense for Environmental based on its plant in service as of March 31, 2017.

REVENUES

Environmental provides service to 21 residential customers. The Company's tariff authorizes a monthly customer charge of \$16.36 for service through a 5/8" water meter. Conflicting information regarding the size of meters used, 5/8" in the 2016 Annual Report versus 1" stated in response to Question 6 of Data Request 0001, was provided by the Company to Staff

during this audit. During the water system inspection, Water and Sewer Staff verified 5/8” meters are used. The commodity charge for metered usage greater than 2,000 gallons per month is \$3.8701 per 1,000 gallons.

In order to annualize customer charge revenues, Staff multiplied the monthly customer charge by the number of customers. For the Company’s commodity revenue, Staff calculated the sum of the customer usage (minus the 2,000 gallons a month minimum included in the customer charge) for the 12 months ended March 31, 2017, multiplied by the current commodity charge. The annualized customer charge revenue is \$4,123 and the annualized commodity charge revenue is \$3,139, for a total annualized water rate revenue of \$7,262. Staff also included miscellaneous revenue for the 2% fee retained for collecting the Department of Natural Resource’s primacy fee.

EXPENSES

Maintenance Expense

Staff reviewed the invoices provided for the account named Maintenance Expense from January 2014 through July 2017. Staff annualized the monthly operation contract fee and reclassified it as salaries and wages account as part of plant operation and maintenance of the Uniform System of Accounts for Class D Water Utilities.

Administrative and General Salaries

Environmental does not have employees, but three individuals from Mr. Williams’ law office provide services to the Company. Those individuals, and their job titles, are: Gregory D. Williams, General Manager; Debra J. Williams, Manager; and Amy Heier, Bookkeeper. Timesheets associated with the activities performed for Environmental are not utilized by the Williams Law Firm employees who provide the services to Environmental. Staff requested information regarding the job responsibilities and the number of hours per month for services provided to Environmental. The Company response listed no job responsibilities for Mr. and Mrs. Williams, but it was noted they each average two to three hours per month for work related to Environmental. Ms. Heier averages eight hours per month processing payments, posting readings, and handling any customer issues.

Staff utilized the Missouri Economic Research and Information Center (MERIC) website¹ to determine an appropriate salary for Ms. Heier. Due to no information regarding a job description or duties for Mr. and Mrs. Williams, Staff has not included wage/salary information for them in this case. MERIC is a research division of the Missouri Department of Economic Development that provides labor market information and is commonly used by Staff in water and sewer rate cases to compare wage rates for various utility services to operate these systems. This information is produced by research done in cooperation with the Missouri Department of Labor,

¹ <https://www.missourieconomy.org>

and the website provides Missouri labor rates for various job classifications. Staff searched the database to find the market value pay rate for bookkeeping, auditing, and accounting clerks in the Central Missouri region.

In order to calculate reasonable compensation for the work Ms. Heier performs for Environmental, Staff multiplied the mean hourly wage by her reported average hours per year. This created an adjustment to increase payroll expense in the amount of \$1,511.

Rate Case Expense

Staff has included an amount in the revenue requirement for the rate case expense incurred by Environmental for this case through August 15, 2017. The documentation provided by the Company shows Ms. Heier prepared and transmitted documents requested by Staff for the audit portion of the rate case. This documentation also shows her time was billed at \$80 per hour. While Ms. Heier is an employee of The Williams Law Firm, her duties in relation to this rate case are those normally executed by one or more employees of a utility company. Due to this distinction, Staff allowed Ms. Heier's time to be billed at the hourly rate discussed in the above paragraph (Administrative and General Salaries). The rate case expense has been normalized for recovery over a five year period. Staff will update this amount throughout the proceeding.

Additional Adjustments

Staff has reflected adjustments in its cost of service normalized/annualized amounts related to: 1) postage expense; 2) PSC assessment; and 3) electricity expense.

AUDIT STAFF RECOMMENDATIONS:

The Company should fully comply with these recommendations within 180 days of the effective date of the Commission Order for this case:

- A. The Company must maintain the Company's books and records in accordance with National Association of Regulated Utility Commissioners ("NARUC") Uniform System of Accounts ("USOA"), for its entire rate base, revenues, and expenses;
- B. The Company shall develop continuing property records ("CPR") for all of the Company's plant in service and CIAC that include, where applicable, the amount of plant, depreciation reserve, CIAC, and CIAC reserve used by Staff in this case;
- C. The Company must keep the Company's CPRs up-to-date and complete;
- D. The Company must calculate depreciation expense on a monthly basis and update the amount in the Company's books and records;
- E. The Company must update the description of duties and responsibilities for the general manager, manager, and bookkeeper.

Disposition Agreement Attachment C

EMS

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Rate Design Schedule - Water

A		B	C	D	E	F
Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues		(1) \$7,262			
Rev-3	Miscellaneous Revenues		(1) \$1			
Rev-4	TOTAL ANNUALIZED REVENUES		\$7,263			
1	OPERATIONS EXPENSES		(2)			
2	Management Salary (1)		\$0	\$0	\$0	0.00%
3	Operators Salary/Contract Services (1)	600.000	\$3,300	\$0	\$3,300	0.00%
4	Electricity-(Pumping)	620.000	\$1,489	\$0	\$1,489	0.00%
5	Chemicals-(Chlorine)		\$0	\$0	\$0	0.00%
6	TOTAL OPERATIONS EXPENSE		\$4,789	\$0	\$4,789	
7	MAINTENANCE EXPENSES					
8	Outside Services Employed (1)		\$0	\$0	\$0	0.00%
9	Misc. Supplies	640.000	\$0	\$0	\$0	0.00%
10	System Maintenance		\$0	\$0	\$0	0.00%
11	TOTAL MAINTENANCE EXPENSE		\$0	\$0	\$0	
12	CUSTOMER ACCOUNT EXPENSE					
13	Accounting Fees		\$0	\$0	\$0	0.00%
14	Billing & Collections		\$0	\$0	\$0	0.00%
15	Office Supplies		\$0	\$0	\$0	0.00%
16	Postage	681.000	\$206	\$0	\$206	0.00%
17	Uncollectible Accounts		\$0	\$0	\$0	0.00%
18	TOTAL CUSTOMER ACCOUNT EXPENSE		\$206	\$0	\$206	
19	ADMINISTRATIVE & GENERAL EXPENSES					
20	Administration & General Salary (1)	680.000	\$1,511	\$0	\$1,511	0.00%
21	Office Utilities		\$0	\$0	\$0	0.00%
22	Telephone & Pagers		\$0	\$0	\$0	0.00%
23	Vehicle Insurance		\$0	\$0	\$0	0.00%
24	Vehicle Expense		\$0	\$0	\$0	0.00%
25	Medical Insurance		\$0	\$0	\$0	0.00%
26	Property & Liability Insurance		\$0	\$0	\$0	0.00%
27	Building Rent		\$0	\$0	\$0	0.00%
28	Other Misc. Expenses		\$0	\$0	\$0	0.00%
29	TOTAL ADMINISTRATIVE AND GENERAL		\$1,511	\$0	\$1,511	
30	OTHER OPERATING EXPENSES					
31	Regulatory Commission Expenses	688.000	\$398	\$0	\$398	0.00%
32	Corporate Registration		\$0	\$0	\$0	0.00%
33	Amortization Expense		\$0	\$0	\$0	0.00%
34	Depreciation		\$3,687	\$0	\$3,687	0.00%
35	TOTAL OTHER OPERATING EXPENSES		\$4,085	\$0	\$4,085	
36	TAXES OTHER THAN INCOME					
37	Real & Personal Property Taxes		\$0	\$0	\$0	0.00%
38	Payroll Taxes		\$0	\$0	\$0	0.00%
39	TOTAL TAXES OTHER THAN INCOME		\$0	\$0	\$0	
40	TOTAL OPERATING EXPENSES		\$10,591	\$0	\$10,591	
41	Interest Expense		(3) \$0	\$0	\$0	0.00%
42	Return on Equity		(3) \$3,552	\$0	\$3,552	0.00%
43	Income Taxes		(3) \$884	\$0	\$884	0.00%
44	TOTAL INTEREST RETURN & TAXES		\$4,436	\$0	\$4,436	
45	TOTAL COST OF SERVICE		\$15,027	\$0	\$15,027	

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Rate Design Schedule - Water

A		B	C	D	E	F
Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
46	Less: Miscellaneous Revenues		\$1	\$0	\$1	0.00%
47	COST TO RECOVER IN RATES		\$15,026	\$0	\$15,026	
48	INCREMENTAL INCREASE IN RATE REVENUES		\$7,764			
49	PERCENTAGE OF INCREASE		106.90%			
50	REQUESTED INCREASE IN REVENUES		\$0			

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

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Rate Base Required Return on Investment Schedule - Water

Line Number	<u>A</u> Rate Base Description	<u>B</u> Dollar Amount	
1	Plant In Service	\$80,102	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$29,885	From Depreciation Reserve Schedule
3	Net Plant In Service	\$50,217	
4	Other Rate Base Items:	\$0	
	Contribution in Aid of Construction Amortization (positive or zero)	\$2,597	
	Test Line	\$0	
	Contribution in Aid of Construction (negative or zero)	-\$8,023	
5	Total Rate Base	\$44,791	
6	Total Weighted Rate of Return Including Income Tax	9.90%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$4,436	

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Rate of Return Including Income Tax - Water

	A	B	formulas
1 State Income Tax Rate Statutory / Effective	6.25% (2)	5.81%	(1 - (B2 x .5)) x A1
2 Federal Income Tax Rate Statutory / Effective	15.00% (1) & (2)	14.13%	(1 - B1) x A2
3 Composite Effective Income Tax Rate		19.94%	B1 + B2
4 Equity Tax Factor		1.2490	1 / (1-B3)
5 Recommended Weighted Rate of Return on Equity - Common and Preferred		7.93%	From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax		9.90%	B4 x B5
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		0.00%	From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax		9.90%	B6+B7

To Rate Base Schedule

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

N

Equity Income Required \$4,179
& Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$4,179	\$627
\$50,001	\$75,000	25.00%	\$0	\$0
\$75,001	\$100,000	34.00%	\$0	\$0
\$100,001	\$335,000	39.00%	\$0	\$0
\$335,001	\$9,999,999,999	34.00%	\$0	\$0
			\$4,179	\$627
			Consolidated Tax Rate:	
			Average Tax Rate:	0.15

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Test Year Ending 03-31-2017
Capital Structure Schedule - Water

<u>A</u>		<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Line Number	Description	Dollar Amount	Percentage of Total Capital Structure	Embedded Cost of Capital	Weighted Cost of Capital
1	Common Stock	\$44,791	100.00%	7.93%	7.930%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$0	0.00%	0.00%	0.000%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	TOTAL CAPITALIZATION	<u>\$44,791</u>	<u>100.00%</u>		<u>7.930%</u>

To PreTax Return Rate Schedule

Note: column C: is 6 positions with 4 that are displayed (if not totaled correctly, due to rounding)

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Plant In Service - Water

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$20,837	P-2	-\$20,232	100.00%	\$605
3	302.000	Franchises and Consents	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$20,837		-\$20,232		\$605
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights - SSP	\$10,000	P-6	-\$10,000	100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$22,382	P-7	-\$3,025	100.00%	\$19,357
8	312.000	Collecting & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Wells and Springs	\$30,809	P-10	-\$328	100.00%	\$30,481
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$0			100.00%	\$0
13		TOTAL SOURCE OF SUPPLY PLANT	\$63,191		-\$13,353		\$49,838
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
16	325.000	Electric Pumping Equipment	\$0	P-16	\$26,817	100.00%	\$26,817
17	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
18	328.000	Other Pumping Equipment	\$37,327	P-18	-\$37,327	100.00%	\$0
19		TOTAL PUMPING PLANT	\$37,327		-\$10,510		\$26,817
20		WATER TREATMENT PLANT					
21	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
22	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
23	332.000	Water Treatment Equipment	\$0			100.00%	\$0
24		TOTAL WATER TREATMENT PLANT	\$0		\$0		\$0
25		TRANSMISSION & DISTRIBUTION PLANT					
26	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
27	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
28	342.000	Distribution Reservoirs & Standpipes	\$11,140	P-28	-\$11,140	100.00%	\$0
29	343.000	Transmission and Distribution Mains	\$0			100.00%	\$0
30	344.000	Fire Mains	\$0			100.00%	\$0
31	345.000	Services	\$2,633	P-31	-\$1,287	100.00%	\$1,346
32	346.000	Meters	\$987	P-32	-\$680	100.00%	\$307
33	347.000	Meter Installations	\$0	P-33	\$973	100.00%	\$973
34	347.000	Meter Installations- Plastic	\$0			100.00%	\$0
35	348.000	Hydrants	\$0			50.00%	\$0
36	349.000	Other Transmission and Distribution Plant	\$0			100.00%	\$0
37		TOTAL TRANS. & DISTRIBUTION PLANT	\$14,760		-\$12,134		\$2,626
38		GENERAL PLANT					
39	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
40	371.000	Structures & Improvements - GP	\$0			100.00%	\$0
41	372.000	Office Furniture & Equipment	\$0			100.00%	\$0
42		Office Computer Equipment	\$0			100.00%	\$0
43	373.000	Transportation Equipment - GP	\$15,232	P-43	-\$15,232	100.00%	\$0
44	379.000	Other General Equipment	\$0	P-44	\$216	100.00%	\$216
45		TOTAL GENERAL PLANT	\$15,232		-\$15,016		\$216
46		TOTAL PLANT IN SERVICE	\$151,347		-\$71,245		\$80,102

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Schedule of Adjustments for Plant in Service - Water

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
P-2	Organization	301.000		-\$20,232
	To adjust for plant (K. Patterson)		-\$20,232	
P-6	Land & Land Rights - SSP	310.000		-\$10,000
	To adjust for plant (K Patterson)		-\$10,000	
P-7	Structures & Improvements - SSP	311.000		-\$3,025
	To adjust for plant (K Patterson)		-\$3,025	
P-10	Wells and Springs	314.000		-\$328
	To adjust for plant (K Patterson)		-\$328	
P-16	Electric Pumping Equipment	325.000		\$26,817
	To reclassify plant from Account 328 (K Patterson)		\$26,817	
P-18	Other Pumping Equipment	328.000		-\$37,327
	To remove misclassified plant (K Patterson)		-\$37,327	
P-28	Distribution Reservoirs & Standpipes	342.000		-\$11,140
	To remove CIAC from plant (K Patterson)		-\$11,140	
P-31	Services	345.000		-\$1,287
	To adjust for plant addition (K Patterson)		-\$1,287	
P-32	Meters	346.000		-\$680
	To adjust for plant addition (K Patterson)		-\$680	

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Schedule of Adjustments for Plant in Service - Water

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
P-33	Meter Installations	347.000		\$973
	To adjust for plant addition (K Patterson)		\$973	
P-43	Transportation Equipment - GP	373.000		-\$15,232
	To remove from plant (K Patterson)		-\$15,232	
P-44	Other General Equipment	379.000		\$216
	To include in plant (K Patterson)		\$216	
Total Plant Adjustments				<u><u>-\$71,245</u></u>

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense	F Average Life	G Net Salvage
1		INTANGIBLE PLANT					
2	301.000	Organization	\$605	0.00%	\$0	0	0.00%
3	302.000	Franchises and Consents	\$0	0.00%	\$0	0	0.00%
4		TOTAL INTANGIBLE PLANT	\$605		\$0		
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights - SSP	\$0	0.00%	\$0	0	0.00%
7	311.000	Structures & Improvements - SSP	\$19,357	2.50%	\$484	40	0.00%
8	312.000	Collecting & Impounding Reservoirs	\$0	0.00%	\$0	0	0.00%
9	313.000	Lake, River & Other Intakes	\$0	0.00%	\$0	0	0.00%
10	314.000	Wells and Springs	\$30,481	2.00%	\$610	50	0.00%
11	315.000	Infiltration Galleries & Tunnels	\$0	0.00%	\$0	0	0.00%
12	316.000	Supply Mains	\$0	2.00%	\$0	50	0.00%
13		TOTAL SOURCE OF SUPPLY PLANT	\$49,838		\$1,094		
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$0	2.50%	\$0	40	0.00%
16	325.000	Electric Pumping Equipment	\$26,817	10.00%	\$2,682	10	0.00%
17	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0	0	0.00%
18	328.000	Other Pumping Equipment	\$0	4.00%	\$0	25	0.00%
19		TOTAL PUMPING PLANT	\$26,817		\$2,682		
20		WATER TREATMENT PLANT					
21	330.000	Land & Land Rights-WTP	\$0	0.00%	\$0	0	0.00%
22	331.000	Structures & Improvements - WTP	\$0	2.50%	\$0	40	0.00%
23	332.000	Water Treatment Equipment	\$0	2.90%	\$0	35	0.00%
24		TOTAL WATER TREATMENT PLANT	\$0		\$0		
25		TRANSMISSION & DISTRIBUTION PLANT					
26	340.000	Land & Land Rights-T&D	\$0	0.00%	\$0	0	0.00%
27	341.000	Structures & Improvements - T&D	\$0	2.50%	\$0	40	0.00%
28	342.000	Distribution Reservoirs & Standpipes	\$0	2.50%	\$0	40	0.00%
29	343.000	Transmission and Distribution Mains	\$0	2.00%	\$0	50	0.00%
30	344.000	Fire Mains	\$0	0.00%	\$0	0	0.00%
31	345.000	Services	\$1,346	2.50%	\$34	40	0.00%
32	346.000	Meters	\$307	5.00%	\$15	20	0.00%
33	347.000	Meter Installations	\$973	2.50%	\$24	40	0.00%
34	347.000	Meter Installations- Plastic	\$0	2.50%	\$0	40	0.00%
35	348.000	Hydrants	\$0	2.00%	\$0	50	0.00%
36	349.000	Other Transmission and Distribution Plant	\$0	0.00%	\$0	0	0.00%
37		TOTAL TRANS. & DISTRIBUTION PLANT	\$2,626		\$73		
38		GENERAL PLANT					
39	370.000	Land & Land Rights-GP	\$0	0.00%	\$0	0	0.00%
40	371.000	Structures & Improvements - GP	\$0	2.50%	\$0	40	0.00%
41	372.000	Office Furniture & Equipment	\$0	5.00%	\$0	20	0.00%
42		Office Computer Equipment	\$0	14.30%	\$0	7	0.00%
43	373.000	Transportation Equipment - GP	\$0	12.50%	\$0	8	0.00%
44	379.000	Other General Equipment	\$216	6.70%	\$14	0	0.00%
45		TOTAL GENERAL PLANT	\$216		\$14		
46		Total Depreciation	\$80,102		\$3,863		

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

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Accumulated Depreciation Reserve - Water

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$58,977	R-2	-\$58,977	100.00%	\$0
3	302.000	Franchises and Consents	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$58,977		-\$58,977		\$0
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights - SSP	\$10,000	R-6	-\$10,000	100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$12,679	R-7	-\$5,541	100.00%	\$7,138
8	312.000	Collecting & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Wells and Springs	\$15,839	R-10	-\$6,847	100.00%	\$8,992
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$0			100.00%	\$0
13		TOTAL SOURCE OF SUPPLY PLANT	\$38,518		-\$22,388		\$16,130
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
16	325.000	Electric Pumping Equipment	\$0	R-16	\$12,839	100.00%	\$12,839
17	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
18	328.000	Other Pumping Equipment	\$11,307	R-18	-\$11,307	100.00%	\$0
19		TOTAL PUMPING PLANT	\$11,307		\$1,532		\$12,839
20		WATER TREATMENT PLANT					
21	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
22	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
23	332.000	Water Treatment Equipment	\$0			100.00%	\$0
24		TOTAL WATER TREATMENT PLANT	\$0		\$0		\$0
25		TRANSMISSION & DISTRIBUTION PLANT					
26	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
27	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
28	342.000	Distribution Reservoirs & Standpipes	\$5,727	R-28	-\$5,727	100.00%	\$0
29	343.000	Transmission and Distribution Mains	\$0			100.00%	\$0
30	344.000	Fire Mains	\$0			100.00%	\$0
31	345.000	Services	\$5,972	R-31	-\$5,610	100.00%	\$362
32	346.000	Meters	\$1,046	R-32	-\$881	100.00%	\$165
33	347.000	Meter Installations	\$0	R-33	\$262	100.00%	\$262
34	347.000	Meter Installations- Plastic	\$0			100.00%	\$0
35	348.000	Hydrants	\$0			100.00%	\$0
36	349.000	Other Transmission and Distribution Plant	\$0			100.00%	\$0
37		TOTAL TRANS. & DISTRIBUTION PLANT	\$12,745		-\$11,956		\$789
38		GENERAL PLANT					
39	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
40	371.000	Structures & Improvements - GP	\$0			100.00%	\$0
41	372.000	Office Furniture & Equipment	\$0			100.00%	\$0
42		Office Computer Equipment	\$0			100.00%	\$0
43	373.000	Transportation Equipment - GP	\$28,743	R-43	-\$28,743	100.00%	\$0
44	379.000	Other General Equipment	\$0	R-44	\$127	100.00%	\$127
45		TOTAL GENERAL PLANT	\$28,743		-\$28,616		\$127
46		TOTAL DEPRECIATION RESERVE	\$150,290		-\$120,405		\$29,885

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017

Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-2	Organization	301.000		-\$58,977
	To remove Reserve - no depreciation		-\$58,977	
R-6	Land & Land Rights - SSP	310.000		-\$10,000
	To remove from Reserve		-\$10,000	
R-7	Structures & Improvements - SSP	311.000		-\$5,541
	To adjust reserve		-\$5,541	
R-10	Wells and Springs	314.000		-\$6,847
	To adjust reserve		-\$6,847	
R-16	Electric Pumping Equipment	325.000		\$12,839
	To include reserve		\$12,839	
R-18	Other Pumping Equipment	328.000		-\$11,307
	To remove misclassified reserve		-\$11,307	
R-28	Distribution Reservoirs & Standpipes	342.000		-\$5,727
	To adjust reserve		-\$5,727	
R-31	Services	345.000		-\$5,610
	To adjust reserve		-\$5,610	
R-32	Meters	346.000		-\$881

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017

Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
	To adjust reserve		- \$881	
R-33	Meter Installations	347.000		\$262
	To include reserve		\$262	
R-43	Transportation Equipment - GP	373.000		-\$28,743
	To remove reserve		-\$28,743	
R-44	Other General Equipment	379.000		\$127
	To include reserve		\$127	
	Total Reserve Adjustments			<u><u>-\$120,405</u></u>

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Revenue Schedule - Water

<u>Line</u> <u>Number</u>	<u>A</u> Account Number (Optional)	<u>B</u> Revenue Description	<u>C</u> Company/ Test Year Amount	<u>D</u> Adjustment Number	<u>E</u> Jurisdictional Adjustments	<u>F</u> Jurisdictional Allocation	<u>G</u> Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$6,744	Rev-2	\$518	100.00%	\$7,262
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$1	100.00%	\$1
Rev-4		TOTAL ANNUALIZED REVENUES	\$6,744		\$519		\$7,263

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Revenue Adjustment Schedule - Water

<u>A</u> Revenue Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
Rev-2	Annualized Rate Revenues			\$518
	1. To Annualize Rate Revenues		\$518	
Rev-3	Miscellaneous Revenues			\$1
	1. To Annualize Miscellaneous Revenues		\$1	
Total Revenue Adjustments				<u>\$519</u>

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential 5/8"		Commercial 2"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	21		0	
3	Bills Per Year	12		0	
4	Customer Bills Per year	252		0	
5	Current Customer Charge	<u>\$16.36</u>		<u>\$0.00</u>	
6	Annualized Customer Charge Revenues		\$4,123		\$0
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	1,291,210		0	
9	Less: Base Gallons Included In Customer Charge	<u>480,140</u>		<u>0</u>	
10	Commodity Gallons	811,070		0	
11	Block 1, Commodity Gallons per Block	811,070		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>1,000</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	811.07		0.00	
14	Block 1, Existing Commodity Charge	<u>\$3.87</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$3,139		\$0
16	Total Annualized Water Rate Revenues		<u><u>\$7,262</u></u>		<u><u>\$0</u></u>

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

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Total	
		F Amount	G Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	21	
3	Bills Per Year		
4	Customer Bills Per year	252	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$4,123
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	1,291,210	
9	Less: Base Gallons Included In Customer Charge	480,140	
10	Commodity Gallons	811,070	
11	Block 1, Commodity Gallons per Block		
12	Block 1, Number of Commodity Gallons per Unit		
13	Block 1, Commodity Billing Units		
14	Block 1, Existing Commodity Charge		
15	Block 1, Annualized Commodity Charge Rev.		\$3,139
16	Total Annualized Water Rate Revenues		\$7,262

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

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Miscellaneous Revenues Feeder - Water

<u>A</u>		<u>B</u>
Line Number	Description	Amount
1	Primacy Fee	\$1
2	Description of Miscellaneous Revenue Item2	<u>\$0</u>
3	Total Miscellaneous Revenues	<u><u>\$1</u></u>

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Expense Schedule - Water

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		OPERATIONS EXPENSES					
2		Management Salary (1)	\$0			100.00%	\$0
3	600.000	Operators Salary/Contract Services (1)	\$0	W-3	\$3,300	100.00%	\$3,300
4	620.000	Electricity-(Pumping)	\$1,305	W-4	\$184	100.00%	\$1,489
5		Chemicals-(Chlorine)	\$0			100.00%	\$0
6		TOTAL OPERATIONS EXPENSE	\$1,305		\$3,484		\$4,789
7		MAINTENANCE EXPENSES					
8		Outside Services Employed (1)	\$0			100.00%	\$0
9	640.000	Misc. Supplies	\$4,621	W-9	-\$4,621	100.00%	\$0
10		System Maintenance	\$0			100.00%	\$0
11		TOTAL MAINTENANCE EXPENSE	\$4,621		-\$4,621		\$0
12		CUSTOMER ACCOUNT EXPENSE					
13		Accounting Fees	\$0			100.00%	\$0
14		Billing & Collections	\$0			100.00%	\$0
15		Office Supplies	\$0			100.00%	\$0
16	681.000	Postage	\$193	W-16	\$13	100.00%	\$206
17		Uncollectible Accounts	\$0			100.00%	\$0
18		TOTAL CUSTOMER ACCOUNT EXPENSE	\$193		\$13		\$206
19		ADMINISTRATIVE & GENERAL EXPENSES					
20	680.000	Administration & General Salary (1)	\$0	W-20	\$1,511	100.00%	\$1,511
21		Office Utilities	\$0			100.00%	\$0
22		Telephone & Pagers	\$0			100.00%	\$0
23		Vehicle Insurance	\$0			100.00%	\$0
24		Vehicle Expense	\$0			100.00%	\$0
25		Medical Insurance	\$0			100.00%	\$0
26		Property & Liability Insurance	\$0			100.00%	\$0
27		Building Rent	\$0			100.00%	\$0
28		Other Misc. Expenses	\$0			100.00%	\$0
29		TOTAL ADMINISTRATIVE AND GENERAL	\$0		\$1,511		\$1,511
30		OTHER OPERATING EXPENSES					
31	688.000	Regulatory Commission Expenses	\$278	W-31	\$120	100.00%	\$398
32		Corporate Registration	\$0			100.00%	\$0
33		Amortization Expense	\$0	W-33	\$0	100.00%	\$0
34		Depreciation	\$1,655	W-34	\$2,032	100.00%	\$3,687
35		TOTAL OTHER OPERATING EXPENSES	\$1,933		\$2,152		\$4,085
36		TAXES OTHER THAN INCOME					
37		Real & Personal Property Taxes	\$0			100.00%	\$0
38		Payroll Taxes	\$0			100.00%	\$0
39		TOTAL TAXES OTHER THAN INCOME	\$0		\$0		\$0
40		TOTAL OPERATING EXPENSES	\$8,052		\$2,539		\$10,591

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Expense Adjustment Schedule - Water

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-3	Operators Salary/Contract Services (1)	600.000		\$3,300
	To include operator contract expense		\$3,300	
W-4	Electricity-(Pumping)	620.000		\$184
	To adjust for power expense		\$184	
W-9	Misc. Supplies	640.000		-\$4,621
	To remove duplicated operator contract expense		-\$4,621	
W-16	Postage	681.000		\$13
	To adjust for postage		\$13	
W-20	Administration & General Salary (1)	680.000		\$1,511
	To include wages		\$1,511	
W-31	Regulatory Commission Expenses	688.000		\$120
	1. To adjust for current PSC assessment		-\$28	
	2. To include normalized rate case expense		\$148	
	3. No adjustment for DNR assessment		\$0	
W-33	Amortization Expense			\$0
	Description		\$0	
W-34	Depreciation			\$2,032
	1. To Annualize Depreciation		\$2,208	
	2. CIAC Depreciation Offset (K Patterson)		-\$176	

Environmental Utilities, LLC
For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Expense Adjustment Schedule - Water

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
Total Expense Adjustments				<u>\$2,539</u>

Disposition Agreement Attachment D

Schedule of Depreciation

Environmental Utilities, LLC
Preliminary Report - For Settlement Purposes Only
Tracking Number WR-2018-0001
Test Year Ending 03-31-2017
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense	F Average Life	G Net Salvage
1		INTANGIBLE PLANT					
2	301.000	Organization	\$605	0.00%	\$0	0	0.00%
3	302.000	Franchises and Consents	\$0	0.00%	\$0	0	0.00%
4		TOTAL INTANGIBLE PLANT	\$605		\$0		
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights - SSP	\$0	0.00%	\$0	0	0.00%
7	311.000	Structures & Improvements - SSP	\$19,357	2.50%	\$484	40	0.00%
8	312.000	Collecting & Impounding Reservoirs	\$0	0.00%	\$0	0	0.00%
9	313.000	Lake, River & Other Intakes	\$0	0.00%	\$0	0	0.00%
10	314.000	Wells and Springs	\$30,481	2.00%	\$610	50	0.00%
11	315.000	Infiltration Galleries & Tunnels	\$0	0.00%	\$0	0	0.00%
12	316.000	Supply Mains	\$0	2.00%	\$0	50	0.00%
13		TOTAL SOURCE OF SUPPLY PLANT	\$49,838		\$1,094		
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$0	2.50%	\$0	40	0.00%
16	325.000	Electric Pumping Equipment	\$26,817	10.00%	\$2,682	10	0.00%
17	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0	0	0.00%
18	328.000	Other Pumping Equipment	\$0	4.00%	\$0	25	0.00%
19		TOTAL PUMPING PLANT	\$26,817		\$2,682		
20		WATER TREATMENT PLANT					
21	330.000	Land & Land Rights-WTP	\$0	0.00%	\$0	0	0.00%
22	331.000	Structures & Improvements - WTP	\$0	2.50%	\$0	40	0.00%
23	332.000	Water Treatment Equipment	\$0	2.90%	\$0	35	0.00%
24		TOTAL WATER TREATMENT PLANT	\$0		\$0		
25		TRANSMISSION & DISTRIBUTION PLANT					
26	340.000	Land & Land Rights-T&D	\$0	0.00%	\$0	0	0.00%
27	341.000	Structures & Improvements - T&D	\$0	2.50%	\$0	40	0.00%
28	342.000	Distribution Reservoirs & Standpipes	\$0	2.50%	\$0	40	0.00%
29	343.000	Transmission and Distribution Mains	\$0	2.00%	\$0	50	0.00%
30	344.000	Fire Mains	\$0	0.00%	\$0	0	0.00%
31	345.000	Services	\$1,346	2.50%	\$34	40	0.00%
32	346.000	Meters	\$307	5.00%	\$15	20	0.00%
33	347.000	Meter Installations	\$973	2.50%	\$24	40	0.00%
34	347.000	Meter Installations- Plastic	\$0	2.50%	\$0	40	0.00%
35	348.000	Hydrants	\$0	2.00%	\$0	50	0.00%
36	349.000	Other Transmission and Distribution Plant	\$0	0.00%	\$0	0	0.00%
37		TOTAL TRANS. & DISTRIBUTION PLANT	\$2,626		\$73		
38		GENERAL PLANT					
39	370.000	Land & Land Rights-GP	\$0	0.00%	\$0	0	0.00%
40	371.000	Structures & Improvements - GP	\$0	2.50%	\$0	40	0.00%
41	372.000	Office Furniture & Equipment	\$0	5.00%	\$0	20	0.00%
42		Office Computer Equipment	\$0	14.30%	\$0	7	0.00%
43	373.000	Transportation Equipment - GP	\$0	12.50%	\$0	8	0.00%
44	379.000	Other General Equipment	\$216	6.70%	\$14	0	0.00%
45		TOTAL GENERAL PLANT	\$216		\$14		
46		Total Depreciation	\$80,102		\$3,863		

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

Disposition Agreement Attachment E

Billing Comparison Worksheet

Environmental Utilities, L.L.C.

Residential Customer Bill Comparison-Water

Rates for 5/8" Meter

Customer	Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 16.36	\$ 29.86	\$ 3.87	\$ 5.81

current service charge is monthly charge

usage rate is per 1,000 gallons used

MONTHLY BILL COMPARISON

Full Time average 5,000 gallons/month usage.

Monthly Billing

Current Rates

Customer Charge	\$ 16.36
Usage Charge	\$ 17.43
Total Bill	\$ 33.79

Current customer charge includes 2,000 gallons of water per month

Proposed Rates

Customer Charge	\$ 29.86
Usage Charge	\$ 29.05
Total Bill	\$ 58.91

INCREASES

Customer Charge

\$ Increase	\$13.50
% Increase	82.51%

Usage Charge

\$ Increase	\$11.62
% Increase	N.A.

Total Bill

\$ Increase	\$25.12
% Increase	74.34%

Disposition Agreement Attachment F

Example Tariff

C Cancelling P.S.C. MO No. 2
 P.S.C. MO No. 1
 Name of Utility: Environmental Utilities, L.L.C.
 Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 1

Rules and Regulations Governing Rendering of Water Service

INDEX

Sheet No.

- 1 Index
- 2 Map of Service Area
- 3 Legal Description of Service Area
- 4 Schedule of Rates
- 5 Schedule of Service Charges

Rule No.	Rule Title
71.	Definitions
102.	General Rules and Regulations
113.	Company Employees and Customer Relations
124.	Applications for Service
135.	Inside Piping and Water Service Lines
166.	Improper or Excessive Use
177.	Discontinuance of Service by Company
228.	Termination of Water Service at Customer's Request
239.	Interruptions in Service
2410.	Bills for Service
2811.	Meters and Meter Installations
3112.	Meter Tests and Test Fees
3213.	Bill Adjustments Based on Meter Tests
3314.	Extension of Water Mains

- * Indicates new rate or text
- + Indicates change

Issue Date: December 5, 2017
 Month /Day/Year

Effective Date: January 4, 2018
 Month /Day/Year

ISSUED BY Deborah J. Williams, Manager
 Name and Title of Issuing Officer

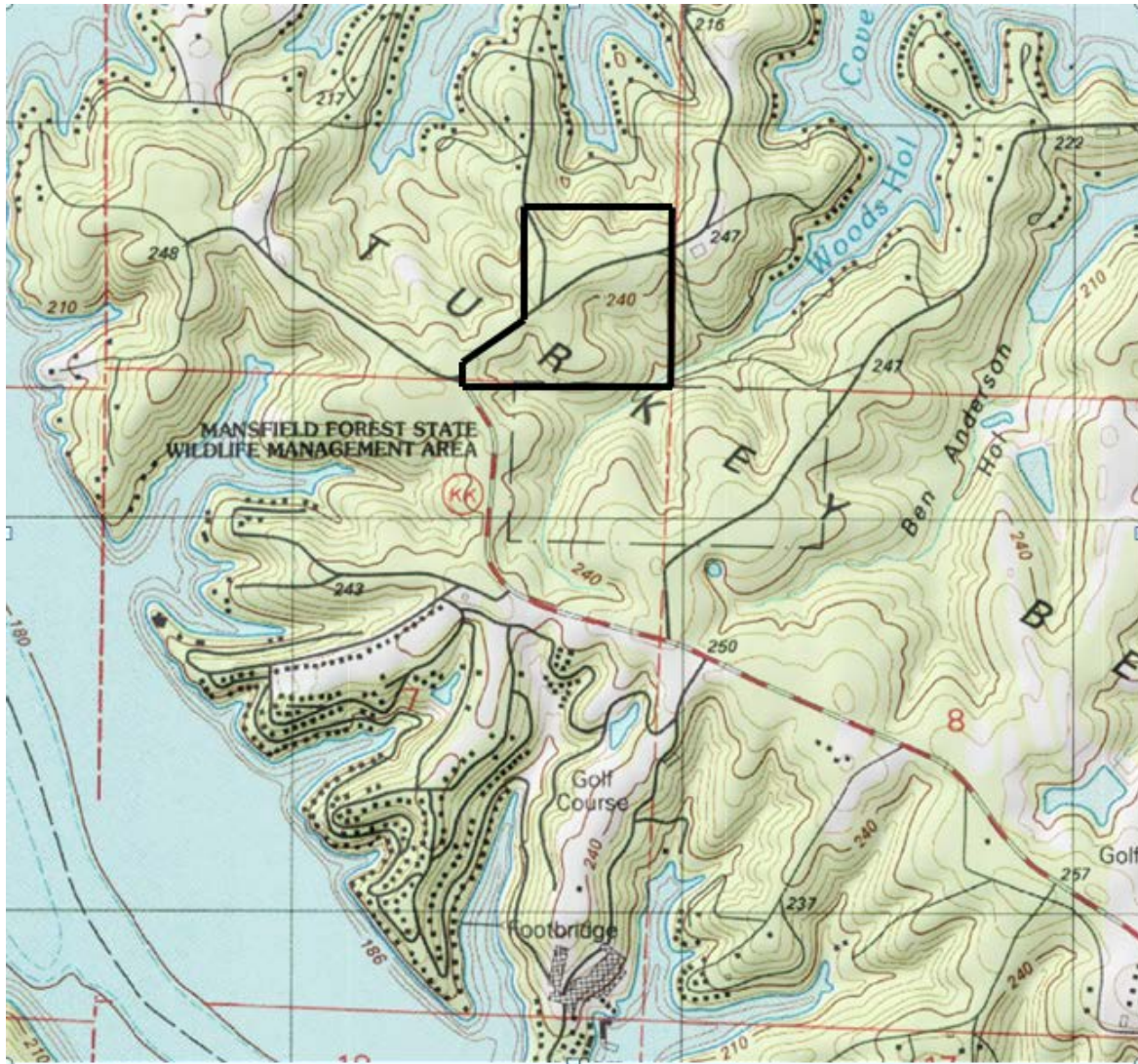
P.O. Box 650, Sunrise Beach, MO 65079
 Mailing Address

Cancelling P.S.C. MO No. 2
P.S.C. MO No. 1
Name of Utility: Environmental Utilities, L.L.C.
Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 2

Rules and Regulations Governing Rendering of Water Service

Map of Service Area



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Original Sheet No. 3

Rules and Regulations Governing Rendering of
Water Service

Legal Description of Service Area

GOLDEN GLADE SERVICE AREA

All of the Southeast Quarter of the Southeast Quarter, and that part of the Northeast Quarter of the Southeast Quarter and the Southwest Quarter of the Southeast Quarter of Section 6, Township 39 North, Range 16 West, described as follows:

Commencing at the East Quarter Corner of Section 6, Township 39 North, Range 16 West, thence South along the East Line of said Section 6 940.0 feet to the Southeast Corner of Tract 55 of Running Deer Subdivision, a subdivision of record in Camden County, Missouri, according to the plat thereof on file and of record in Plat Book 6 at Page 36 in the Office of the Recorder of Deeds of Camden County, Missouri and the point of beginning; thence West along the South line of said Tract 55 540.0 feet; thence South 85 degrees 00 minutes West along said South line of Tract 55 795.7 feet to the east right of way of a road shown on said Plat of Running Deer Subdivision and now known as Lake Road KK-33D; thence continue South 85 degrees 00 minutes West 40.0 feet, more or less, to the West line of the Northeast Quarter of the Southeast Quarter of said Section 6, Township 39 North, Range 16 West; thence South along said West line 1087.6 feet, to the centerline of Lake Road KK-33, 40 .0 feet wide road; thence along said centerline of Lake Road KK-33 South 56 degrees 57 minutes West 114.1 feet; thence South 51 degrees 31 minutes West 567.2 feet to the P.C. of a 58 degrees curve to the left; thence along the semi-tangent line of said curve South 51 degrees 31 minutes West 50.3 feet to the P.I. of said curve; thence departing said P.I. and the 40.0 feet wide road run East along said South Section Line to the Southeast Corner of said Section 6 ; thence departing said South Section Line run North along the East Section Line of said Section 6 1710 feet, more or less, to the point of beginning .

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 4

Rules and Regulations Governing Rendering of
Water Service

Schedule of Rates

Availability: This rate is available to metered water customers served off the Company's mains suitable for supplying the service requested and located in one of the Company's Certificated Water Service Areas.

Monthly Minimum Charge:

For Service through a 5/8" water meter	\$29.86 per month
For Service through a 1" water meter	\$41.80 per month
For Service through a 1 1/2" water meter	\$53.75 per month

Commodity Charge: \$5.81 per 1,000 gallons

Taxes: Any applicable Federal, State, or local taxes computed on a billing basis shall be added as a separate item in rendering each bill.

Un-metered Service: Un-metered water service is not available from the Company. All customers shall install a meter at the time that service is established in accordance with the Schedule of Service Charges set forth in this Tariff. Un-metered connections shall be disconnected by the Company after 30 days written notice to the person receiving water through such un-metered connection .

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Original Sheet No. 5

Rules and Regulations Governing Rendering of Water Service

Schedule of Service Charges

The following Miscellaneous Charges apply as authorized and Described elsewhere in the Company's filed Rule and Regulations:

Construction inspection charge per connection, where Service Connection is constructed by Customer, includes placement of a meter in meter setting, meter setting provided by customer.....\$80.00

New Service Connection by Company (includes inspection, 5/8" meter & meter setting pit, ring, lid, and meter yoke, with backflow prevention).....Actual Cost

Pipelines and meter settings larger than 5/8".....Actual cost of labor and materials
+ \$25/hr administration time

New Inside Meter Installation - available in condominium projects where right of access has been granted to the Company.

Installation of meter in a meter yoke or setting that was constructed by the builder and meets the company's specifications, includes inspection of indoor meter setting.....\$60 for meter w/o remote read

Installation of meter with yoke and valve and/or adequate plumbing fittings needed to set a meter w/o remote read.....\$125/meter

Remote meter reading device installation-required of all customers where inside meters are not readily accessible for reading.....\$25/reader

Installation of reader wiring (labor & wire).....\$25/hr

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C Cancelling P.S.C. MO No. 2
 Name of Utility: P.S.C. MO No. 1 Environmental Utilities, L.L.C.
 Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 6

Rules and Regulations Governing Rendering of Water Service

Disconnect and reconnect charge - backhoe required due to no outdoor shutoff, includes meter, pit, lid, ring, and meter yoke with backflow prevention, if not already installed, new meter setting and installation of meter if no meter exists, or a valve if inside meter exists.....\$450.00
 Disconnect and reconnect charge - water meter available.....\$50.00
 Disconnect or reconnect at customer's request - water meter available, 3 days notice
 No Charge
 Service Call at Customer's request related to problems not associated with the Company's water system. Customer notified of cost prior to service.....\$50.00
 Returned check charge.....\$15.00
 Past Due Notice (Residential) .(one mailed notice/month).....\$6.50/notice
 Over Due Commercial Bills (more than 30 days).....1 .5%/month
 Meter Test Fee.....\$25.00
 See Rule 12 B.

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Original Sheet No. 7

Rules and Regulations Governing Rendering of
Water Service

Rule 1 DEFINITIONS

- A. The "COMPANY" is Environmental Utilities, L.L.C., acting through its officers, managers, or other duly authorized employees or agents.
- B. The "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.
- C. A "CUSTOMER" is any person, firm, corporation or governmental body which has contracted with the Company for water service or is receiving service from Company, or whose facilities are connected for utilizing such service, and except for a guarantor is responsible for payment for service.
- D. 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.
- E. A "DEVELOPER" is any person, firm, corporation, partnership or any entity that, directly or indirectly, holds title to, or sells or leases, or offers to sell or lease, or advertises for sale or lease, any lots in a subdivision.
- F. "DISCONTINUANCE OF SERVICE" is the intentional cessation of service by the Company not requested by the Customer.
- G. The "MAIN" is 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.
- H. The "METER" is 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

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Original Sheet No. 8

Rules and Regulations Governing Rendering of
Water Service

outdoor meter setting, or inside the Customer's building where the water service line enters through a foundation wall.

- I. The "METER SETTING" is a place either in the service connection or building plumbing for a water meter to be installed. An outdoor meter setting is located at or near the property line, and includes the meter box, meter yoke, lid, and appurtenances, all of which shall be owned and maintained by the Company. Indoor meter settings are located inside the Customer's premises where the water service line enters the foundation wall either installed directly in the piping or in a meter yoke.
- J. A "RETURNED CHECK" is a check that is returned to the Company from any bank unpaid for any reason.
- K. A "SEASONAL CUSTOMER" is a Customer who is absent from the premises and may turn off, or request the Company turn off, water service temporarily. All Rates, Rules and Regulations within this tariff continue to apply to "Seasonal Customers" during periods of seasonal absence or turn-off.
- L. The "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, or at the property line if there is no curb stop or outdoor meter setting. 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 service connection shall be deemed to end at the edge of the street abutting the Customer's property. The service connection shall be owned and maintained by the Company.
- M. A "SUBDIVISION" is any land in the state of Missouri which is divided or proposed to be divided into two or more lots or other divisions of land, whether contiguous or not, or uniform in size or not, for the purpose of sale or lease, and includes resubdivision thereof.
- N. "TERMINATION OF SERVICE" is cessation of service requested by the Customer.

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Original Sheet No. 9

Rules and Regulations Governing Rendering of
Water Service

- O. "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.
- P. "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.
- Q. The word "UNIT" or "LIVING UNIT" shall be used herein to define the premises or property of a single water consumer, whether or not that consumer is the Customer. It shall pertain to any building whether multi-tenant or single occupancy, residential or commercial, or owned or leased. Each domicile within a multi-tenant building is a separate unit. Each mobile home in a mobile home park and each rental unit of a multi-tenant rental property are considered as separate units for each single family or firm occupying same as a residence or place of business.
- R. The "WATER SERVICE LINE" is a pipe with appurtenances installed, owned and maintained by the Customer, used to conduct water to the Customer's unit from the property line, curb stop or outdoor meter setting, including the connection to the curb stop or 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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Original Sheet No. 10

Rules and Regulations Governing Rendering of
Water Service

Rule 2 GENERAL RULES & REGULATIONS

- A. Every applicant, upon signing an application for any water service rendered by the Company, or any Customer upon taking of water service, shall be considered to have expressed consent to be bound by these Rates, Rules and Regulations.
- B. The Company's Rules and Regulations governing rendering of service are set forth in these numbered sheets. The rates applicable to appropriate water service or service in particular service areas are set forth in rate schedules and constitute a part of these Rules and Regulations.
- C. The Company reserves the right, subject to authority of the Missouri Public Service Commission, to prescribe additional Rates, Rules or Regulations or to alter existing Rates, Rules or Regulations as it may from time to time deem necessary and proper.
- D. After the effective date of these Rules and Regulations, all new facilities, construction contracts, and written agreements shall conform to these Rules and Regulations, and in accordance with the statutes of the state of Missouri and the Rules and Regulations of the Missouri Public Service Commission. Pre-existing facilities that do not comply with applicable Rules and Regulations may remain, provided that their existence does not constitute a service problem or improper use, and reconstruction is not practical.
- E. The point of delivery of water service shall be at the connection of the Customer's service line to the Company's service connection.
- F. 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 identify themselves and such inspections shall be conducted during reasonable hours.

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Original Sheet No. 11

Rules and Regulations Governing Rendering of
Water Service

Rule 3 COMPANY EMPLOYEES AND CUSTOMER RELATIONS

- A. Employees or agents of the Company are expressly forbidden to demand or accept any compensation for any services rendered to its Customers except as covered in the Company's Rules and Regulations.
- B. No employee or agent of the Company shall have the right or authority to bind it by any promise, agreement or representation contrary to the intent of these Rules and Regulations.
- C. The Company shall not be responsible for damages caused by any failure to maintain water pressure or water quality, or for interruption, if such failure or interruption is without willful default or negligence on its part.
- D. The Company shall not be liable for damages due to, or interruptions caused by, defective piping, fittings, fixtures and appliances on the Customer's premises and not owned by the Company.
- E. The Company shall not be liable for damages due to Acts of God, civil disturbances, war, government actions, or other uncontrollable occurrences.

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Original Sheet No. 12

Rules and Regulations Governing Rendering of
Water Service

Rule 4 APPLICATIONS FOR SERVICE

- A. A written application for service, signed by the Customer, stating the type of service required and accompanied by any other pertinent information, will be required from each Customer before service is provided to any unit.
- B. If service is requested at a point not already served by a main of adequate capacity, a main of adequate size shall be extended as may be necessary in accordance with Rule 14.
- C. When, in order to provide the service requested a main extension or other construction or equipment expense is required, the Company may require a written contract. Said contract may include, but not be limited to, the obligations upon the Company and the applicant, and shall specify a reasonable period of time necessary to provide such service.

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Original Sheet No. 13

Rules and Regulations Governing Rendering of
Water Service

Rule 5 INSIDE PIPING AND WATER SERVICE LINES

- A. The Company will provide water service at the outdoor meter, at the curb stop if an indoor meter setting is utilized; or at the property line if neither an outdoor meter nor a curb stop exists at or near the property line, or at the edge of the street if such property line is in the street. Separate buildings shall be served through separate water service lines if they are not on one lot that cannot be subdivided.
- B. The service connection from the water main to the Customer's property line shall be owned and maintained by the Company. Construction of the service connection, outdoor meter setting and curb stop shall be accomplished in one of the following ways at the Customer's option:
1. The Company will construct the service connection, outdoor meter setting and curb stop, as necessary, and make the connection to the main, within three (3) business days of an application for service, or within the time period specified in an application for service (See Rule 4). The Customer shall be responsible for payment of the New Service Connection Fee, as specified by or provided for in the Schedule of Service Charges; or,
 2. The Customer may install, or have installed by a professional contractor or plumber, the service connection from the water main to the meter setting, and make the connection to the main, subject to prior approval of the Company; or,
 3. The Customer may install, or have installed by a professional contractor or plumber, the service connection from the water main to the meter setting, and the Company will tap the main and connect the service connection. The Customer shall be responsible for payment of a New Service Connection Fee as specified by or provided for in the Schedule of Service Charges.
- C. A service connection installation constructed by the Customer as provided for in paragraphs B. 2. or 5 B. 3., above, is subject to inspection by the Company.

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Original Sheet No. 14

Rules and Regulations Governing Rendering of
Water Service

The Service Connection Inspection Fee as specified in the Schedule of Service Charges shall apply if the Company must make a trip solely to conduct an inspection of a service connection constructed by the Customer, and shall not apply if the inspection of a service connection is accomplished at the same time as a tap is made for the Customer, or the same time as an inspection of the water service line as provided for in paragraph D., below, or if the Company installs the service connection as provided in 5 B. 1., above.

- D. Water service line construction and maintenance from the property line, curb stop or meter setting, including the connection to the curb stop or meter setting, to the building shall be the responsibility of the Customer, and is subject to inspection by the Company. The Customer shall be responsible for any applicable fees as listed in the Schedule of Service Charges. Customers shall be responsible for the cost of repairing any damage to the Company's mains, curb stops, valve boxes, meters, and meter installations caused by the Customer, Customer's agent, or tenant.
- E. Existing water service lines and service connections may be used in connecting with new buildings only when they are found by examination and testing not to constitute a hazard to the health and safety of any Customer or the Company's facilities.
- F. The water service line shall be brought to the unit at a depth of not less than thirty-six inches (36") and have a minimum inside diameter of three-quarters inch (3/4"). The Customer is responsible for the determination of whether or not a larger size is needed to provide adequate flow to the unit. A valve must be installed in the service line where it enters the unit. This valve must be kept in good repair in order to shut off the water supply and drain the inside plumbing, if necessary.
- G. Water service lines and inside piping shall be of material conforming to recognized standards for potable water service and shall have a pressure rating of at least one hundred sixty (160) psi working pressure.
- H. The Company will not install a service connection to a vacant lot if such lot is

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Name and Title of Issuing Officer

P.O. Box 650, Sunrise Beach, MO 65079
Mailing Address

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Name of Utility: Environmental Utilities, L.L.C.
Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 15

Rules and Regulations Governing Rendering of
Water Service

not intended and recognized by the Company to be for intermittent use such as camping or picnic activity in a recreational subdivision, and the Customer installs a frost-free lockable hydrant at any point of use.

- I. Any change in the location of an existing service connection requested by the Customer shall be made by the Company or with the Company's approval, at the Customer's expense.
- J. The Company shall have the right to enter the Customer's premises, after reasonable notice, for the purposes of inspection to ensure compliance with these Rules and Regulations. Company personnel shall identify themselves and make these inspections only at reasonable hours.
- K. Neither water service lines nor service connections may be extended along public streets or roadways or through property of others in connecting with the Company's mains. The service connection may, however, extend through the water main easement and roadway easement as necessary in order to be connected to a main located across and adjacent to a street in front of the Customer's living unit. The service connection and service line must be laid in a straight line and at right angles to the main and the face of the structure or as nearly so as possible. Any deviation from this because of physical obstruction, landlocked property, or a clear impossibility to construction a future main extension for further subdivision development or additional future customers, will be at the discretion of the Company.
- L. Any Customer having a plumbing arrangement, or a water-using device that could allow backsiphonage of any chemical, petroleum, process water, water from a questionable supply, or other substance that could create a health hazard or damage to the water system; or, any Customer's plumbing classified as an actual or potential backflow hazard in the Regulations of the Missouri Department of Natural Resources shall be required to install and maintain a backflow prevention device. This rule may also apply to Customers on whose premises it is impossible or impractical for the Company to perform a cross connection survey. The device, installation, location and maintenance program shall be approved by the Company.

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Mailing Address

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 16

Rules and Regulations Governing Rendering of
Water Service

Rule 6 IMPROPER OR EXCESSIVE USE

- A. No Customer shall be wasteful of the water supplied to the unit by the Customer's willful action or inaction. It shall be the responsibility and duty of each Customer to maintain all piping and fixtures at the unit in a good and efficient state of repair at all times.
- B. No Customer shall make or cause to be made a cross connection between the potable water supply and any source of chemical or bacterial contamination or any other water supply. The Company shall deny or discontinue service where Customer's water service line or inside piping may, in the opinion of the Company, cause a cross-connection with non-potable water or otherwise jeopardize the health and safety of other Customer's or the Company's facilities.
- C. The Customer shall not make or cause to be made a connection to a device that will result in excessive water demand or excessive shock, such as water-hammer, to the Company's mains.
- D. The Customer shall not tamper with, remove, or willfully damage a water meter or attempt to operate the shutoff cock on the service connection or meter yoke, or allow any such action. Licensed plumbers may operate such valves in order to work on the Customer's premises and to test their work, but must leave such valves open or closed as found.
- E. The Customer shall not attempt to take unmetered water from the Company mains either by an unauthorized tap or direct connection to service connection nor by connection to a fire hydrant.
- F. Customers will not be permitted to supply water in any way to premises other than the service address, nor to permit others to use their hose or attachments, nor leave them exposed to use by others without permission from the Company.

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Mailing Address

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 17

Rules and Regulations Governing Rendering of
Water Service

Rule 7 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

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Name and Title of Issuing Officer Mailing Address

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 18

Rules and Regulations Governing Rendering of
Water Service

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.

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 and Regulations, 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

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 19

Rules and Regulations Governing Rendering of
Water Service

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.
- 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

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Original Sheet No. 20

Rules and Regulations Governing Rendering of
Water Service

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.
- 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.

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 21

Rules and Regulations Governing Rendering of
Water Service

- 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.
- 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, handle Customer accounts, and manage discontinuance of service procedures 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.

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 22

Rules and Regulations Governing Rendering of
Water Service

Rule 8 TERMINATION OF WATER SERVICE AT CUSTOMER'S REQUEST

- A. Service will be terminated at the Customer's request, by giving not less than twenty-four (24) hours notice to the Company during its regular office hours. The Company shall, on the requested day, read the Customer's meter and charges for water service rendered up to and including the time of termination shall be computed and will become due and payable immediately.
- B. A Customer may request temporary turn-off by the Company for the Customer's own convenience; however, the Customer shall still be charged for service at the appropriate rate as specified in the Schedule of Rates during the time the service is turned off.
- C. Turn-off and turn-on charges shall apply, and are specified in the Schedule of Service Charges.
- D. A Customer who requests termination of service, but returns to the premises and requests water service within nine (9) months of such termination, at the Company's discretion may be deemed to have been a seasonal customer, and applicable charges incurred during the period of absence may apply.

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Original Sheet No. 23

Rules and Regulations Governing Rendering of
Water Service

Rule 9 INTERRUPTIONS IN SERVICE

- A. The Company reserves the right to discontinue water in its mains at any time, without notice, for making emergency repairs to the water system. Whenever service is interrupted for scheduled repairs or maintenance, Customers affected by such interruptions will be notified in advance whenever it is possible to do so. Every effort will be made to minimize interruption of service.
- B. No refunds of charges for water service will be made for interruptions of service unless due to willful misconduct of the Company.
- C. In order to avoid service problems when extraordinary conditions exist, the Company reserves the right, at all times, to determine the limit of and regulate water usage in a reasonable and non-discriminatory manner.

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Mailing Address

Rules and Regulations Governing Rendering of
Water Service

Rule 10 BILLS FOR SERVICE

- A. The charges for water service shall be at the rates specified in the Schedule of Rates in these Rules and Regulations. Other applicable service charges are set forth in the Schedule of Service Charges in these Rules and Regulations.
- B. A Customer who has made application for, or is receiving the benefit of, water service to a unit shall be responsible for payment for all water service provided to the Customer at said unit from the date of connection until the date requested by the Customer by proper notification to the Company to terminate service.
- C. Each Customer is responsible for furnishing the Company with the correct address. Failure to receive bills will not be considered an excuse for non-payment nor reason to permit an extension of the date when the account would be considered delinquent. Bills and notices relating to the Company or its business will be mailed or delivered to the mailing address entered in the Customer's application unless the Company is notified in writing by the Customer of a change of address.
- D. Payments shall be made at the office of the Company or at such other places conveniently located as may be designated by the Company, by ordinary mail, or by electronic methods employed by the Company. Payment must be received by the close of business on the date due, unless the date due falls on a non-business day in which case payment must be received by the next business day.
- E. Neither the Company nor the Customer will be bound by bills rendered under mistake of fact as to the quantity of service rendered or as a result of clerical error. Customers will be held responsible for charges based on service provided.
- F. A separate bill shall be rendered for each Customer with itemization of all water service charges. All bills for service shall state the due date. The Company shall render bills monthly.

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Mailing Address

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Name of Utility: Environmental Utilities, L.L.C.
Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 25

Rules and Regulations Governing Rendering of
Water Service

- G. Monthly bills shall be due twenty-one (21) calendar days from the date of rendition, unless such due date falls on a Sunday, a legal holiday, or other day when the office is closed, in which case the due date shall be extended to the next business day. Bills unpaid after the stated due date will be delinquent and the Company shall have the right to discontinue service in accordance with Rule 7. Delinquent bills may be subject to a late charge as provided in the Schedule of Service Charges. The Company shall not be required to restore or connect any new service for such delinquent Customers until the unpaid account due the Company under these Rules and Regulations has been paid in full or arrangements satisfactory to the Company have been made to pay said account.
- H. When bills are rendered for a period of less than a complete billing period due to the connection or termination of service, the billing shall be the monthly or quarterly minimum plus an amount based on the water used at the commodity (water usage) rate or one-half (1/2) of the flat rate if applicable.
- I. The Company may require a security deposit or other guarantee as a condition of new service if the Customer:
1. Still has an unpaid account with a utility providing the same type of service accrued within the last five (5) years; or,
 2. Has diverted or interfered with the same type of service in an unauthorized manner within the last five (5) years; or,
 3. Is unable to establish a credit rating with the Company. Adequate credit rating for a residential Customer shall be established if the Customer:
 - a. Owns or is purchasing a home; or,
 - b. Is and has been regularly employed full time for at least one (1) year; or,
 - c. Has an adequate and regular source of income; or

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Mailing Address

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 26

Rules and Regulations Governing Rendering of
Water Service

- d. Can provide credit references from a commercial credit source.
- J. The Company may require a security deposit or other acceptable written guarantee of payment as a condition of continued service if:
1. The water service of the Customer has been discontinued for non-payment of a delinquent account not in dispute; or,
 2. The utility service to the unit has been diverted or interfered with in an unauthorized manner; or,
 3. The Customer has failed to pay undisputed bills before the delinquency date for five (5) billing periods out of twelve (12) consecutive monthly billing periods.
- K. The amount of a security deposit shall not exceed utility charges applicable to one (1) billing period plus thirty (30) days, computed on estimated or actual annual usage.
- L. Interest shall be payable annually on all deposits, but shall not accrue after the utility has made reasonable effort to return the deposit. Interest will be paid at a per annum rate equal to 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. Interest may be credited to the Customer's account.
- M. After a Customer has paid proper and undisputed utility bills by the due dates, for a period not to exceed one (1) year, credit shall be established or re-established, and the deposit and any interest due shall be refunded. The utility may withhold full refund of the deposit pending resolution of a disputed matter.
- N. The utility shall give a receipt for deposits received, but shall also keep accurate records of deposits, including Customer name, service address, amounts, interest, attempts to refund and dates of every activity regarding the deposit.

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Name and Title of Issuing Officer Mailing Address

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 27

Rules and Regulations Governing Rendering of
Water Service

- O. All billing matters shall be handled in accordance with the Missouri Public Service Commission's Rules and Regulations regarding Utility Billing Practices, 4 CSR 240-13.

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 28

Rules and Regulations Governing Rendering of
Water Service

Rule 11 METERS AND METER INSTALLATIONS

- A. When water meters are utilized for billing, the Company shall furnish and install a suitable meter for each Customer, and the Company's installed meter shall be the standard for measuring water used to determine the bill. All meters shall be furnished, installed, maintained and removed by the Company and shall remain its property.
- B. The Company shall have the right to determine, on the basis of the Customer's flow requirements, the type and size of meter to be installed and location of same. No meter size selection will be based solely on the size of the Customer's service line. If flow requirements increase or decrease subsequent to installation and a larger or smaller meter is requested by the Customer, the cost of installing such larger or smaller meter shall be paid by the Customer.
- C. Domestic water service to any one Customer at a single premises shall be furnished through a single service connection. Individual units of a multi-unit building may have separate connections and meter installations only if each unit has separate plumbing, ground-level space, an individual service connection and meter installation location, and frontage to a Company-owned main. For multi-unit buildings with one service connection and meter installation, the inside piping may be rearranged at the Customer's own expense so as to separate the units and meter tenants, then divide the bill accordingly.
- D. The owners of premises wherein meters are located shall be held responsible for the safekeeping of the Company's meters and metering appurtenances, and are required to keep meters located within their property accessible to the Company for reading and for meter changeouts. If a Customer limits accessibility, or fails to protect a meter against damage, the Company may discontinue service and/or refuse to supply water until accessibility is restored and the Company is paid for any such damage. The amount of the charge shall be the cost of the necessary replacement parts and the labor cost necessary to make the repair.

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 29

Rules and Regulations Governing Rendering of
Water Service

- E. If the Company determines that no suitable outdoor location is available, then the meter may be installed inside the Customer's premises where the water service line enters the building and just downstream of the inside shutoff valve. The Company shall install a curb stop within the service connection at or near the property line as practical. When the meter is installed inside the Customer's premises, the Customer will either provide a meter yoke to accept installation of the Company's meter, or provide proper fittings for the house plumbing pipe to allow for direct installation of the Company's meter, along with a proper grounding strap installed around the meter to prevent electric charge build-up on either side of the meter or while a meter is removed. If installation in a special setting is necessary, the excess cost of installation shall be paid by the Customer.
- F. If an existing basement meter location is determined by the Company to be inadequate or inaccessible, then the Customer must provide for the installation of a meter to be located at or near the Customer's property line. The Customer shall furnish or obtain from the Company, as appropriate, the necessary meter installation appurtenances conforming to the Company's specifications, and the cost of said appurtenances and labor shall be paid by the Customer.
- G. Approved meter installation locations in dry basements, sufficiently heated to keep the meter from freezing, may remain provided the meter is readily accessible, at the Company's and Customer's convenience as determined by the Company, for servicing and reading and the meter space provided is located where the service line enters the building. The Company may, at its discretion, require the Customer to install a remote reading device at an approved location, for the purpose of reading the meter. It is the responsibility of the Customer and/or the owner of the premises to provide a location for the water meter which, in the event of water discharge as a result of leakage from the meter or couplings, will not result in damage. The Company's liability for damages to any and all property caused by such leakage shall in no event exceed the price of water service to the affected premises for one average billing period in the preceding year. Where damage is caused by the negligence of Company personnel at the premises, this limitation will not

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 30

Rules and Regulations Governing Rendering of
Water Service

apply. If a Customer refuses to provide an accessible location for a meter as determined by the Company, the Company will notify the Staff of the Water and Sewer Unit of the Missouri Public Service Commission before ultimately refusing service or proceeding to discontinue service.

- H. The Customer shall promptly notify the Company of any defect in, or damage to, the meter setting.
- I. Any change in the location of any existing meter or meter setting at the request of the Customer shall be made at the expense of the Customer, and with the approval of the Company.

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Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 31

Rules and Regulations Governing Rendering of
Water Service

Rule 12 METER TESTS AND TEST FEES

- A. Any Customer may request the Company to make a special test of the accuracy of the meter through which water is supplied to the Customer. This test will be made in accordance with water industry test procedures, and to check for accuracy as required by Regulations of the Missouri Public Service Commission.
- B. The Company reserves the right to remove and test a meter at any time and to substitute another in its place. In case of a dispute involving a question as to the accuracy of the meter, a test will be made by the Company upon the request of the Customer without charge if the meter has not been tested within twelve (12) months preceding the requested test; otherwise, an approved charge will be made if the test indicates meter accuracy within five percent (5%).
- C. A meter test requested by the Customer may be witnessed by the Customer or the Customer's duly authorized representative, except for tests of meters larger than two inch (2") inlet, which will be conducted by the water manufacturer. A certified copy of the test report will be provided to the Customer.
- D. If a test shows an average error of more than five percent (5%), billings shall be adjusted in accordance with Rule 13.

* Indicates new rate or text
+ Indicates change

Issue Date: December 5, 2017
Month /Day/Year

Effective Date: January 4, 2018
Month /Day/Year

ISSUED BY Deborah J. Williams, Manager
Name and Title of Issuing Officer

P.O. Box 650, Sunrise Beach, MO 65079
Mailing Address

P.S.C. MO No. 2
Cancelling P.S.C. MO No. 1
Name of Utility: Environmental Utilities, L.L.C.
Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 32

Rules and Regulations Governing Rendering of
Water Service

Rule 13 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.

* Indicates new rate or text
+ Indicates change

Issue Date: December 5, 2017
Month /Day/Year

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Month /Day/Year

ISSUED BY Deborah J. Williams, Manager
Name and Title of Issuing Officer

P.O. Box 650, Sunrise Beach, MO 65079
Mailing Address

Cancelling P.S.C. MO No. 2
P.S.C. MO No. 1
Name of Utility: Environmental Utilities, L.L.C.
Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 33

Rules and Regulations Governing Rendering of
Water Service

Rule 14 EXTENSION OF WATER MAINS

- A. This rule shall govern the extension of mains by the Company within its certified area where there are no water mains.
- B. Upon receipt of a written application for a main extension, the Company will provide the applicant(s) an itemized estimate of the cost of the proposed extension. Said estimate shall include the cost of all labor and materials required, including valves, fire hydrants, booster stations, storage facilities, reconstruction of existing mains (if necessary), and the direct costs associated with supervision, engineering, permits, and bookkeeping. The estimate will not include unanticipated costs such as rock excavation.
- C. Applicant(s) shall enter into a contract with the Company for the installation of said extension and shall tender to the Company the amount determined in paragraph B. above. Any applicable New Service Connection Fee will become due after the cost incurred by the Company has been ascertained, as per Rule 5 B. 1. or 3., and as specified in the Schedule of Service Charges. The contract may allow the Customer to contract with an independent contractor for the installation and supply of material, except that mains of twelve inches (12") or greater diameter must be installed by the Company, and the reconstruction of existing facilities must be done by the Company.
- D. The cost to single-family residential applicant(s) connecting to a main extension for which other applicant(s) paid an amount determined in paragraph B., above, subject to subsequent adjustments for actual cost, shall be as follows:
1. For single-family residential applicant(s) applying for service in a platted subdivision, the Company shall divide the actual cost of the extension by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots which abut existing mains shall be excluded.

* Indicates new rate or text

+ Indicates change

Issue Date: December 5, 2017
Month /Day/Year

Effective Date: January 4, 2018
Month /Day/Year

ISSUED BY Deborah J. Williams, Manager
Name and Title of Issuing Officer

P.O. Box 650, Sunrise Beach, MO 65079
Mailing Address

Cancelling P.S.C. MO No. 2
P.S.C. MO No. 1
Name of Utility: Environmental Utilities, L.L.C.
Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 34

Rules and Regulations Governing Rendering of
Water Service

2. For single-family residential applicant(s) applying for service in areas that are unplatted in subdivision lots, an applicant(s) cost shall be equal to the total cost of the main extension divided by the total length of the main extension in feet times one hundred (100) feet.
3. For industrial, commercial, or multifamily residential applicants, the cost will be equal to the amount calculated for a single-family residence in paragraphs D.1. or D.2. above, multiplied by the flow factors of the applicants' meter. The flow factors of the various sizes of meters are as follows:

<u>Meter Size</u>	<u>Flow Factor</u>
5/8"	1
1"	2.5
1 1/2"	5
2"	8
3"	15
4"	25

- E. Refunds of funds paid by applicant(s) for any estimated costs or actual costs of a main extension shall be made to such applicant(s) as follows:
1. Should the actual cost of the extension be less than the estimated cost, the Company shall refund the difference to the applicant(s) as soon as the actual cost has been ascertained.
 2. During the first ten (10) years after the main extension is completed, the Company will refund to the applicant(s) who paid for the extension the money collected from applicant(s) in accordance with paragraph D. above. The refund shall be paid within a reasonable time after the money is collected.
 3. The sum of all refunds to any applicant shall not exceed the total amount

* Indicates new rate or text

+ Indicates change

Issue Date: December 5, 2017
Month /Day/Year

Effective Date: January 4, 2018
Month /Day/Year

ISSUED BY Deborah J. Williams, Manager
Name and Title of Issuing Officer

P.O. Box 650, Sunrise Beach, MO 65079
Mailing Address

C Cancelling P.S.C. MO No. 2
 P.S.C. MO No. 1
 Name of Utility: Environmental Utilities, L.L.C.
 Service Area: Golden Glade Service Area, Camden County, MO

Original Sheet No. 35

Rules and Regulations Governing Rendering of
Water Service

- which the applicant(s) has paid.
- F. Extensions made under this rule shall be and remain the property of the Company.
 - G. The Company reserves the right to further extend the main and to connect mains on intersecting streets and easements. Connecting new Customers to such further extensions shall not entitle the applicant(s) paying for the original extension to a refund for the connection of such Customers.
 - H. Extensions made under this rule shall be of Company-approved pipe sized to meet water service requirements. If the Company chooses to size the extension larger in order to meet the Company's overall system requirements, the additional cost caused by the larger size of pipe shall be borne by the Company.
 - I. No interest will be paid by the Company of payments for the extension made by the applicant(s).
 - J. If extensions are required on private roads, streets, through private property, or on private property adjacent to public right-of-way, a proper deed of easement must be furnished to the Company without cost to the Company, before the extension will be made.

* Indicates new rate or text
 + Indicates change

Issue Date: December 5, 2017
 Month /Day/Year

Effective Date: January 4, 2018
 Month /Day/Year

ISSUED BY Deborah J. Williams, Manager
 Name and Title of Issuing Officer

P.O. Box 650, Sunrise Beach, MO 65079
 Mailing Address

Disposition Agreement Attachment G

CMAU Report

REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW

Consumer and Management Analysis Unit

Small Company Rate Increase Request

Case No. WR-2018-0001

Environmental Utilities, LLC

Debbie Bernsen

The purpose of the Consumer and Management Analysis Unit (“CMAU”) is to promote and encourage efficient and effective utility management. These objectives contribute to the Missouri Public Service Commission’s (“Commission”) 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 Environmental Utilities, LLC (“Company” or “EU”) 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:

- Customer Billing
- Payment Remittance
- Meter Reading
- Credit and Collections
- Complaints and Inquiries
- Customer Communication

This report contains the results of the CMAU staff’s review.

The CMAU staff of the Missouri Public Service Commission (“Commission”) initiated an informal review in August 2017 of the customer service and business processes, procedures, and practices of Environmental Utilities, Inc. The review was performed in response to the Company’s request for a rate increase in Case No. WR-2018-0001, which was filed on June 30,

2017. The Company's request is for an increase of \$5,908.35 in its annual water system operating revenues. The specific reasons cited by the Company for its requested increase in revenues include increases in plant investment and increases in operation and maintenance expenses.

The CMAU staff examined the Company's tariffs, annual reports, Commission complaint and inquiry records, and other documentation related to the Company's customer service and business operations. In preparation of this report, the CMAU staff submitted data requests to the Company and performed an on-site interview with Company employees. The CMAU staff's review of the Company resulted in the following recommendations:

THE CMAU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

- 1. Develop and utilize time sheets for individuals to record the time associated with Company work activity. This recommendation should be completed within ninety (90) days of the effective date of the Commission order that resolves Case No. WR-2018-0001.*
- 2. Develop and initiate a system for documenting customer contacts in compliance with Commission Rule 4 CSR 240-13.040(5). This recommendation should be completed within thirty (30) days of the effective date of the Commission order that resolves Case No. WR-2018-0001.*
- 3. Develop and distribute, to all current and future customers, written information specifying the rights and responsibilities of the Company and its customers as required by Commission Rule 4 CSR 240-13.040(3). This recommendation should be completed within thirty (30) days of the effective date of the Commission order that resolves Case No. WR-2018-0001.*

History

Environmental Utilities provides water supply and distribution services in Camden County, Missouri. The Commission first authorized the Company to provide regulated water utility service in October 2001.

The Company provides water service to a total of approximately 21 customers, all located within a subdivision known as Golden Glades. Most of the lots within the subdivision have been built on and further growth is not anticipated.

Overview

Gregory and Debra Williams are the owners of Environmental Utilities and serve as the General Manager and Manager, respectively. The Company's business office is located in the offices of Mr. Williams law firm (Williams Law Firm) in Sunrise Beach, Missouri. The office is located at 16533 N. State Highway 5, Sunrise Beach, Missouri 65079 and the hours of operation

are 8:00 a.m. to 5:00 p.m. Monday thru Friday. The Company indicates that there are no employees of EU at this time. All functions to operate and maintain the water business are performed by outside contractors or by employees of the Williams Law Firm.

Lake Ozark Environmental (LOE) is an outside contractor and is utilized to perform meter reading, water testing, and service calls. LOE provides its services on a regular basis Monday through Friday 8:00 a.m. to 5:00 p.m. They also provide coverage for emergencies, evenings, weekends and holidays. Contact numbers are included on the customer bill. Billing, customer service and record maintenance are performed by employees of the Williams Law Firm. EU does not pay these employees.

Customer Billing

New customers requesting service are asked to call the office and are generally provided the phone number through the real estate agent, prior owner, or neighbor. The office will take information and complete an application for service. The number of new applications for service has been two a year for the last several years. No customer deposits have been collected in the last three years.

Environmental Utilities prepares customer bills and maintains accounts using Eldorado Utility Billing Software. All billing and customer service activities are conducted by employees of the Williams Law Firm, which owns and maintains the hardware and software used. The Company has indicated that the system has encountered some difficulties and therefore Company personnel maintain back-up paper documentation.

Company personnel indicate that the meters are read on or about the 20th of each month. Payments received from customers are posted on or about the 26th of the month. Meter readings are posted the same day that payments are posted. The new bills are calculated and printed. Bills are mailed on or about the first of each month. Customer bills are due on the 22nd day of the month and any payment received after the 22nd will have a \$6.50 late fee applied to it. The billing process normally takes four to five hours to complete.

Payment Remittance

Customer payment options are limited to the use of cash or check. Payments may be made by mail, at the business office and have been accepted in the field in the past. Company personnel assert that the post office box is checked weekly. Payments received until the 26th of the month will be posted and included in the calculation of the next bill.

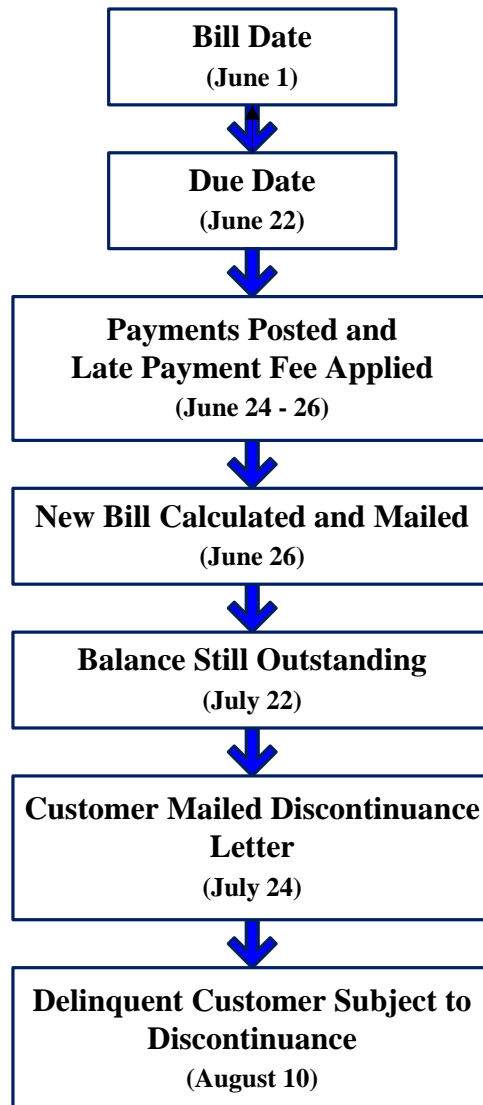
Meter Reading

Meters are read every month around the 20th of the month. The Company does not estimate bills and will make a return trip to verify a reading if necessary.

Credit and Collections

The Company has indicated a security deposit is not required as a condition for providing service. Company personnel assert that returned checks have not been a problem. Overall, the Company stated it does not have a problem with delinquent accounts.

The Company has an established procedure for handling delinquent accounts. The following illustration shows the actions that would be taken on delinquent accounts:



If a customer does not pay their bill by the due date, the next bill prepared will include a late fee of \$6.50. The Company will send the customer a disconnect notice if the following bill

is not paid, giving them at least 10 days to pay the balance. The notice also provides contact information and alerts them that they will be subject to a reconnection fee. Company management represents that no disconnections were performed in 2015 or 2016. Two disconnections were performed in 2017 as of June 1, 2017. The Company's tariff provides for a turn-off fee and a turn-on fee which must be paid in addition to the total balance due before water service is turned on. Company management indicates that no delinquent accounts were written-off in 2015, 2016 or through June 2017. The Company does not utilize a collection agency to pursue the collection of any uncollectible accounts.

Complaints and Inquiries

Customers with questions or concerns regarding their bill or service may call the telephone number appearing on their bill. Customers are also provided with an emergency number. Lake Ozark Environmental handles all emergency calls. Company personnel indicate that they have received calls on reports related to sulfur odor in the water. There are no records kept of customer contacts. A review of the Commission's complaint/inquiry records in the Electronic Filing and Information Service (EFIS) demonstrated no complaints received at the Commission for 2016 and 2017.

Customer Communication

The Company does not have an informational brochure which contains information required by Commission Rule 4 CSR 240-13.040. The Company states it does provide the customer with copies of the Company tariff, if requested. They will also provide fact sheets regarding odor and quality of the water.

Findings, Conclusions, and Recommendations

The following discussion presents a summary of the findings, conclusions, and recommendations pertaining to the Company's customer service operations. Recommendations resulting from rule or tariff violations are specifically noted and associated with a 30-day or 90 day implementation requirement. The information presented in this section focuses on the following issue that requires Company management's attention:

- Time Sheets
- Complaints and Inquiries
- Customer Communication

Time Sheets

Time records associated with the activities completed for Environmental Utilities are not kept by the Williams Law Firm employee who conducts the billing and payment posting for Environmental Utilities. Although this employee does not receive any compensation from EU for her work activities, an understanding and documentation of the time required for specific utility functions is useful. Maintaining accurate time records can provide multiple benefits to the regulated utility including as support to demonstrate the need for specific resources to operate the water company. This type of information is useful to present management, as well as for the future assessment of needs.

THE CMAU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and utilize time sheets for individuals to record the time associated with Company work activity. This recommendation should be completed within ninety (90) days of the effective date of the Commission order that resolves Case No. WR-2018-0001.

Complaints and Inquiries

No record is kept of complaints or inquiries received by Company personnel. Although Company management stated it did not receive many calls, the lack of a record keeping system makes it impossible for the Company to provide accurate information on the number and general description of complaints registered with the utility. Commission Rule 4 CSR 240-13.040(5) states:

(5) A utility shall maintain records on its customers for at least two (2) years which contain all information concerning-

(B) The number and general description of complaints registered with the utility;

In addition to being required by Commission rules, the availability of documented complaint information would enable Company management to evaluate why customers contact the Company and determine if any measures could be taken to improve the service its customers are receiving.

THE CMAU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and initiate a system for documenting customer contacts in compliance with Commission Rule 4 CSR 240-13.040(5). This recommendation should be completed within thirty (30) days of the effective date of the Commission order that resolves Case No. WR-2018-0001

Customer Communication

The Company does not have written information that addresses the requirements of Commission Rule 4 CSR 240-13.040(3) which states in part:

A utility shall prepare, in written form, information which in layman's terms summarizes the rights and responsibilities of the utility and its customers in accordance with this chapter.

The Rule also addresses that the written information be displayed prominently, and shall be mailed or otherwise delivered to each residential customer of the utility. The information will also be distributed to each new customer upon the commencement of service with the utility. Specific information to be covered in the brochure is listed in the above referenced rule and includes procedures such as billing, payment requirements, deposit requirements, discontinuance of service, and access to the Commission and the Office of the Public Counsel.

THE CMAU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and distribute, to all current and future customers, written information specifying the rights and responsibilities of the Company and its customers as required by Commission Rule 4 CSR 240-13.040(3). This recommendation should be completed within thirty (30) days of the effective date of the Commission order that resolves Case No. WR-2018-0001.

Implementation Review

The CMAU staff will conduct a review of the Company's progress regarding the implementation of the recommendations made in this report.

Disposition Agreement Attachment H

Water and Sewer Department Report

**REPORT OF WATER AND SEWER DEPARTMENT
FIELD OPERATIONS AND TARIFF REVIEW
Case No. WR-2018-001
ENVIRONMENTAL UTILITIES, L.L.C.
Jonathan Dallas / Curt Gateley**

Introduction

Environmental Utilities, L.L.C. (Company) provides water service to 21 customers in the Golden Glade subdivision, located in Camden County Missouri. The Commission's Water and Sewer Department Staff (Staff) performed an inspection of the water system on September 8, 2017. Observations and suggested improvements are listed below.

Facilities

The Company has a single well with a 7 ½ horsepower motor which produces approximately 40 gallons per minute. The pump was replaced in April of 2015. From the well, water is pumped into five hydro-pneumatic tanks. The hydro-pneumatic tanks maintain water pressure in the system. The well house is plumbed so that an additional 11 hydro-pneumatic tanks could be added for customer growth. Additional tanks could influence pump start-stop frequency. The well pump was downsized to the current 7 ½ horsepower from a 15 horsepower pump when it was replaced in April of 2015. The operator stated that the smaller pump was adequate for the system, and the Company received approval from the Dept. of Natural Resources for the change. The distribution system is comprised of approximately 2,500 feet of one- and two-inch polyvinyl chloride (PVC) pipe. Each customer has a 5/8" water meter.

Water and Sewer Staff Observations

During Staff's inspection, the well house roof appeared to be open and leaking, allowing birds and insects into the well house. Also, Staff could see daylight through a hole in the wall of the well house. Water staining and mold were evident in multiple locations. Bird droppings were noted in multiple locations within the well house. The well house will need to be made weather-tight as soon as possible to prevent access by pathogenic vectors such as birds, and to prevent further degradation of the building structure.

Staff received comments from customers who were unhappy with the water pressure. The Company states that the water pressure at the well house ranges from 40 - 60 pounds per square inch (psi). The well house is located at a lower elevation than most of the homes on the system, which means water pressure in the homes at higher elevations will be lower than pressure at the well house. The Company stated the lowest pressure they had measured in the system is around 30 psi, but that they are experimenting with pumping pressures to now to attempt to please customers. No violations of the minimum pressure of 20 psi have been documented by the Department of Natural Resources or Commission Staff.

The Company stated to Staff that the master meter in the well house has not been functioning properly and appears to be under reading by approximately 30%. The company arrived at this estimate based on pump run time and known volume of water moved by the pump in that time, vs the flow measured by the meter. A working master meter is necessary to determine how much water is being produced and allow the company to evaluate water loss. The master meter will need to be replaced as soon as possible.

During Staff's visit the well pump turned on and Staff noted a violent jolt to the pipe coming from the well head. Staff also noted a lack of supports under some portions of the piping in the well house. A lack of supports under the piping puts unneeded stress on the piping and allows extra vibration when the well pump turns on. This could lead to leaks or a complete break in the pipe. Supports should be added under the piping as soon as possible to help reduce unnecessary stress.

Tariff Review

Staff routinely works with utilities to update tariffs of the individual companies using a generic tariff that is modified for specific operations of the individual companies as they file rate cases with the Commission. Because the Company's tariff has not been updated in over 14 years and is not consistent with current regulations, Staff recommends replacing the entire tariff. The service territory map is difficult to read and should also be replaced.

Rate Design

Staff also reviewed the Company's current rate design in its investigation. The current rate structure consists of a monthly service charge which includes a minimum of 2,000 gallons of water, and a commodity charge for usage above 2,000 gallons. Staff proposes to revise the rate structure to eliminate the 2,000 gallon usage included in the minimum monthly charge and to create a simple monthly customer charge and a separate commodity charge for all water usage. The current rate structure also includes multiple meter sizes, even though only 5/8" meters have been placed into service. Staff will review the need for the rates associated with additional meter sizes. The rates will be updated based on the results of the new cost of service studies performed as part of this rate case.

Recommendations

- Within 60 days the Company shall make repairs to the well house roof and wall to make it weather tight and prevent birds and rodents from entering. The Company also agrees to install appropriate insulation where it is missing or in a degraded condition.
- Within 30 days the Company shall replace the dysfunctional master meter and continue to maintain a master meter log.
- Within 30 days the Company shall place bracing under the piping in the well house to support it and help lessen the vibrations when the well pump kicks on.

Disposition Agreement Attachment I

Summary of Case Events

Environmental Utilities, L.L.C.
Case # WR-2018-0001
Summary of Case Events

Date Filed:	July 3, 2017
Day 150:	November 30, 2017
Extension? If yes, why?	No
Amount Requested:	\$5,908.35
Amount Agreed Upon:	\$7,764
Item(s) Driving Rate Increase:	Replacement of failed well pump, increases in operation and maintenance costs
Number of Customers:	21
Return:	7.93%
Assessment Current:	Yes
Annual Reports Filed:	Yes
Other Open Cases before Commission:	No
Status with Secretary of State:	Good Standing
DNR Violations:	Currently in Compliance
Significant Service/Quality Issues:	None

DIANNA L. VAUGHT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: June 28, 2019
Commission Number: 15207377

Dianna L. Vayth
NOTARY PUBLIC

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

In The Matter of Environmental Utilities, LLC's)
Request for Increase in Annual Water System)
Operating Revenues)

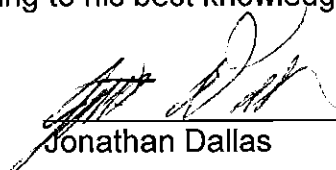
Case No. WR-2018-0001

AFFIDAVIT OF JONATHAN DALLAS

State of Missouri)
) ss
County of Cole)

COMES NOW Jonathan Dallas, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached *Partial Disposition Agreement*; and that the same is true and correct according to his best knowledge and belief.

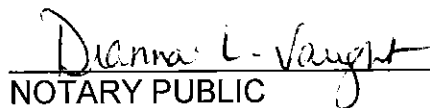
Further the Affiant sayeth not.



Jonathan Dallas

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 30th day of November, 2017.



NOTARY PUBLIC

