

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

In the Matter of Roy L. Utilities, Inc.)	Case Nos. <u>WR-2016-0109</u>
Request for Increase in Annual Sewer and)	<u>SR-2016-0110</u>
Water System Operating Revenues)	

NOTICE OF DISPOSITION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and on behalf of Roy-L Utilities (Roy-L), and for their *Notice of Disposition* in this matter hereby state:

1. On November 9, 2015, Roy-L filed a letter with the Missouri Public Service Commission (Commission) requesting that the Commission approve increases in its annual water and sewer operating revenues, which resulted in the Commission opening two cases, Case Nos. WR-2016-0109 and SR-2016-0110.

2. Staff conducted an investigation and audit of Roy-L pursuant to 4 CSR 240-3.050(6), and Staff provided its findings to Roy-L and the Office of the Public Counsel (Public Counsel).

3. On April 27, 2016, the Office of the Public Counsel's requested a local public hearing, for which the parties await the Commission's order. Should the Commission grant Public Counsel's request, a local public hearing will be held either May 23 or May 24, 2016. Staff will file a Report on Local Public Hearing following the hearing pursuant to 4 CSR 240-3.050(19). Should any material issues arise at the local public hearing, Staff will include that information in its Report.

4. Subsequent to Staff's investigation and through negotiations between Staff, Roy-L and Public Counsel, Staff and Roy-L have reached an agreement as to all of the elements of both the water and sewer small company rate increase requests.

Attached to this pleading as Appendix A and Appendix B, respectively, and reflecting that agreement are dispositions for Roy-L's water and sewer requests as approved by Staff and Roy-L pursuant to 4 CSR 240-3.050(11). Also attached to this pleading are Attachments A through J - water and Attachments A through J – sewer, reflecting Staff's work in these matters.

5. The dispositions include expenses, revenues and rate base for the 12-month period ending December 31, 2014, and updated for all known, measurable and significant changes as of December 31, 2015. It reflects agreements reached between the parties as to appropriate accounting of company assets, payroll, structural updates, depreciation and customer rates. It provides for the water increase request an increase of \$10,858 to be added to the existing Missouri final adjusted jurisdictional revenues of \$17,138 for an increase of 64.4% and total annual revenue of \$27,996. The rate base agreed upon is \$53,022 and the agreed upon capital structure is 26.62% equity with a return of 11.07%. It provides for the sewer increase request an increase of \$8,574 to be added to the existing Missouri final adjusted jurisdictional revenues of \$14,268 for an increase of 60.9% and total annual revenue of \$22,842. The rate base agreed upon is \$47,172 and the agreed upon capital structure is 26.62% equity with a return of 11.07%.

6. Roy-L will file proposed updated tariff sheets with the Commission pursuant to 4 CSR 240-3.050(14), which reflect the agreements set forth in the disposition and bearing an effective date of July 1, 2016. Roy-L will also implement Staff's recommendations regarding corrections to its monthly billing statements; distribution of written information regarding rights and responsibilities to its customers;

and correcting its books and records to reflect changes suggested by Staff's auditors. Final written notice of the rate revisions and tariff updates will be sent to the customers within Roy-L's next billing cycle.

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

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

/s/ Whitney Payne

Whitney Payne
Legal Counsel
Missouri Bar No. 64078

Attorney for the Staff of the
Missouri Public Service Commission
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 6th day of May, 2016, to all counsel of record.

/s/ Whitney Payne

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

ROY L UTILITIES, INC.

MO PSC FILE NO. WR-2016-0109

BACKGROUND

Roy L Utilities, Inc. ("Company") initiated a small company revenue increase request ("Request") for water, 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 November 9, 2015, the Company sets forth its request for an increase of \$6,000 in its total annual water service operating revenues because of increases in utility plant investment, and increases in operation and maintenance expenses. In addition, the Company also was requesting the implementation of a surcharge/contingency fund of \$2 per month that was to be used for improvements and unanticipated repairs and maintenance. The Company 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") investigation of the revenue increase request, and could thus be the subject of Staff's recommendations. The Company provides service to approximately 59 water customers, all of whom are residential customers in the territory where the Company is located.

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, as well as a review of the customer service and general business practices, the existing tariff, the operation of facilities and an inspection of the 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 its results, 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 \$10,858 (64.4% increase) added to the existing revenues of \$17,138 results in overall annual revenues of \$27,996. This revenue requirement is just and reasonable and designed to recover the Company's cost of service. These amounts are shown on the ratemaking income statement found in Attachment A, and 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 December 31, 2014, updated to December 31, 2015, as the basis for the revenue requirement determined above. The audit findings can be found in Attachment B, and incorporated by reference herein;
- (3) The agreed upon net rate base is \$53,022 as of the construction update period of February 29, 2016. The development of this amount is shown on the rate base worksheet that is found 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 which includes 26.62% equity for the Company and a return on equity of 11.07%;
- (5) The schedule of depreciation rates in Attachment D, and incorporated by reference herein, includes the depreciation rates used by Staff in its revenue requirement analysis and shall be the prescribed schedule of water plant depreciation rates for the Company;
- (6) To allow the Company the opportunity to collect the revenue requirement agreed to in (1) above, the rates as shown on Attachment E, and incorporated by reference herein, are just and reasonable rates that the Company will be allowed to charge its customers. The impact of these rates will be as shown on Attachment F, also attached and incorporated by reference herein;
- (7) For the purposes of implementing the agreements set out in this disposition agreement, the Company will file with the Commission, proposed tariff revisions containing the rates, charges, and language set out in the example tariff sheet(s) attached as Attachment E. The current water tariff PSC MO No. 3, Original Sheet No. 4 will be cancelled and replaced by PSC MO No. 3 1st Revised Sheet No. 4. These sheets are included in the example tariff sheets described above. The proposed tariff revisions will bear an effective date of July 1, 2016;

(8) Within thirty (30) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendations contained in the Consumer & Management Analysis Unit (“CMAU”) Report, attached hereto as Attachment I and incorporated by reference herein, and provide proof of implementation of the recommendations to the Manager of the Commission’s CMAU:

- (a) The Company will correct its monthly billing statements to include the amount of any previous balance and to include the amount due for late fees so that the billing statements adhere to Commission Rules 4 CSR-13.020(9)(C) and (E); and
- (b) The Company will update 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).

(9) Within ninety (90) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendations contained in the Auditing Department Report attached hereto as Attachment H 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 will correct its books and records to reflect the adjusted plant, depreciation reserve, and contributions in aid of construction balances reflected in Staff Accounting Schedules, Appendix B attached herein;

(10) The Company is withdrawing its request to implement a surcharge/contingency fund in this rate case proceeding;

(11) 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;

(12) 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;

(13) 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;

(14) 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

(15) 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.

The Company and Staff acknowledge that they have previously agreed to an extension of the normal "Day-150" date by which an agreement regarding the resolution of a small company revenue increase request. The extension was requested so that parties could continue negotiations. A copy of the extension agreements can be found in the above-referenced EFIS Case No for the Request.

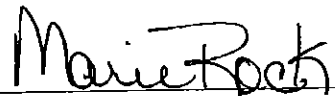
Staff has completed a Summary of Case Events and has included that summary as Attachment J to this Company/Staff Disposition Agreement.

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. Subject to the rules governing practice before the Commission, Staff will be available to answer Commission questions regarding this Company/Staff Disposition Agreement. To the extent reasonably practicable, Staff shall provide the Company with advance notice of any such agenda meeting so that it may have the opportunity to be present and/or represented at the meeting.

SIGNATURES

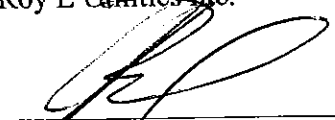
Agreement Signed and Dated:



Marie Rock
Manager
Roy L Utilities Inc.

5.6.16

Date



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

5/6/16

Date

List of Attachments

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

Roy L Utilities, Inc.

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	16,864
2	Other Operating Revenues *	\$	274
3	Total Operating Revenues	\$	17,138
4	* See "Revenues - Current Rates" for Details		

Customer Charge	Commodity
\$ 15,201	\$ 1,663
\$ 137	\$ 137
\$ 15,338	\$ 1,800

Cost of Service

Item	Amount		
2 Electricity-Pumping	\$ 2,110	\$ -	\$ 2,110
3 Environmental Services - Pumping	\$ 122	\$ -	\$ 122
## Water Treatment Expense-Chemicals	\$ 463	\$ -	\$ 463
## Water Treatment -Contract Operator	\$ 297	\$ -	\$ 297
## Mowing	\$ 720	\$ 480	\$ 240
## System Repairs Maintenance	\$ 1,516	\$ 1,516	\$ -
## Bad Debt	\$ 46	\$ 24	\$ 22
Accounting	\$ 105	\$ 105	\$ -
## Office Supplies	\$ 208	\$ 208	\$ -
Professional Services - Marie Rock	\$ 11,813	\$ 10,041	\$ 1,772
## Postage	\$ 136	\$ 136	\$ -
## Administration & General - Salaries	\$ 785	\$ 785	\$ -
## Office Utilities	\$ 555	\$ 455	\$ 100
## ATV Rental	\$ 755	\$ 755	\$ -
## Property & Liability Insurance	\$ 534	\$ 534	\$ -
## Rent Expense-Building	\$ 660	\$ 660	\$ -
## Rate Case Expense	\$ 328	\$ 123	\$ 205
## MO DNR Fees	\$ 200	\$ 200	\$ -
## Dues	\$ 86	\$ 86	\$ -
## PSC Assessment	\$ 124	\$ 124	\$ -
## Secretary of State Fees	\$ 10	\$ 10	\$ -
## Miscellaneous General Expenses	\$ 40	\$ 40	\$ -
## Sub-Total Operating Expenses	\$ 21,613	\$ 16,282	\$ 5,331
## Property Taxes	\$ 221	\$ 221	
## Additional Current Tax Required	\$ 2,164	\$ 2,164	\$ -
## State & Federal Income Taxes	\$ (1,775)	\$ (1,775)	\$ -
## Sub-Total Taxes	\$ 610	\$ 610	\$ -
## Depreciation Expense	\$ 2,290	\$ 1,663	\$ 627
## Amortization of Utility Plant	\$ (25)	\$ (25)	
## Sub-Total Depreciation/Interest/Amortization	\$ 2,265	\$ 1,638	\$ 627
## Return on Rate Base	\$ 3,508	\$ 3,370	\$ 138
## Total Cost of Service	\$ 27,996	\$ 21,900	\$ 6,096
## Overall Revenue Increase Needed	\$ 10,858	\$ 6,562	\$ 4,296

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Revenue Requirement

Line Number	A Description	B 6.62% Return	C 6.62% Return	D 6.62% Return
1	Net Orig Cost Rate Base	\$53,022	\$53,022	\$53,022
2	Rate of Return	6.62%	6.62%	6.62%
3	Net Operating Income Requirement	\$3,508	\$3,508	\$3,508
4	Net Income Available	-\$5,186	-\$5,186	-\$5,186
5	Additional Net Income Required	\$8,694	\$8,694	\$8,694
6	Income Tax Requirement			
7	Required Current Income Tax	\$389	\$389	\$389
8	Current Income Tax Available	-\$1,775	-\$1,775	-\$1,775
9	Additional Current Tax Required	\$2,164	\$2,164	\$2,164
10	Revenue Requirement	\$10,858	\$10,858	\$10,858
11	Allowance for Known and Measureable Changes/True-Up Estimate	\$0	\$0	\$0
12	Miscellaneous (e.g. MEEIA)	\$0	\$0	\$0
13	Gross Revenue Requirement	\$10,858	\$10,858	\$10,858

Roy L Utilities, Inc.
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Test Year Ending 12-31-2014
Updated through 12-31-2015
RATE BASE SCHEDULE

Line Number	Rate Base Description	B Percentage Rate	C Dollar Amount
1	Plant In Service		\$62,378
2	Less Accumulated Depreciation Reserve		\$7,355
3	Net Plant In Service		\$55,023
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		\$0
6	Contributions in Aid of Construction Amortization		\$272
7	Materials & Supplies		\$1,311
8	Prepayments		\$0
9	Meter Rerouting Project		\$0
10	TOTAL ADD TO NET PLANT IN SERVICE		\$1,583
11	SUBTRACT FROM NET PLANT		
12	Federal Tax Offset	0.0000%	\$0
13	State Tax Offset	0.0000%	\$0
14	City Tax Offset	0.0000%	\$0
15	Interest Expense Offset	0.0000%	\$0
16	Contributions in Aid of Construction		\$3,584
17	Customer Advances		\$0
18	Customer Deposits		\$0
19	Deferred Income Taxes		\$0
20	Deferred Income Taxes		\$0
21	Accrued Pension Liability		\$0
22	TOTAL SUBTRACT FROM NET PLANT		\$3,584
23	Total Rate Base		\$53,022

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Plant In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjust. Number	E Adjustments	F As Adjusted Plant	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	301.000	Organization	\$0	P-2	\$0	\$0	75.00%	\$0	\$0
3	302.000	Franchises and Consents	\$0	P-3	\$0	\$0	100.00%	\$0	\$0
4	303.000	Miscellaneous Intangible Plant	\$2,298	P-4	\$0	\$2,298	100.00%	\$0	\$2,298
5		TOTAL INTANGIBLE PLANT	\$2,298		\$0	\$2,298		\$0	\$2,298
6		SOURCE OF SUPPLY PLANT							
7	310.000	Land and Land Rights	\$740	P-7	\$0	\$740	100.00%	\$0	\$740
8	311.000	Structures and Improvements	\$0	P-8	\$0	\$0	100.00%	\$0	\$0
9	313.000	Collecting & Impounding Reservoirs	\$0	P-9	\$0	\$0	100.00%	\$0	\$0
10	317.000	Wells and Springs	\$0	P-10	\$0	\$0	100.00%	\$0	\$0
11		TOTAL SOURCE OF SUPPLY PLANT	\$740		\$0	\$740		\$0	\$740
12		PUMPING PLANT							
13	320.000	Land and Land Rights	\$0	P-13	\$0	\$0	100.00%	\$0	\$0
14	321.000	Structures and Improvements	\$29,161	P-14	\$0	\$29,161	100.00%	\$0	\$29,161
15	325.100	Submersible Electric Pumping Equipment	\$3,406	P-15	\$0	\$3,406	100.00%	\$0	\$3,406
16	325.200	High Service or Booster Pumps	\$0	P-16	\$0	\$0	100.00%	\$0	\$0
17	328.000	Other Pumping Equipment	\$0	P-17	\$0	\$0	100.00%	\$0	\$0
18		TOTAL PUMPING PLANT	\$32,567		\$0	\$32,567		\$0	\$32,567
19		WATER TREATMENT PLANT							
20	332.000	Water Treatment Equipment	\$2,861	P-20	\$0	\$2,861	100.00%	\$0	\$2,861
21		TOTAL WATER TREATMENT PLANT	\$2,861		\$0	\$2,861		\$0	\$2,861
22		TRANSMISSION & DIST. PLANT							
23	340.000	Land & Land Rights	\$0	P-23	\$0	\$0	100.00%	\$0	\$0
24	341.000	Structures & Improvements	\$200	P-24	\$0	\$200	100.00%	\$0	\$200
25	342.000	Distribution Reservoirs and Standpipes	\$0	P-25	\$0	\$0	100.00%	\$0	\$0
26	343.000	Transmission and Distribution Mains	\$10,362	P-26	\$0	\$10,362	100.00%	\$0	\$10,362
27	345.000	Services	\$0	P-27	\$0	\$0	100.00%	\$0	\$0
28	346.000	Meters	\$2,792	P-28	\$0	\$2,792	100.00%	\$0	\$2,792
29	347.000	Meter Installations	\$6,234	P-29	\$3,096	\$9,330	100.00%	\$0	\$9,330
30		TOTAL TRANSMISSION & DIST. PLANT	\$19,588		\$3,096	\$22,684		\$0	\$22,684
31		INCENTIVE COMPENSATION CAPITALIZATION							
32	0.000	Incentive Compensation Capitalization Adj.	\$0	P-32	\$0	\$0	100.00%	\$0	\$0
33		TOTAL INCENTIVE COMPENSATION CAPITALIZATION	\$0		\$0	\$0		\$0	\$0
34		GENERAL PLANT							
35	372.000	Office Furniture and Equipment	\$0	P-35	\$0	\$0	100.00%	\$0	\$0
36	372.100	Office Computer and Electronic Equipment	\$874	P-36	\$0	\$874	100.00%	\$0	\$874
37	373.000	Transportation Equipment	\$0	P-37	\$0	\$0	100.00%	\$0	\$0
38	379.000	Other General Equipment	\$354	P-38	\$0	\$354	100.00%	\$0	\$354
39	390.000	Other Tangible Property	\$0	P-39	\$0	\$0	100.00%	\$0	\$0
40		TOTAL GENERAL PLANT	\$1,228		\$0	\$1,228		\$0	\$1,228
41		TOTAL PLANT IN SERVICE	\$59,282		\$3,096	\$62,378		\$0	\$62,378

Roy L Utilities, Inc.
 Case No. WR-2016-0109
 Test Year Ending 12-31-2014
 Updated through 12-31-2015
 Adjustments to Plant in Service

<u>A</u> Plant Adj. Number	<u>B</u> Plant In Service Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount	<u>F</u> Jurisdictional Adjustments	<u>G</u> Total Jurisdictional Adjustments
P-29	Meter Installations	347.000		\$3,096		\$0
	1. To include meter pits installed in January.		\$3,096		\$0	
Total Plant Adjustments				<u>\$3,096</u>		<u>\$0</u>

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Depreciation Expense

Line Number	A Account Number	B Plant Account Description	C MO Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense	F Average Life	G Net Salvage
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0	0.00%	\$0	0	0.00%
3	302.000	Franchises and Consents	\$0	0.00%	\$0	0	0.00%
4	303.000	Miscellaneous Intangible Plant	\$2,298	0.00%	\$0	0	0.00%
5		TOTAL INTANGIBLE PLANT	\$2,298		\$0		
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land and Land Rights	\$740	0.00%	\$0	0	0.00%
8	311.000	Structures and Improvements	\$0	0.00%	\$0	0	0.00%
9	313.000	Collecting & Impounding Reservoirs	\$0	0.00%	\$0	0	0.00%
10	317.000	Wells and Springs	\$0	0.00%	\$0	0	0.00%
11		TOTAL SOURCE OF SUPPLY PLANT	\$740		\$0		
12		PUMPING PLANT					
13	320.000	Land and Land Rights	\$0	0.00%	\$0	0	0.00%
14	321.000	Structures and Improvements	\$29,161	2.50%	\$729	0	0.00%
15	325.100	Submersible Electric Pumping Equipment	\$3,406	10.00%	\$341	0	0.00%
16	325.200	High Service or Booster Pumps	\$0	0.00%	\$0	0	0.00%
17	328.000	Other Pumping Equipment	\$0	0.00%	\$0	0	0.00%
18		TOTAL PUMPING PLANT	\$32,567		\$1,070		
19		WATER TREATMENT PLANT					
20	332.000	Water Treatment Equipment	\$2,861	10.00%	\$286	0	0.00%
21		TOTAL WATER TREATMENT PLANT	\$2,861		\$286		
22		TRANSMISSION & DIST. PLANT					
23	340.000	Land & Land Rights	\$0	0.00%	\$0	0	0.00%
24	341.000	Structures & Improvements	\$200	2.50%	\$5	0	0.00%
25	342.000	Distribution Reservoirs and Standpipes	\$0	2.50%	\$0	0	0.00%
26	343.000	Transmission and Distribution Mains	\$10,362	2.00%	\$207	0	0.00%
27	345.000	Services	\$0	2.50%	\$0	0	0.00%
28	346.000	Meters	\$2,792	10.00%	\$279	0	0.00%
29	347.000	Meter Installations	\$9,330	2.50%	\$233	0	0.00%
30		TOTAL TRANSMISSION & DIST. PLANT	\$22,684		\$724		
31		INCENTIVE COMPENSATION CAPITALIZATION					
32		Incentive Compensation Capitalization Adj.	\$0	2.50%	\$0	0	0.00%
33		TOTAL INCENTIVE COMPENSATION CAPITALIZATION	\$0		\$0		
34		GENERAL PLANT					
35	372.000	Office Furniture and Equipment	\$0	5.00%	\$0	0	0.00%
36	372.100	Office Computer and Electronic Equipment	\$874	20.00%	\$175	0	0.00%
37	373.000	Transportation Equipment	\$0	0.00%	\$0	0	0.00%
38	379.000	Other General Equipment	\$354	10.00%	\$35	0	0.00%
39	390.000	Other Tangible Property	\$0	0.00%	\$0	0	0.00%
40		TOTAL GENERAL PLANT	\$1,228		\$210		
41		Total Depreciation	\$62,378		\$2,290		

Roy L Utilities, Inc.
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Test Year Ending 12-31-2014
Updated through 12-31-2015
Depreciation Expense

<u>A</u>		<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
Line	Account		MO Adjusted	Depreciation	Depreciation	Average	Net
Number	Number	Plant Account Description	Jurisdictional	Rate	Expense	Life	Salvage

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

Roy L Utiities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjust. Number	E Adjustments	F As Adjusted Reserve	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	301.000	Organization	\$0	R-2	\$0	\$0	75.00%	\$0	\$0
3	302.000	Franchises and Consents	\$0	R-3	\$0	\$0	100.00%	\$0	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	R-4	\$0	\$0	100.00%	\$0	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0	\$0		\$0	\$0
6		SOURCE OF SUPPLY PLANT							
7	310.000	Land and Land Rights	\$0	R-7	\$0	\$0	100.00%	\$0	\$0
8	311.000	Structures and Improvements	\$0	R-8	\$0	\$0	100.00%	\$0	\$0
9	313.000	Collecting & Impounding Reservoirs	\$0	R-9	\$0	\$0	100.00%	\$0	\$0
10	317.000	Wells and Springs	\$0	R-10	\$0	\$0	100.00%	\$0	\$0
11		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0	\$0		\$0	\$0
12		PUMPING PLANT							
13	320.000	Land and Land Rights	\$0	R-13	\$0	\$0	100.00%	\$0	\$0
14	321.000	Structures and Improvements	\$1,756	R-14	\$0	\$1,756	100.00%	\$0	\$1,756
15	325.100	Submersible Electric Pumping Equipment	\$1,834	R-15	\$0	\$1,834	100.00%	\$0	\$1,834
16	325.200	High Service or Booster Pumps	\$0	R-16	\$0	\$0	100.00%	\$0	\$0
17	328.000	Other Pumping Equipment	\$0	R-17	\$0	\$0	100.00%	\$0	\$0
18		TOTAL PUMPING PLANT	\$3,590		\$0	\$3,590		\$0	\$3,590
19		WATER TREATMENT PLANT							
20	332.000	Water Treatment Equipment	\$2,354	R-20	\$0	\$2,354	100.00%	\$0	\$2,354
21		TOTAL WATER TREATMENT PLANT	\$2,354		\$0	\$2,354		\$0	\$2,354
22		TRANSMISSION & DIST. PLANT							
23	340.000	Land & Land Rights	\$0	R-23	\$0	\$0	100.00%	\$0	\$0
24	341.000	Structures & Improvements	\$54	R-24	\$0	\$54	100.00%	\$0	\$54
25	342.000	Distribution Reservoirs and Standpipes	\$0	R-25	\$0	\$0	100.00%	\$0	\$0
26	343.000	Transmission and Distribution Mains	\$65	R-26	\$0	\$65	100.00%	\$0	\$65
27	345.000	Services	\$0	R-27	\$0	\$0	100.00%	\$0	\$0
28	346.000	Meters	\$376	R-28	\$0	\$376	100.00%	\$0	\$376
29	347.000	Meter Installations	\$418	R-29	\$13	\$431	100.00%	\$0	\$431
30		TOTAL TRANSMISSION & DIST. PLANT	\$913		\$13	\$926		\$0	\$926
31		INCENTIVE COMPENSATION CAPITALIZATION							
32		Incentive Compensation Capitalization Adj.	\$0	R-32	\$0	\$0	100.00%	\$0	\$0
33		TOTAL INCENTIVE COMPENSATION CAPITALIZATION	\$0		\$0	\$0		\$0	\$0
34		GENERAL PLANT							
35	372.000	Office Furniture and Equipment	\$0	R-35	\$0	\$0	100.00%	\$0	\$0
36	372.100	Office Computer and Electronic Equipment	\$254	R-36	\$0	\$254	100.00%	\$0	\$254
37	373.000	Transportation Equipment	\$0	R-37	\$0	\$0	100.00%	\$0	\$0
38	379.000	Other General Equipment	\$231	R-38	\$0	\$231	100.00%	\$0	\$231
39	390.000	Other Tangible Property	\$0	R-39	\$0	\$0	100.00%	\$0	\$0
40		TOTAL GENERAL PLANT	\$485		\$0	\$485		\$0	\$485
41		TOTAL DEPRECIATION RESERVE	\$7,342		\$13	\$7,355		\$0	\$7,355

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Adjustments for Depreciation Reserve

<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	<u>F</u> Jurisdictional Adjustments	<u>G</u> Total Jurisdictional Adjustments
R-29	Meter Installations	347.000		\$13		\$0
	To include 2 months of depreciation on meter pits installed at beginning of the year.		\$13		\$0	
Total Reserve Adjustments				<u>\$13</u>		<u>\$0</u>

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Cash Working Capital

Line Number	A Description	B Test Year Adj. Expenses	C Revenue Lag	D Expense Lag	E Net Lag C - D	F Factor (Col E / 365)	G CWC Req B x F
1	OPERATION AND MAINT. EXPENSE						
2	Base Payroll	\$0	0.00	0.00	0.00	0.000000	\$0
3	Tax Withholding	\$0	0.00	0.00	0.00	0.000000	\$0
4	Pensions and Employee Benefits	\$0	0.00	0.00	0.00	0.000000	\$0
5	Electric	\$0	0.00	0.00	0.00	0.000000	\$0
6	Telephone	\$0	0.00	0.00	0.00	0.000000	\$0
7	Office Rents	\$0	0.00	0.00	0.00	0.000000	\$0
8	Intercompany Billing	\$0	0.00	0.00	0.00	0.000000	\$0
9	Uncollectible Accounts	\$0	0.00	0.00	0.00	0.000000	\$0
10	PSC Assessment	\$0	0.00	0.00	0.00	0.000000	\$0
11	Cash Vouchers	\$21,279	0.00	0.00	0.00	0.000000	\$0
12	TOTAL OPERATION AND MAINT. EXPENSE	\$21,279					\$0
13	TAXES						
14	FICA - Employer Portion	\$0	0.00	0.00	0.00	0.000000	\$0
15	Unemployment	\$0	0.00	0.00	0.00	0.000000	\$0
16	Property Tax	\$0	0.00	0.00	0.00	0.000000	\$0
17	Gross Receipts Tax	\$0	0.00	0.00	0.00	0.000000	\$0
18	Corporate Franchise	\$0	0.00	0.00	0.00	0.000000	\$0
19	Sales Tax	\$0	0.00	0.00	0.00	0.000000	\$0
20	Test Line	\$0	0.00	0.00	0.00	0.000000	\$0
21	TOTAL TAXES	\$0					\$0
22	CWC REQ'D BEFORE RATE BASE OFFSETS						\$0
23	TAX OFFSET FROM RATE BASE						
24	Federal Tax Offset	\$276	0.00	0.00	0.00	0.000000	\$0
25	State Tax Offset	\$113	0.00	0.00	0.00	0.000000	\$0
26	City Tax Offset	\$0	0.00	0.00	0.00	0.000000	\$0
27	Interest Expense Offset	\$1,945	0.00	0.00	0.00	0.000000	\$0
28	TOTAL OFFSET FROM RATE BASE	\$2,334					\$0
29	TOTAL CASH WORKING CAPITAL REQUIRED						\$0

Roy L Utiities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Income Statement

Line Number	A Category Description	B Total Test Year	C Test Year Labor	D Test Year Non Labor	E Adjustments	F Total Company Adjusted	G Jurisdictional Adjustments	H MO Final Adj Jurisdictional	I MO Juris. Labor	J MO Juris. Non Labor
1	TOTAL OPERATING REVENUES	\$16,689	See Note (1)	See Note (1)	See Note (1)	\$16,689	\$449	\$17,138	See Note (1)	See Note (1)
2	TOTAL SOURCE OF SUPPLY EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	TOTAL PUMPING EXPENSES	\$1,792	\$0	\$1,792	\$440	\$2,232	\$0	\$2,232	\$0	\$2,232
4	TOTAL WATER TREATMENT EXPENSES	\$856	\$0	\$856	-\$96	\$760	\$0	\$760	\$0	\$760
5	TOTAL TRANSMISSION & DIST. EXPENSES	\$632	\$0	\$632	\$1,604	\$2,236	\$0	\$2,236	\$0	\$2,236
6	TOTAL CUSTOMER ACCOUNTS EXPENSE	\$341	\$0	\$341	\$49	\$390	\$0	\$390	\$0	\$390
7	TOTAL CUSTOMER SERVICE EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	TOTAL SALES PROMOTION EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL ADMIN. & GENERAL EXPENSES	\$6,940	\$0	\$6,940	\$8,721	\$15,661	\$0	\$15,661	\$7,035	\$8,626
10	TOTAL DEPRECIATION EXPENSE	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	\$2,290	\$2,290	See Note (1)	See Note (1)
11	TOTAL AMORTIZATION EXPENSE	\$0	\$0	\$0	\$0	\$0	-\$25	-\$25	\$0	-\$25
12	TOTAL OTHER OPERATING EXPENSE	\$596	\$0	\$596	-\$41	\$555	\$0	\$555	\$0	\$555
13	TOTAL OPERATING EXPENSE	\$11,157	\$0	\$11,157	\$10,677	\$21,834	\$2,265	\$24,099	\$7,035	\$14,774
14	NET INCOME BEFORE TAXES	\$5,532	\$0	\$0	\$0	-\$5,145	-\$1,816	-\$6,961	\$0	\$0
15	TOTAL INCOME TAXES	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	-\$1,775	-\$1,775	See Note (1)	See Note (1)
16	TOTAL DEFERRED INCOME TAXES	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	\$0	\$0	See Note (1)	See Note (1)
17	NET OPERATING INCOME	\$5,532	\$0	\$0	\$0	-\$5,145	-\$41	-\$5,186	\$0	\$0

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

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
Rev-2	Residential		\$0	\$0	\$0	\$0	\$175	\$175
	1. To Annualize Residential Revenue		\$0	\$0		\$0	\$175	
	No Adjustment		\$0	\$0		\$0	\$0	
Rev-9	Other Water Revenue - Oper. Rev.		\$0	\$0	\$0	\$0	\$274	\$274
	1. To Annualize Other Water Revenue - Oper. Rev.		\$0	\$0		\$0	\$299	
	2. To adjust other water revenues (Young)		\$0	\$0		\$0	-\$25	
E-4	Electric		\$0	\$412	\$412	\$0	\$0	\$0
	1. To adjust electric expense. (Young)		\$0	\$412		\$0	\$0	
E-5	Enviornmental Services		\$0	\$28	\$28	\$0	\$0	\$0
	1. To adjust environmental services. (Young)		\$0	\$28		\$0	\$0	
E-8	Chemicals		\$0	\$158	\$158	\$0	\$0	\$0
	1. To adjust chemical expense. (Young)		\$0	\$158		\$0	\$0	
E-9	Contract Operator - Hydro Services		\$0	-\$254	-\$254	\$0	\$0	\$0
	1. Adjustment for Contract Operator. (Young)		\$0	-\$254		\$0	\$0	
E-12	Mowing		\$0	\$480	\$480	\$0	\$0	\$0
	1. Adjustment for mowing. (Young)		\$0	\$480		\$0	\$0	
E-13	Repairs and Maintenance		\$0	\$1,124	\$1,124	\$0	\$0	\$0
	1. Adjustment for repairs and maintenance. (Young)		\$0	\$1,124		\$0	\$0	
E-16	Office Supplies		\$0	-\$15	-\$15	\$0	\$0	\$0
	1. Adjustment for office supplies. (Young)		\$0	-\$15		\$0	\$0	
E-17	Postage		\$0	\$18	\$18	\$0	\$0	\$0
	1. Adjustment for postage. (Young)		\$0	\$18		\$0	\$0	
E-18	Bad Debt Expense		\$0	\$46	\$46	\$0	\$0	\$0
	Adjustment for bad debt.		\$0	\$46		\$0	\$0	
E-25	Accounting		\$0	\$5	\$5	\$0	\$0	\$0
	1. Adjustment for accounting. (Young)		\$0	\$5		\$0	\$0	
E-26	ATV Rental		\$0	\$63	\$63	\$0	\$0	\$0
	1. Adjustment for ATV rental (Young).		\$0	\$63		\$0	\$0	

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
E-27	Dues		\$0	\$2	\$2	\$0	\$0	\$0
	1. Adjustment for dues (Young).		\$0	\$2		\$0	\$0	
E-28	Insurance		\$0	\$33	\$33	\$0	\$0	\$0
	1. Adjustment for insurance (Young).		\$0	\$33		\$0	\$0	
E-29	Professional Services - Marie Rock		\$6,250	\$0	\$6,250	\$0	\$0	\$0
	1. To include cost of professional services. (Young)		\$6,250	\$0		\$0	\$0	
E-30	Salaries and Wages		\$785	\$0	\$785	\$0	\$0	\$0
	To include compensation for Jean Longstreet.		\$785	\$0		\$0	\$0	
E-31	Office Expense (Rent and Furniture)		\$0	\$660	\$660	\$0	\$0	\$0
	To include amount for office space and furniture (Harris).		\$0	\$660		\$0	\$0	
E-32	Utilities(Gas/Electric) & Telecom(Internet/Phone)		\$0	\$555	\$555	\$0	\$0	\$0
	To include amount for office utilities, internet and phone (Harris).		\$0	\$555		\$0	\$0	
E-33	Rate Case Expense		\$0	\$328	\$328	\$0	\$0	\$0
	To include 5-year recovery of rate case expense (Young).		\$0	\$328		\$0	\$0	
E-34	Miscellaneous Expense		\$0	\$40	\$40	\$0	\$0	\$0
	Adjustment for miscellaneous expense. (Young)		\$0	\$40		\$0	\$0	
E-37	Depreciation Expense, Dep. Exp.		\$0	\$0	\$0	\$0	\$2,290	\$2,290
	1. To Annualize Depreciation Expense		\$0	\$0		\$0	\$2,290	
	3. No Adjustment		\$0	\$0		\$0	\$0	
E-40	Amortization of CIAC		\$0	\$0	\$0	\$0	-\$25	-\$25
	To amortize CIAC (depreciation expense offset). (Harris)		\$0	\$0		\$0	-\$25	
E-44	Property Taxes		\$0	-\$2	-\$2	\$0	\$0	\$0
	1. Adjustment for property taxes (Young).		\$0	-\$2		\$0	\$0	
E-45	PSC Assessment		\$0	-\$39	-\$39	\$0	\$0	\$0
	Adjustment for PSC Assessment (Young).		\$0	-\$39		\$0	\$0	
E-51	Current Income Taxes		\$0	\$0	\$0	\$0	-\$1,775	-\$1,775
	1. To Annualize Current Income Taxes		\$0	\$0		\$0	-\$1,775	

Roy L Utilities, Inc.
 Case No. WR-2016-0109
 Test Year Ending 12-31-2014
 Updated through 12-31-2015
 Adjustments to Income Statement Detail

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>
Income Adj. Number	Income Adjustment Description	Account Number	Company Adjustment Labor	Company Adjustment Non Labor	Company Adjustments Total	Jurisdictional Adjustment Labor	Jurisdictional Adjustment Non Labor	Jurisdictional Adjustments Total
	Total Operating Revenues		\$0	\$0	\$0	\$0	\$449	\$449
	Total Operating & Maint. Expense		\$7,035	\$3,642	\$10,677	\$0	\$490	\$490

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 6.62% Return	E 6.62% Return	F 6.62% Return
1	TOTAL NET INCOME BEFORE TAXES		-\$6,961	\$3,897	\$3,897	\$3,897
2	ADD TO NET INCOME BEFORE TAXES					
3	Book Depreciation Expense		\$2,290	\$2,290	\$2,290	\$2,290
4	Test		\$0	\$0	\$0	\$0
5	TOTAL ADD TO NET INCOME BEFORE TAXES		\$2,290	\$2,290	\$2,290	\$2,290
6	SUBT. FROM NET INC. BEFORE TAXES					
7	Interest Expense calculated at the Rate of	3.6690%	\$1,945	\$1,945	\$1,945	\$1,945
8	Tax Straight-Line Depreciation		\$2,290	\$2,290	\$2,290	\$2,290
9	Excess Tax Depreciation		\$0	\$0	\$0	\$0
10	TOTAL SUBT. FROM NET INC. BEFORE TAXES		\$4,235	\$4,235	\$4,235	\$4,235
11	NET TAXABLE INCOME		-\$8,906	\$1,952	\$1,952	\$1,952
12	PROVISION FOR FED. INCOME TAX					
13	Net Taxable Inc. - Fed. Inc. Tax		-\$8,906	\$1,952	\$1,952	\$1,952
14	Deduct Missouri Income Tax at the Rate of	100.000%	-\$517	\$113	\$113	\$113
15	Deduct City Inc Tax - Fed. Inc. Tax		\$0	\$0	\$0	\$0
16	Federal Taxable Income - Fed. Inc. Tax		-\$8,389	\$1,839	\$1,839	\$1,839
17	Federal Income Tax at the Rate of	See Tax Table	-\$1,258	\$276	\$276	\$276
18	Subtract Federal Income Tax Credits					
19	Credits - Solar		\$0	\$0	\$0	\$0
20	Net Federal Income Tax		-\$1,258	\$276	\$276	\$276
21	PROVISION FOR MO. INCOME TAX					
22	Net Taxable Income - MO. Inc. Tax		-\$8,906	\$1,952	\$1,952	\$1,952
23	Deduct Federal Income Tax at the Rate of	50.000%	-\$629	\$138	\$138	\$138
24	Deduct City Income Tax - MO. Inc. Tax		\$0	\$0	\$0	\$0
25	Missouri Taxable Income - MO. Inc. Tax		-\$8,277	\$1,814	\$1,814	\$1,814
26	Subtract Missouri Income Tax Credits					
27	Test MO State Credit		\$0	\$0	\$0	\$0
28	Missouri Income Tax at the Rate of	6.250%	-\$517	\$113	\$113	\$113
29	PROVISION FOR CITY INCOME TAX					
30	Net Taxable Income - City Inc. Tax		-\$8,906	\$1,952	\$1,952	\$1,952
31	Deduct Federal Income Tax - City Inc. Tax		-\$1,258	\$276	\$276	\$276
32	Deduct Missouri Income Tax - City Inc. Tax		-\$517	\$113	\$113	\$113
33	City Taxable Income		-\$7,131	\$1,563	\$1,563	\$1,563
34	Subtract City Income Tax Credits					
35	Test City Credit		\$0	\$0	\$0	\$0
36	City Income Tax at the Rate of	0.000%	\$0	\$0	\$0	\$0
37	SUMMARY OF CURRENT INCOME TAX					
38	Federal Income Tax		-\$1,258	\$276	\$276	\$276
39	State Income Tax		-\$517	\$113	\$113	\$113
40	City Income Tax		\$0	\$0	\$0	\$0
41	TOTAL SUMMARY OF CURRENT INCOME TAX		-\$1,775	\$389	\$389	\$389
42	DEFERRED INCOME TAXES					
43	Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0	\$0	\$0
44	Amortization of Deferred ITC		\$0	\$0	\$0	\$0
45	TOTAL DEFERRED INCOME TAXES		\$0	\$0	\$0	\$0
46	TOTAL INCOME TAX		-\$1,775	\$389	\$389	\$389

Roy L Utiities, Inc.
 Case No. WR-2016-0109
 Test Year Ending 12-31-2014
 Updated through 12-31-2015
 Income Tax Calculation

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	
Line Number	Description	Percentage Rate	Test Year	6.62% Return	6.62% Return	6.62% Return

Federal Tax Table					
Federal Taxable Income					
15% on first \$50,000					
25% on next \$25,000					
34% > \$75,000 < \$100,001					
39% > \$100,000 < \$335,001					
34% > \$335,000 < \$10,000,001					
35% > \$10MM < \$15,000,001					
38% > \$15MM < \$18,333,334					
35% > \$18,333,333					
Total Federal Income Taxes					

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Capital Structure Schedule

<u>A</u>		<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
Line Number	Description	Dollar Amount	Percentage of Total Capital Structure	Embedded Cost of Capital	Weighted Cost of Capital 11.07%	Weighted Cost of Capital 11.07%	Weighted Cost of Capital 11.07%
1	Common Stock	\$25,512	26.62%		2.947%	2.947%	2.947%
2	Other Security Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
4	Long Term Debt	\$70,336	73.38%	5.00%	3.669%	3.669%	3.669%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
6	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
7	TOTAL CAPITALIZATION	\$95,848	100.00%		6.616%	6.616%	6.616%
8	PreTax Cost of Capital				7.349%	7.349%	7.349%

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
Executive Case Summary

<u>A</u>		<u>B</u>
Line Number	Description	Amount
1	Annualized Missouri Retail Revenues	\$17,138
2	Annualized Customer Numbers	59
3	Annualized Customer Usage	1,663
4	Profit (Return on Equity)	\$1,563
5	Interest Expense	\$1,945
6	Annualized Payroll	\$7,035
7	Utility Employees	0
8	Depreciation	\$2,290
9	Net Investment Plant	\$55,023
10	Pensions	\$0

Roy L Utilities, Inc.
Case No. WR-2016-0109
Test Year Ending 12-31-2014
Updated through 12-31-2015
RATE BASE SCHEDULE

Line Number	A Rate Base Description	B Percentage Rate	C Dollar Amount
1	Plant In Service		\$62,378
2	Less Accumulated Depreciation Reserve		\$7,355
3	Net Plant In Service		\$55,023
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		\$0
6	Contributions in Aid of Construction Amortization		\$272
7	Materials & Supplies		\$1,311
8	Prepayments		\$0
9	Meter Rerouting Project		\$0
10	TOTAL ADD TO NET PLANT IN SERVICE		\$1,583
11	SUBTRACT FROM NET PLANT		
12	Federal Tax Offset	0.0000%	\$0
13	State Tax Offset	0.0000%	\$0
14	City Tax Offset	0.0000%	\$0
15	Interest Expense Offset	0.0000%	\$0
16	Contributions in Aid of Construction		\$3,584
17	Customer Advances		\$0
18	Customer Deposits		\$0
19	Deferred Income Taxes		\$0
20	Deferred Income Taxes		\$0
21	Accrued Pension Liability		\$0
22	TOTAL SUBTRACT FROM NET PLANT		\$3,584
23	Total Rate Base		\$53,022

ROY-L UTILITIES, INC
SCHEDULE of DEPRECIATION RATES
(WATER Class D)
WR-2016-0109

NARUC USOA			AVERAGE	
ACCOUNT		DEPRECIATION	SERVICE LIFE	NET
NUMBER	ACCOUNT DESCRIPTION	RATE	(YEARS)	SALVAGE
	Source of Supply			
314	Wells & Springs	2.0%	55	-8%
	Pumping Plant			
321	Structures & Improvements	2.5%	44	-10%
325.1	Submersible Pumping Equipment	10.0%	12	-20%
	WaterTreatment Plant			
332	Water Treatment Equipment	10.0%	10	0%
	Transmission and Distribution			
341	Structures & Improvements	2.5%	44	-10%
342	Distribution Reservoirs & Standpipes	2.5%	42	-5%
343	Transmission & Distribution Mains	2.0%	50	0%
345	Customer Services	2.5%	40	0%
346	Customer Meters, Bronze (Calibrate)	5.0%	20	0%
346	Customer Meters, Plastic (Throw Aways)	10.0%	10	0%
347	Customer Meter Pits & Installation	2.5%	40	0%
	General Plant			
372	Office Furniture & Equipment	5.0%	20	0%
372.1	Office Electronic & Computer Equip.	20.0%	5	0%
379	Other General Equipment (tools, shop equip., backhoes, trenchers, etc.)	10.0%	8.7	13%

Name of Utility: Roy-L Utilities, Inc.

Service Area: Golden Eagle Reserve

Montgomery County, Missouri

Rules & Regulations Governing Rendering of
Water Service

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3 Legal Description of Service Area
4 Schedule of Rates
5 Schedule of Service Charges

Sheet No.

Rule No.

Rule Title

- 61. Definitions
92. General Rules and Regulations
103. Company Employees and Customer Relations
114. Applications for Service
125. Inside Piping and Water Service Lines
156. Improper or Excessive Use
167. Discontinuance of Service by Company
198. Termination of Water Service at Customer's Request
209. Interruptions in Service
2110. Bills for Service
2511. Meters and Meter Installations
2812. Meter Tests and Test Fees
2913. Bill Adjustments Based on Meter Tests
3014. Extension of Water Mains

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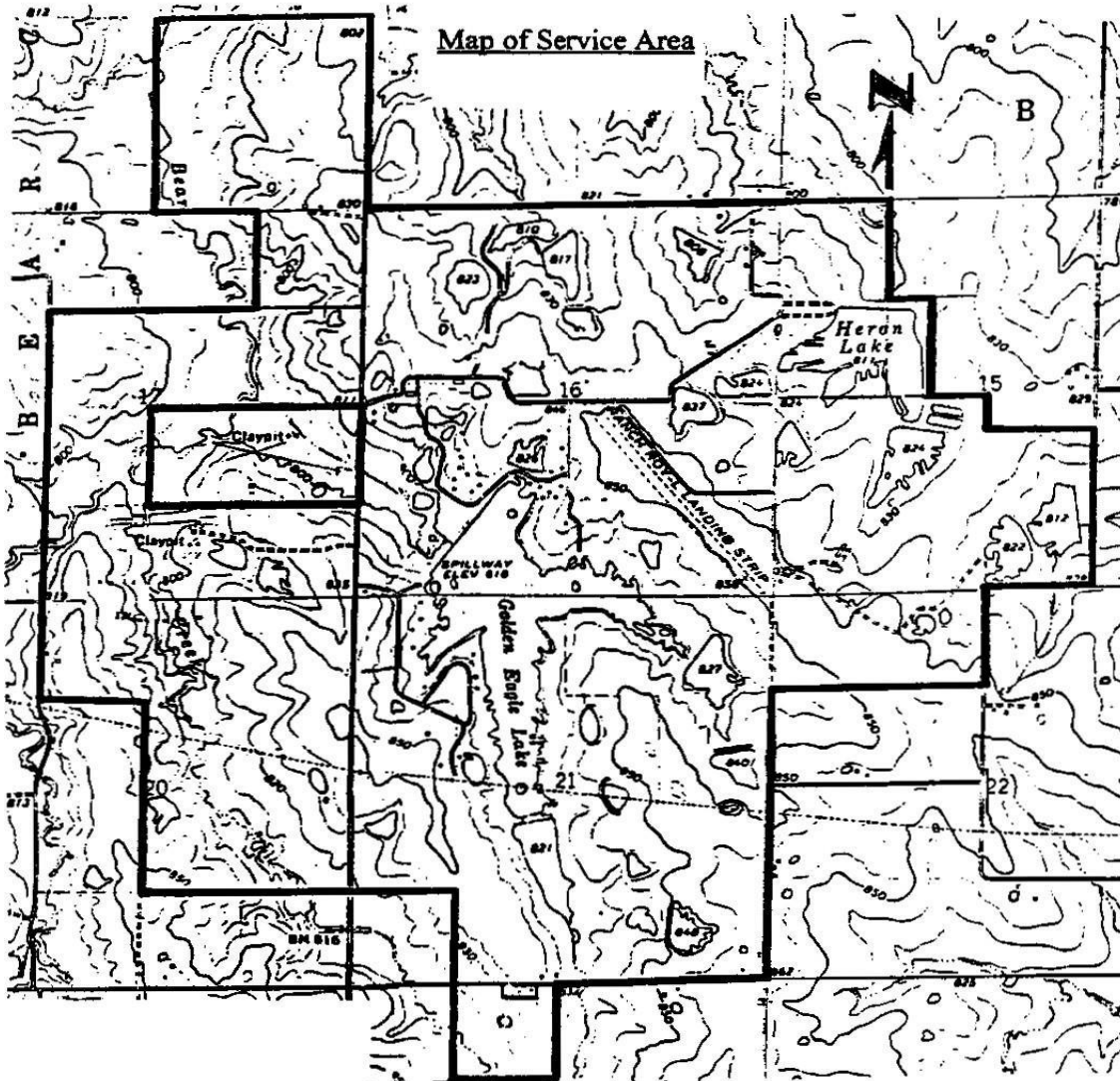
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Legal Description of Service Area

The northeast fourth of the northwest quarter of Section 28 except approximately 3 acres described as follows: Beginning at a point on the south line of the public road 298 feet west of the northeast corner of said northeast fourth of the northwest quarter, thence south 155 feet, thence west parallel with said road 444 feet, thence north 155 feet, thence east along south line of said road 444 feet to the point of beginning; the southeast quarter of Section 8, the northeast one-fourth of the northeast quarter of Section 17; the south one-half of the northeast quarter of Section 17; the southeast quarter of the northwest quarter of Section 17; the east one-half of the southwest quarter of Section 17; the south one-half of the southeast quarter of Section 17; the northeast quarter of Section 20; the north east quarter of the northwest quarter of Section 20; the north one-half of the southeast quarter of Section 20; all of Section 16; the north one-half of Section 21; the southeast quarter of Section 21; the east one-half of the southwest quarter of Section 21; the northwest one-fourth of the southwest quarter of Section 21; the north one-half of the north-west quarter of Section 22; the southwest quarter of Section 15; the west one-half of the southeast quarter of Section 15; except 15.34 acres, part of the northwest fourth of the southeast quarter of Section 15 described as follows: Beginning at the center of said Section 15, thence east along the east-west center line 1357.34 feet to the center of the County road, thence 16' 30" west along the center of said road 492.82 feet, thence west 1354.42 feet, thence north 3'50" west 492.82 feet to the point of beginning; the west half of the northwest quarter of Section 15; 14.934 acres part of the southeast fourth of the northwest quarter of Section 15, described as follows: Commencing at the center of said Section 15, run thence west along the east-west center line of said Section 815 feet to the point of beginning, thence continuing west along said east-west center line 492.82 feet, thence north 32' 30" west 1320 feet, thence east 492.82 feet, thence south 32' 30" west 1320 feet to the point of beginning. All in Township 48 of Range 4 West of the Fifth Principal Meridian in Montgomery County, Missouri.

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Rules & Regulations Governing Rendering of
Water Service

Schedule of Rates

Availability:

These rates are available to any water customer on Company's mains for supplying water service requested

Monthly Non-metered Rate:

Full-time Customer	\$50.16
Part-time Customer	\$32.99

Monthly Metered Rate:

Full-time Customer	\$33.24
Part-time Customer	\$29.92

Usage Charge	\$3.08 per 1,000 gallons of water used
--------------	----------------------------------------

Taxes:

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

Late Charges:

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which payment will then be considered delinquent is 21 days after rendition of the bill. A charge of \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

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Montgomery County, Missouri

Rules & Regulations Governing Rendering of
Water Service

Schedule of Service Charges

Returned Check Charge:

A returned check charge of \$25 per check will be paid by Customers on all checks returned from the bank.

Turn-off / Turn-on Charge:

When Customer has a shut-off valve and for Customer's convenience:

\$25.00 during 8:00 am to 5:00 pm

\$35.00 before 8:00 am and after 5:00 pm.

Meter Installation Fee for Existing Customers:

This fee is applicable for installation of meter pit, ring, lid, yoke, fittings, and other meter appurtenances. The Customer shall pay half of the actual cost of the installation.

New Service Connection Fee:

This Customer shall pay the actual cost for installation of a new service line from the Company's main to the Customer's property line.

Non-Pay Disconnect / Reconnect Charges:

In the event of a non-pay disconnect where the Customer does not have a meter, the Customer will be required to have a meter installed in accordance with the Meter installation fees (above) and also pay the appropriate turn-off and turn-on charges.

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Rules & Regulations Governing Rendering of
Water Service

Rule 1 DEFINITIONS

- A. An "APPLICANT" is a person, firm, corporation, governmental body, or other entity which has applied for service; two or more APPLICANTS may make one application for a main extension.
- B. The "COMPANY" is Roy-L Utilities, Inc., acting through its officers, managers, or other duly authorized employees or agents.
- C. 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.
- D. 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.
- E. 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 may be the date of commencement of construction of the building upon the property.
- F. 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.
- G. "DISCONTINUANCE OF SERVICE" is the intentional cessation of service by the Company not requested by the Customer.
- H. A "FULL-TIME CUSTOMER" shall be defined as a Residential Customer occupying the unit served for a period of at least one hundred eighty (180) days of the calendar year.

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Rules & Regulations Governing Rendering of
Water Service

Rule 1 continued

- I. 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.
- J. 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 outdoor meter setting, or inside the Customer's building where the water service line enters through a foundation wall.
- K. 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.
- L. A "PART-TIME CUSTOMER" shall be defined as a Residential Customer occupying the unit served for a period of less than one hundred eighty (180) days of the calendar year.
- M. A "RETURNED CHECK" is a check that is returned to the Company from any bank unpaid for any reason.
- N. 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. This service connection shall be owned and maintained by the Company. If the property line is in a street, and if the curb stop or meter setting is not located near the edge of the street abutting the Customer's property, the said service connection shall be deemed to end at the edge of the street abutting the Customer's property.

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Rules & Regulations Governing Rendering of
Water Service

Rule 1 continued

- O. 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.
- P. "TEMPORARY TERMINATION OF SERVICE" is termination or disconnection from service at the Customer's request for a period of time less than one year in length.
- Q. "TERMINATION OF SERVICE" is cessation of service requested by the Customer.
- R. "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.
- S. "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.
- T. 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 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.
- U. 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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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.

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Rules & 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.

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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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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. Separate buildings that are not on one lot that cannot be subdivided shall be served through separate water service lines.
- 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 5 B. 2. or 5 B. 3., above, is subject to inspection by the Company. The Service

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Rules & Regulations Governing Rendering of
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Rule 5 continued

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 5 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.

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Rules & Regulations Governing Rendering of
Water Service

Rule 5 continued

- H. The Company will not install a service connection to a vacant lot.
- 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 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 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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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 meter yoke, or allow any such action.
- 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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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. Enclosing or obstructing any meter so as to make reading or repairs unreasonably difficult, or
5. Failure to comply with the terms and conditions of a settlement agreement.
6. Refusal 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
7. 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

Non-payment of a sewer bill issued by the Company or by a sewer utility requesting discontinuance of water service by an agreement between the Company and such sewer utility. When water service is discontinued for non-payment of a sewer bill and if the sewer bill is not issued by the Company, any service charges for turn on/off or disconnection/reconnection within these Rules and Regulations shall not apply, and notice to the Customer shall be provided by rules and procedure applicable to the Customer's sewer service in lieu of notification required by these Rules and Regulations.

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Rules & Regulations Governing Rendering of
Water Service

Rule 7 continued

- B. 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, a notice shall also be conspicuously posted in the building ten (10) days prior to the proposed discontinuance. Discontinuance shall not occur more than eleven (11) business days after the date given as the discontinuance date.
- C. 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).
- D. 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.
- E. 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.
- F. The provisions of paragraphs C. and E. above may be waived if safety of Company personnel while at the premises is a consideration.

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Service Commission
WR-2013-0543; YW-2014-0401

Name of Utility: Roy-L Utilities, Inc.
Service Area: Golden Eagle Reserve

Montgomery County, Missouri

Rules & Regulations Governing Rendering of
Water Service

Rule 7 continued

- G. 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.
- H. 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.
- I. The Company has the right to refuse or to discontinue service to any unit to protect itself against fraud or abuse.
- J. The Company shall deal with Customers and handle Customer accounts in accordance with the Missouri Public Service Commission's Utility Billing Practices.
- K. Applicable Turn-off and turn-on charges are specified in the Schedule of Service Charges.

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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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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. Notice will be provided when it is practicable.
- B. Whenever service is interrupted for repairs, all 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.
- C. No refunds of charges for water service will be made for interruptions of service unless due to willful misconduct of the Company.
- D. 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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Rules & Regulations Governing Rendering of
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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 or by ordinary mail. However, payment must be received by the close of business on the date due.
- 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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Rules & Regulations Governing Rendering of
Water Service

Rule 10 continued

- 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. 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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Water Service

Rule 10 continued

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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Rule 10 continued

- 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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Rules & Regulations Governing Rendering of
Water Service

Rule 11 METERS AND METER INSTALLATIONS

- A. All permanent service connections shall be metered. 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.
- B. All meters and meter installations shall be furnished, installed, maintained and removed by the Company and shall remain its property.
- C. 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. 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 meter shall be paid by the Customer.
- D. 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.
- E. 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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Water Service

Rule 11 continued

- F. 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.
- G. If an existing basement meter location is determined inadequate or inaccessible by the Company, the Customer must provide for the installation of a meter to be located at or near the Customer's property line. The Customer shall obtain from the Company, or furnish the necessary meter installation appurtenances conforming to the Company's specifications, and said appurtenances and labor shall be paid by the Customer.
- H. 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

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Rules & Regulations Governing Rendering of
Water Service

Rule 11 continued

limitation will not 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.

- I. The Customer shall promptly notify the Company of any defect in, or damage to, the meter setting.
- J. 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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Rules & 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.

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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.

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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.

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Rule 14 continued

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.

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Rule 14 continued

3. The sum of all refunds to any applicant shall not exceed the total amount 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.

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Roy L Utilities, Inc.

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
Full Time, 5/8" Meter	\$ 19.49	\$ 33.24	\$ 1.95	\$ 3.08
Full time, Unmetered	\$ 30.59	\$ 50.16	N.A.	N.A.
Part Time, 5/8" Meter	\$ 15.04	\$ 29.92	\$ 1.95	\$ 3.08
Part Time, Unmetered	\$ 23.60	\$ 32.99	N.A.	N.A.

current service charge is monthly charge

usage rate is per 1,000 gallons used

MONTHLY BILL COMPARISON

Full Time average 5,500 gallons/month usage

Part Time Average 900 gallons/month usage

Full Time, 5/8" Meter

Current Rates

Customer Charge	\$ 19.49
Usage Charge	<u>\$ 10.73</u>
Total Bill	\$ 30.22

Proposed Rates

Customer Charge	\$ 33.24
Usage Charge	<u>\$ 16.91</u>
Total Bill	\$ 50.16

INCREASES

Customer Charge

\$ Increase	\$13.75
% Increase	70.56%

Usage Charge

\$ Increase	\$6.19
% Increase	57.70%

Total Bill

\$ Increase	\$19.94
% Increase	66.00%

Part Time, 5/8" Meter

Current Rates

Customer Charge	\$ 15.04
Usage Charge	<u>\$ 1.76</u>
Total Bill	\$ 16.80

Proposed Rates

Customer Charge	\$ 29.92
Usage Charge	<u>\$ 2.77</u>
Total Bill	\$ 32.69

INCREASES

Customer Charge

\$ Increase	\$14.88
% Increase	98.93%

Usage Charge

\$ Increase	\$1.01
% Increase	57.70%

Total Bill

\$ Increase	\$15.89
% Increase	94.62%

Full time, unmetered

Total Bill

\$ Increase	\$ 19.57
% Increase	39.01%

Part time, unmetered

Total Bill

\$ Increase	\$ 9.39
% Increase	28.47%

REPORT OF WATER AND SEWER DEPARTMENT
FIELD OPERATIONS AND TARIFF REVIEW

Case No. WR-2016-0109 and SR-2016-0110
Roy-L Utilities, Inc.

Introduction

This Report was prepared jointly by Staff members Jon Dallas, David Spratt, and Curt Gateley.

Roy-L Utilities (Company) received its certificate of convenience and necessity from the Missouri Public Service Commission (Commission) on September 6, 1968, in case numbers 16,379 (water) and 16,380 (sewer). The Company provides service to approximately 59 water customers and approximately 56 sewer customers in the High Hill area. The Commission's Water and Sewer Department Staff (Staff) performed an inspection of the water and sewer systems on December 12, 2015. Observations and suggested improvements are listed below.

Facilities

Water System

The water system consists of a single well, a well house, an 18,000 gallon concrete ground storage tank¹, a chlorine pump for disinfection, one booster pump, and a 116 gallon pneumatic pressure tank for providing pressure to the system. A master meter is located beyond the storage tank which measures production sent to distribution, but because the master meter does not measure flow directly out of the well at this location actual gallons per minute of well production is not known. The approximate production according to past records is 120 gallons per minute.

Improvements since the last rate case:

- Constructed a new well house.
- Rewired the electrical system in the well house.
- Installed new plumbing in the well house.
- Replaced a 500 gallon pneumatic tank which was rusting and leaking with the new 116 gallon tank.
- Constructed a new roof over the ground storage tank.
- The Company has also replaced approximately 1,600 feet of two-inch water main which was beyond its usable life and was having numerous leaks. The Company will continue to replace old sections of water main as money allows.

Originally the Company did not have any water meters installed in the system. Prior to the last rate case, Staff discussed with the Company the benefits of installing water meters to more accurately charge customers. The Company reports that it installs water meters as customers request them, during main replacement projects, or when work is necessary on a service connection such as to repair a leak. Currently there are 32 water meters in the system with approximately 28 left to be installed.

¹ Volume estimated in a Dept. of Natural Resources inspection report.

Sewer System

The sewer system consists of a 1.3 acre single-cell lagoon with a design capacity of approximately 8,000 gallons per day. The effluent is chlorinated and dechlorinated before it is discharged into the receiving stream. The collection system works by gravity and is composed mostly of clay pipe along with manholes for access. The collection system has deteriorated over the last 60 years. The Company has conducted a video camera survey of the collecting sewers where it has knowledge that there are problems and has found one section that shows a blockage or possible collapsed pipe that could be up to 20 feet long². The collecting sewer is estimated to be 15 feet deep which could make digging and repair or replacement very difficult and very costly. The Company states that it does not have adequate funding from rates to perform this repair or other maintenance on the sewer lines.

Suggested Improvements

1. The well-head is located near a road and not protected by barricades or any other structure. Staff recommends the well head be protected by some form of barricades to prevent a vehicle from striking it, or extending the well house out to enclose the well head.
2. The chlorinator is located in the well house and not in a separate room. By not having the chlorinator in a separate room this increases the chance of chlorine gases corroding the plumbing and electrical equipment located in the well house. Staff would recommend a separate room be built to house the chlorinator, and appropriate ventilation be installed in the room to exhaust toxic chlorine gases from inside the building.

Tariff Review

Staff routinely works with utilities to update water and/or sewer 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 tariffs for this company were last revised in 2014, little change is necessary. There were no updates needed to the water tariff. For the sewer tariff, definitions for Returned Check and Part-Time Customer were added, the point of service definition was added to Rule 2, and the rules for Termination of Service were expanded to discuss part time customers, so as to match the water tariff.

Rate Design

Staff also reviewed the Company's current rate design in its investigation. The current rate structure consists of a monthly service and a commodity charge for water service, and a monthly service charge for sewer service. Staff proposes to maintain the same rate structure. Staff has performed a cost of service study for both the water and sewer services, which allocated current costs to the monthly minimum customer charge and the commodity charge.

² The actual distance blocked or collapsed could not be determined by camera due to the line remaining filled with wastewater

Conclusion and Recommendation

- 1) The current PSC MO No 4 sewer tariff, Original Sheet 8, will be canceled and replaced by First Revised Sheet 8.
- 2) The current PSC MO No 4 sewer tariff, Original Sheet 11, will be canceled and replaced by First Revised Sheet 11.
- 3) The current PSC MO No 4 sewer tariff, Original Sheet 22, will be canceled and replaced by First Revised Sheet 22.
- 4) The current PSC MO No 4 sewer tariff, Original Sheet 24, will be canceled and replaced by First Revised Sheet 24.

AUDITING UNIT RECOMMENDATION MEMORANDUM

FROM: V. William Harris
Matthew Young
Auditing Unit Staff

TO: Curtis Gateley
Water and Sewer Unit, Case Coordinator

CC: Whitney Payne
Staff Counsel's Office

SUBJECT: Auditing Unit's Findings and Recommendation
Roy-L Utilities, Inc.
Case No. WR-2016-0109 and SR-2016-0110

DATE: March 8, 2016

Roy-L Utilities, Inc. ("Roy L" or "Company") filed a rate increase request with the Missouri Public Service Commission ("Commission") on November 9, 2015. On that date, the Company filed a request to implement a rate increase of \$6,000 in its annual water system operating revenues and an increase of \$3,000 in its annual sewer system operating revenues, which, if approved, would result in an increase over its current revenues of approximately 35% for water service and 28% for sewer service. Roy L currently serves 59 water customers and 56 sewer customers in Montgomery County, Missouri. Roy L's current water and sewer rates became effective on May 23, 2014, stemming from the agreements in Case Nos. WR-2013-0543 and SR-2013-0544.

The Company's reasons cited for the requested increases in the annual operating revenues for water service include: increases in utility plant investment and increases in operation and maintenance expenses. The specific reasons for the requested increases in the Company's annual operating revenues for sewer service include: increases in utility plant investment, increases in operation and maintenance expenses, and increases in the Missouri Department of Natural Resources' (DNR's) annual sewer discharge fees. Roy L must also create an all-weather access road to its oxidation lagoon as mandated by the DNR.

COMPANY STRUCTURE

Roy L first became certificated to provide water and sewer service in September 1968. Currently, Roy L is a family business owned by Jean Longstreet and operated (under contractual agreement) by Marie Rock. As such, Roy L has no employees.

AUDIT FINDINGS

The Audit Staff, comprised of William Harris and Matthew Young, conducted an audit of the books and records of the Company; this audit provides a reasonable basis for our recommendation presented in this Memorandum. The Audit Staff used the twelve months ended December 31, 2014, as its test year, updated for known and measurable changes through December 31, 2015. Construction projects completed and placed in service prior to February 29, 2016, were included in the amounts presented in this Memorandum. Based upon the examination of the Company's books and records, the Audit Staff cost of service calculations show the need for a rate increase of \$10,858, or 64.40%, for the water system, and a rate increase of \$8,574, or 60.90%, for the sewer system.

Included in the computation of the revenue requirements, contained in the Accounting Schedules, is a 6.62% weighted average cost of capital (rate of return); the analysis supporting this result was provided by Zephania Marevangeo of the Financial Analysis Unit of the Commission.

CAPITAL PROJECTS COMPLETED

Water System

Staff has included amounts for a new water main that was completed and placed in service on December 10, 2015, at the installed cost of \$9,743. Staff has also removed six meters from the inventory included in the Company's last case (two in 2014 and four in 2015) and placed them in service along with related costs (\$5,404) for meter pit installations (50% CIAC share with customer per Company tariff).

Sewer System

Staff has included \$3,292 for a new all-weather access road to the lagoon completed and placed in service by Roy L on January 18, 2016, as required by DNR regulations. Roy L has provided Staff with bids of \$5,875 and \$7,500 for the replacement of 14 feet of its existing sewer line. This project was completed by February 29, 2016 at the final cost of \$4,350 and has been included in Staff's recommended revenue requirement.

RATE BASE

The Audit Staff and the Engineering and Management Services Unit (EMSU) updated plant in service and depreciation reserve for Roy L by beginning with the amounts agreed upon by all parties in Roy L's last rate cases (Case Nos. WR-2013-0543 and SR-2013-0544) and made adjustments for any subsequent plant additions or retirements. Total plant in service for the water system is \$62,378, and the sewer system is \$52,186, while depreciation reserve for water is \$7,355, and sewer is \$5,014 as of February 29, 2016. The total net plant as of January 31, 2016, is \$55,023 for water and \$47,172 for sewer. As a note, some of the Company's plant in service was constructed and became operational in April 1975 when the Company was first certificated and, therefore, has been fully depreciated. In addition, Contributions in Aid of Construction (CIAC) and CIAC Amortization as of January 31, 2016, are \$3,584 and \$272, respectively (all

water plant – no sewer plant has been contributed). Inventory has been adjusted as noted in the preceding section on capital projects.

At January 31, 2016	Water	Sewer
Plant in Service	\$62,378	\$52,186
Depreciation Reserve	\$7,355	\$5,014
Net Plant	\$55,023	\$47,172
CIAC	\$3,584	\$0
CIAC Amortization	\$272	\$0
Net CIAC	\$3,312	\$0
Inventory	\$1,311	\$0
Total Rate Base	\$53,022	\$47,172

Keenan Patterson of the Engineering and Management Services 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 Roy L based on its plant in service as of February 29, 2016.

REVENUES

Roy L provides service to 56 sewer customers composed of two customer classes. Roy L also provides water service to 59 customers that are divided into 4 classes. Each class' customer count and charges, as provided in the current tariff, are illustrated in the following table:

	Water FT Metered	Water FT Unmetered	Water PT Metered	Water PT Unmetered	Sewer FT	Sewer PT
Customer Count	8	10	19	22	18	38
Customer Charge	\$19.49	\$30.59	\$15.04	\$23.60	\$22.39	\$20.24
Commodity/T Gallons	\$1.95	--	\$1.95	--	--	--

To annualize customer charge revenues, Staff multiplied the various customer counts by the appropriate customer charges. For the Company's commodity revenue, Staff calculated the sum of customer usage during the most recent 12 month period multiplied by the current commodity charge. The results of the total revenue annualization equaled \$30,930 of which \$16,864 is water revenue and \$14,066 is sewer revenue. In addition to service revenues, Staff included a normalized amount of miscellaneous revenues totaling \$477 (\$274 water and \$203 sewer).

EXPENSES

Staff examined Roy L's expenses from 2010 through the update period in this case, December 31, 2015. Each expense type was examined for annual fluctuations and normalized or annualized as circumstances dictated.

Payroll

The two individuals responsible for the operations of Roy L are Ms. Longstreet, the owner, and Ms. Rock, the operator. Ms. Rock's services are provided through an "independent contractor" agreement therefore, the utility does not have any employees.

To include the cost of Ms. Longstreet's compensation, Staff averaged the number of hours recorded during 2013 through 2015, and multiplied by an hourly wage rate of \$13. Staff allocated total compensation to Roy L's water and sewer operations by the percentage of time Ms. Longstreet spends performing water activities versus sewer activities.

During the audit, Ms. Rock entered into an agreement with the Company that outlined the services she would provide the utility as well as the compensation to be received for those services. Staff examined the timesheets maintained by Ms. Rock to evaluate if the compensation defined in the agreement was representative of the market value of the services provided by Ms. Rock.

To examine the value of the services provided, Staff categorized Ms. Rock's time into five (5) labor categories. Each category was then "priced" using the Missouri Economic Research and Information Center (MERIC) website¹. 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 and the website provides Missouri labor rates for various job classifications. Staff searched the database to find the market value pay rates for five types of employees: 1) Billing and Posting Clerk, 2) Bookkeeper, 3) Water and Wastewater Treatment Plant and System Operator, 4) Meter Reader, and 5) Courier and Messenger.

Staff multiplied the wage rates by the appropriate hours and mileage Ms. Rock recorded while performing various functions during 2013 through 2015 and found that the agreement between Ms. Rock and Roy L may provide for excessive compensation. Included in the cost of service calculation is an amount of compensation for Ms. Rock that has been agreed to by Staff and the Company.

Rent and Telephone Expense

Currently the company is operated out of Ms. Longstreet's personal residence. Staff included \$1,200 for annual rent expense in Roy L's last rate case, and is recommending a 10 percent increase (\$1,320) of rent expense be included in the current cost of service. This

¹ <https://missourieconomy.org/>

recommendation allows a reasonable amount for office furniture and fixtures, property taxes and other expenses that would be associated with a stand-alone office.

Telephone lines and other utilities in the home are used in conjunction with the daily operation of the utility. A cell phone maintained by Ms. Rock is used entirely for Company business. Staff has included all costs relating to this business cell phone. Additionally, Ms. Longstreet's telephone, electricity and propane gas heat are also shared by the family and the business. Staff has allocated 10 percent of these additional expenses to the utility.

Repairs, Maintenance, and Materials

Staff examined the historical cost of Roy L's repairs and maintenance, including materials, from 2010 through 2015 and included a normalized expense of the costs during the six (6) year period. Embedded in the normalized cost are repairs and maintenance to correct several water leaks, at least two instances of hiring a 3rd party to utilize a camera and root cutter in the sewer lines, as well as other repairs and maintenance. The portion of Staff's cost of service related to on-going repairs and maintenance equals \$2,390 annually (\$1,516 water and \$874 sewer).

Rate Case Expense

Staff has included an amount in the revenue requirement for the rate case expense incurred by the utility through January 24, 2016. The rate case expense has been calculated to be recovered over a four (4) year period.

ADDITIONAL ADJUSTMENTS

Staff has reflected adjustments in its cost of service normalized/annualized amounts related to: 1) various outside services, 2) various materials and supplies, 3) DNR fees, 4) dues, 5) electricity expense, 6) insurance, 7) taxes and assessments, and, 8) bad debt 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 shall maintain the Company's books and records in accordance with National Association of Regulated Utility Commissioners (NARUC) Uniform System of Accounts (USOA). Staff provided the Company with a copy of the NARUC USOA Class D for both water and sewer;
- b) The Company shall develop continuing property records (CPRs) for all of the Company's Plant in Service and Contribution in Aid of Construction (CIAC) that include, where applicable, the amount of plant, depreciation reserve, CIAC, and CIAC reserve used by Staff in this case;
- c) The Company shall keep the Company's CPRs up to date and complete;

- d) The Company shall develop a general ledger for its entire rate base, revenues and expenses;
- e) The Company shall calculate depreciation expense on a monthly basis and include the amounts in the Company's books and records;
- f) The Company shall annually update a description of duties and responsibilities for the owner and the certified operator; and
- g) The Company shall continue to maintain records of the number of hours worked, separated by duty, as described in f) above for each of the persons listed in f) above.

REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW

Consumer and Management Analysis Unit

Small Company Rate Increase Request

Case Nos. WR-2016-0109 and SR-2016-0110

Roy L Utilities, Inc.

Scott Glasgow, Mark Kiesling, and Brooke Richter

The Consumer and Management Analysis Unit (CMAU) staff of the Missouri Public Service Commission (Commission) initiated an informal review of the customer service and business processes, procedures, and practices of Roy L Utilities, Inc. (Roy L or Company), located near High Hill, Missouri, in January 2016. Commission staff (Staff) performed the review in response to the Company's request for a rate increase in Case Nos. WR-2016-0109 and SR-2016-0110, filed November 9, 2015. The Company is requesting an increase of \$6,000 in its annual water system operating revenues and \$3,000 in its annual sewer system operating revenues, which represent increases of approximately 35% for water and 28% for sewer.

The CMAU staff examined the Company's tariffs, Commission complaint and inquiry records, as well as 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 on November 23, 2015, and conducted an onsite interview with Company personnel on January 8, 2016. The CMAU staff's review of the Company resulted in the following two recommendations for Company management:

THE CMAU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

1. Correct monthly billing statements to include the amount of any previous balance a customer owes and to include the amount due for late fees so that the billing statements adhere to Commission Rules 4 CSR-13.020 (9)(C) and (E). This recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in Case Nos. WR-2016-0109 and SR-2016-0110.
2. Update 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 any Commission order issued in Case Nos. WR-2016-0109 and SR-2016-0110.

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

The objectives of this review are to analyze and document the management control processes, procedures, and practices used by the Company to ensure that its customers' service needs are met as well as 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 will cover some general informational areas of the Company and also evaluate the implementation of recommendations from the last rate case, WR-2013-0543, approved in May 2014.

History

The CMAU staff most recently performed a customer service review of the Company in August 2013. Staff performed that review in conjunction with the small company rate request submitted by the Company and assigned Case Nos. WR-2013-0543 and SR-2013-0544. The comprehensive review resulted in a written report that included recommendations applying late fees to delinquent accounts and updating and distributing a brochure detailing the rights and responsibilities of the Company and its customers. The CMAU staff assisted to ensure the Company adequately addressed these recommendations. The actions taken by the Company appropriately met the intent of the majority of the recommendations contained in the CMAU report. Implementations of actions that have not been completed are noted in the section of this report titled Findings, Conclusions, and Recommendations.

Overview

Roy L Utilities registered with the Missouri Secretary of State in May of 1966 and applied with the Commission for a certificate of convenience and necessity on November 1, 1967. The Commission granted the Company this authority on September 6, 1968, to provide water supply and distribution services in the Golden Eagle Reserve Subdivision, a few miles north of the city of High Hill, Missouri, located in Montgomery County. The Company currently provides water service to 59 customers and sewer service to 56 customers. Of the 59 water customers, 18 of the customers are full-time residents in the subdivision.

The President/Owner (President) and the Manager/Secretary (Manager) conduct system operations out of the President's home located at 366 Highway F, High Hill, Missouri. The Manager is responsible for business office functions, which includes billing preparation and distribution, bank deposits, accounts payable, accounts receivable, correspondence, and maintenance of customer account and contact information. The President is responsible for oversight of all day-to-day operations, providing office space and equipment, assisting with customer comments and complaints, and is available at all times during emergency situations or in the absence of the Manager. Roy L currently contracts for the maintenance, operation, and repairs associated with its facilities.

Customer Billing

The billing software utilized by the Company to maintain customer account records and prepare monthly billing statements is QuickBooks. As of January 8th 2016, the Company had 28 metered customers with plans to eventually meter every customer. The customer's meters are read around the last day of each month. The billing statements are prepared and mailed around the first business day of each month.

Payment Remittance

The payment options available to customers include cash, check, Automated Clearing House (ACH), and money order. These payments are received by the President at the Company's mailing address. The majority of customers remitted payment by check during the last two years in review. The Company currently allows approximately 26 days for customers to

pay their utility charges. Company personnel assert that bill payments are processed, recorded, and deposited on the day they are received.

Credit and Collections

Company personnel indicated Roy L does not require a security deposit as a condition for providing water service. The Company's tariff includes procedures allowing a credit check and security deposit if deemed necessary to collect a deposit from a potential customer. The Company indicated that deposits have not been required or collected to this point.

The customers are allowed a minimum of 26 days from the rendition of the bill to pay the utility charges before they become delinquent each month. For water and sewer, a late fee of \$5.00 or 3% of the amount due, whichever amount is larger, is applied on accounts for which payment is received beyond the delinquent date. Roy L indicated in the last rate case that it did not consistently apply the late fee to every customer each month. In Staff's current review with the Company, a late fee is assessed to the customers on a regular and consistent basis.

The Company currently does not have a notice of discontinuance. During this review, CMAU staff discovered three accounts with outstanding balances. To date, the Company has no plans to discontinue service for any of these accounts. CMAU staff has informed the Company that if customers maintain outstanding balances and the Company wishes to pursue discontinuance of service, the Company should follow the Commission Rules under 4 CSR 240-13.050. CMAU staff is working with the Company to develop a notice of discontinuance. CMAU staff will encourage the Company to use this discontinuance notice in order to clear up outstanding balances for nonpayment of services.

The Company indicated it has not received any insufficient funds checks during the time period CMAU reviewed, from January 2014 through December 2015. The Company tariff allows for a \$25.00 returned check fee charge. The Company reported it had one bad debt write-off from 2014 through 2015.

Complaints and Inquiries

Customers that have a complaint or inquiry with the Company may call or come by the office. The Company maintains a customer complaint log, which includes documentation of the issue and the resolution if an investigation or maintenance check is warranted. The Manager

investigates complaints and inquiries. According to the Commission's Electronic Filing Information System (EFIS), there were no reported complaints on file with the Commission from January 2013 through December 2015.

Customer Communication

The updated informational brochure that was a recommendation from the last rate case still does not include all the requirements of Commission Rule 4 CSR 240-13.040(3). The CMAU staff is currently working with the Company to ensure all items under the Commission rule are included in the informational brochure.

Records and Documentation Retention

Roy L maintains a copy of customer files at the business office. The Company electronically keeps customer billing records in QuickBooks. The Company backs up electronic records monthly on a flash drive that is stored in a fireproof safe.

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 implementation requirement. The information presented in this section focuses on the following two issues that require Company management's attention:

- Customer Billing
- Customer Communication

Customer Billing

The Company's monthly billing statements do not indicate the previous balance due for utility charges. This is a violation of Commission Rule 4 CSR 240-13.020(9)(C), which states:

Every bill for residential utility service shall clearly state (C) Any previous balance which states the balance due for utility charges separately from charges for services not subject to commission jurisdiction.

The Company's monthly billing statements do not indicate the amount associated for the late fee, which violates Commission Rule 4 CSR 240-13.020 (9)(E), which states:

Every bill for residential utility service shall clearly state (E) The amount due for other authorized charges.

THE CMAU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Correct its monthly billing statements to include the amount of any previous balance and to include the amount due for late fees so that the billing statements adhere to Commission Rules 4 CSR-13.020(9)(C) and (E). This recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in Case Nos. WR-2016-0109 and SR-2016-0110.

Customer Communication

The updated informational brochure that was a recommendation from the last rate case still does not include all the requirements of Commission Rule 4 CSR 240-13.040(3). The subparts under CSR 240-13.040(3) that still need to be included consist of:

(a) Billing and estimated billing procedures; (b) Methods for customer verification of accuracy; (c) Customer payment requirements and procedures; (e) Conditions of termination, discontinuance, and reconnection of service; (g) Explanation of meter reading procedures which would enable a customer to read his/her own meter; (h) A procedure where a customer may avoid discontinuance of service during a period of absence; and (j) The statement that the company is regulated by the Missouri Public Service Commission.

The Company is working with CMAU staff to include all requirements of Commission Rule CSR 240-13.040(3) in the brochure for distribution to existing and future customers.

THE CMAU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Update 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 any Commission order issued in Case Nos. WR-2016-0109 and SR-2016-0110.

Implementation Review

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

Disposition Agreement Attachment J

Summary of Case Events

Roy L Utilities, Inc.
Case #WR-2016-0109
Summary of Case Events

Date Filed: November 9, 2015

Day 150: April 7, 2016

Extension? Yes

If yes, why? Due to separate unforeseen circumstances on the part of both Staff and the Company, the normal meetings to resolve differences between the parties were delayed. As a result, the parties requested an extension of the "Day 150" deadline to file a disposition agreement until May 6, 2016.

Amount Requested: \$6,000

Amount Agreed Upon: \$10,858

Item(s) Driving Rate Increase: Increases in Company's annual operating revenues for water service, due to increases in plant investment and increases in operating costs.

Number of Customers: 59

Return on Equity: 11.07%

Assessment Current: Yes

Annual Reports Filed: Yes

Other Open Cases before Commission: Yes, SR-2016-0110

Status with Secretary of State: Good Standing

DNR Violations: No

Significant Service/Quality Issues: None

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI


In the Matter of Roy-L Utilities, Inc.)
Request for Increase in Annual Sewer and)
Water Operating Revenues)

Case Nos. WR-2016-0109
SR-2016-0110

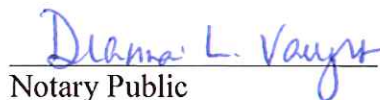
AFFIDAVIT OF JONATHAN DALLAS

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Jonathan Dallas, of lawful age, on his oath states: (1) that he is a Utility Operations Technical Specialist II the Water and Sewer Department of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing Non-Unanimous Disposition Agreement, in memorandum form; (3) that information in the Non-Unanimous Disposition Agreement was provided by him; (4) that he has knowledge of matters set forth in the Non-Unanimous Disposition Agreement; and (5) that such matters set forth in the Non-Unanimous Disposition Agreement are true and correct to the best of his knowledge, information and belief.


Jonathan Dallas

Subscribed and sworn to before me this 4th day of May, 2016.


Notary Public

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

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Roy-L Utilities, Inc.)
Request for Increase in Annual Sewer and)
Water Operating Revenues)

Case Nos. WR-2016-0109
SR-2016-0110

AFFIDAVIT OF CURT B. GATELEY

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Curt B. Gateley, of lawful age, on his oath states: (1) that he is a Utility Operations Technical Specialist II the Water and Sewer Department of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing Non-Unanimous Disposition Agreement, in memorandum form; (3) that information in the Non-Unanimous Disposition Agreement was provided by him; (4) that he has knowledge of matters set forth in the Non-Unanimous Disposition Agreement; and (5) that such matters set forth in the Non-Unanimous Disposition Agreement are true and correct to the best of his knowledge, information and belief.

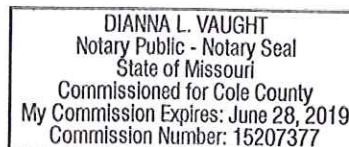


Curt B. Gateley

Subscribed and sworn to before me this 4th day of May, 2016.



Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Roy-L Utilities, Inc.)
Request for Increase in Annual Sewer and)
Water Operating Revenues)

Case Nos. WR-2016-0109
SR-2016-0110

AFFIDAVIT OF SCOTT J. GLASGOW

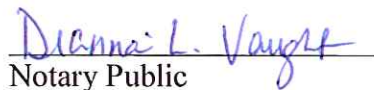
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Scott J. Glasgow, of lawful age, on his oath states: (1) that he is a Utility Operations Technical Specialist II the Water and Sewer Department of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing Non-Unanimous Disposition Agreement, in memorandum form; (3) that information in the Non-Unanimous Disposition Agreement was provided by him; (4) that he has knowledge of matters set forth in the Non-Unanimous Disposition Agreement; and (5) that such matters set forth in the Non-Unanimous Disposition Agreement are true and correct to the best of his knowledge, information and belief.

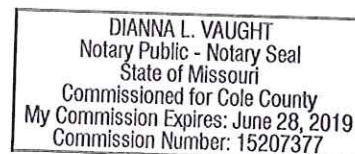


Scott J. Glasgow

Subscribed and sworn to before me this 4 day of May, 2016.



Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI


In the Matter of Roy-L Utilities, Inc.)
Request for Increase in Annual Sewer and)
Water Operating Revenues)

Case Nos. WR-2016-0109
SR-2016-0110

AFFIDAVIT OF MARK KIESLING

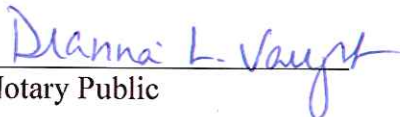
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Mark Kiesling, of lawful age, on his oath states: (1) that he is a Utility Operations Technical Specialist II the Water and Sewer Department of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing Non-Unanimous Disposition Agreement, in memorandum form; (3) that information in the Non-Unanimous Disposition Agreement was provided by him; (4) that he has knowledge of matters set forth in the Non-Unanimous Disposition Agreement; and (5) that such matters set forth in the Non-Unanimous Disposition Agreement are true and correct to the best of his knowledge, information and belief.



Mark Kiesling

Subscribed and sworn to before me this 6TH day of May, 2016.



Notary Public

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

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Roy-L Utilities, Inc.)
Request for Increase in Annual Sewer and)
Water Operating Revenues)

Case Nos. WR-2016-0109
SR-2016-0110

AFFIDAVIT OF KEENAN B. PATTERSON

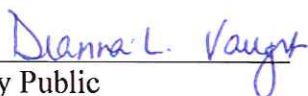
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Keenan B. Patterson, of lawful age, on his oath states: (1) that he is a Utility Operations Technical Specialist II the Water and Sewer Department of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing Non-Unanimous Disposition Agreement, in memorandum form; (3) that information in the Non-Unanimous Disposition Agreement was provided by him; (4) that he has knowledge of matters set forth in the Non-Unanimous Disposition Agreement; and (5) that such matters set forth in the Non-Unanimous Disposition Agreement are true and correct to the best of his knowledge, information and belief.



Keenan B. Patterson

Subscribed and sworn to before me this 6th day of May, 2016.



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Roy-L Utilities, Inc.)
Request for Increase in Annual Sewer and)
Water Operating Revenues)

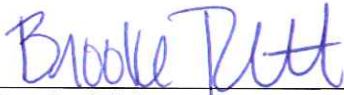
Case Nos. WR-2016-0109

SR-2016-0110

AFFIDAVIT OF BROOKE RICHTER

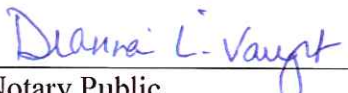
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Brooke Richter, of lawful age, on her oath states: (1) that she is a Utility Management Analyst III in the Consumer and Management Analysis Unit of the of the Missouri Public Service Commission; (2) that she participated in the preparation of the foregoing Non-Unanimous Disposition Agreement, in memorandum form; (3) that information in the Non-Unanimous Disposition Agreement was provided by her; (4) that she has knowledge of matters set forth in the Non-Unanimous Disposition Agreement; and (5) that such matters set forth in the Non-Unanimous Disposition Agreement are true and correct to the best of her knowledge, information and belief.



Brooke Richter

Subscribed and sworn to before me this 6th day of May, 2016.



Notary Public

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

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

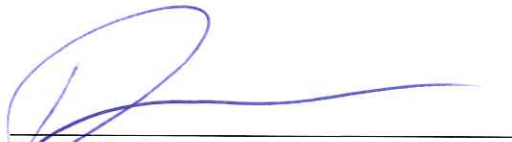
In the Matter of Roy-L Utilities, Inc.)
Request for Increase in Annual Sewer and)
Water Operating Revenues)

Case Nos. WR-2016-0109
SR-2016-0110

AFFIDAVIT OF DAVID A. SPRATT

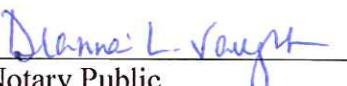
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

David A. Spratt, of lawful age, on his oath states: (1) that he is a Utility Operations Technical Specialist II the Water and Sewer Department of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing Non-Unanimous Disposition Agreement, in memorandum form; (3) that information in the Non-Unanimous Disposition Agreement was provided by him; (4) that he has knowledge of matters set forth in the Non-Unanimous Disposition Agreement; and (5) that such matters set forth in the Non-Unanimous Disposition Agreement are true and correct to the best of his knowledge, information and belief.



David A. Spratt

Subscribed and sworn to before me this 4th day of May, 2016.



Notary Public

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

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Roy-L Utilities, Inc.)
Request for Increase in Annual Sewer and)
Water Operating Revenues)

Case Nos. WR-2016-0109
SR-2016-0110

AFFIDAVIT OF MATTHEW R. YOUNG

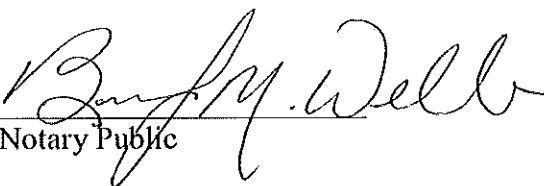
STATE OF MISSOURI)
) ss
COUNTY OF COLE)

Matthew R. Young, of lawful age, on his oath states: (1) that he is a Utility Regulatory Auditor III in the Auditing Department of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing Non-Unanimous Disposition Agreement, in memorandum form; (3) that information in the Non-Unanimous Disposition Agreement was provided by him; (4) that he has knowledge of matters set forth in the Non-Unanimous Disposition Agreement; and (5) that such matters set forth in the Non-Unanimous Disposition Agreement are true and correct to the best of his knowledge, information and belief.



Matthew R. Young

Subscribed and sworn to before me this 6th day of May, 2016.



Notary Public



BEVERLY M. WEBB
My Commission Expires
April 14, 2020
Clay County
Commission #12464070