

TARIFF FILING TRANSMITTAL LETTER – UNANIMOUS AGREEMENT

April 13, 2010

Secretary of the Commission
Missouri Public Service Commission
Attn: Data Center
P.O. Box 360
Jefferson City, MO 65102

RECEIVED

APR 13 2010

*Records
Public Service Commission*

RE: Water Utility Small Company Rate Increase Request
MO PSC Case No. WR-2010-0154

Dear Secretary:

Enclosed for filing with the Commission are an original and three copies of revised tariff sheets that include rate and language changes reflected in an Agreement Regarding Disposition of Small Company Rate Increase Request (Disposition Agreement) between the S.K. & M. Water & Sewer Company (Company), the Commission Staff (Staff) and the Office of the Public Counsel (OPC) regarding the above-referenced small company rate increase request. The Company submitted the referenced rate increase request on November 20, 2009, under the provisions of the Commission's small company rate increase procedure.

Since the above-referenced Disposition Agreement is between the Company, the Staff and the OPC, the enclosed tariff sheets bear an effective date that is at least 30 days from the issue date, as is provided for by the small company rate increase procedure. Additionally, please be advised that it is my understanding that the Staff will be filing the Disposition Agreement with the Commission, once a formal rate case docket has been established pursuant to this tariff filing.

Consistent with the above-referenced Disposition Agreement, the enclosed revised tariff sheets contain customer rates that are intended to produce an increase of \$11,239 in the Company's annual water system operating revenues, and also contain all other provisions necessary to implement the terms of the Disposition Agreement.

Please contact me at your convenience if you need anything further regarding this matter.

Sincerely,



Angela Swan

General Manager

S.K. & M. Water & Sewer Company

Enclosures

Copies (w/enclosures):

Jim Russo – Commission Staff

Christina Baker – Office of the Public Counsel

S.K. & M. Water and Sewer Company
Name of Issuing Company

For: Unincorporated Area in Perry County, MO
Certificated Service Area

**SCHEDULE OF RATES
FOR WATER SERVICE**

Rate Schedule No. W-1 – General Service

Availability

Availability to any water customer located on the company's water distribution mains suitable for supplying the service requested.

<u>Minimum Monthly Charge</u>	5/8" Meter	\$6.55	+
	1" Meter	\$16.36	+

Water Usage Charge \$2.76 per thousand gallons used +

Bulk Sales \$2.75 per 1,000 gallons +

Taxes

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

Meter Replacement / Installation Surcharge: *

A monthly surcharge of \$1.50 will be added to the bills of any customer that has a meter replaced or that has a meter installed where one did not previously exist. The total proceeds from this surcharge will be accounted for separately from other Company funds and the portion of the proceeds that is equivalent to \$1.00/month/ customer will be used to offset the Company's investment in meter installations for ratemaking purposes. The surcharge proceeds collected will be reviewed annually and the surcharge will be subject to change based upon changes in the cost of replacing or installing meters, billing and collection history, or other such good cause as may exist; provided, however, that the Commission must approve any changes to the surcharge. The surcharge will terminate for each affected meter replacement or installation when the Company's rates change as a result of a rate case, or eight years after the date of the subject replacement or installation, whichever occurs first.

* Indicates New Rate or Text
+ Indicates Changed Rate or Text

Issue Date: April 13, 2010
Month/Day/Year

Effective Date: May 13, 2010
Month/Day/Year

Issued By: Angela Swan – Vice President
Name & Title of Issuing Officer

P.O. Box 212; Perryville, MO 63775
Company Mailing Address

S.K. & M. Water and Sewer Company
Name of Issuing Company

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**SCHEDULE OF RATES
FOR WATER SERVICE**

These charges are applicable to the Company's services provided for in the corresponding rules:

Reconnection Charge after service disconnection by Company for violation of the Company's Rules and Regulations (See Rule 7)	\$15.00 per trip +
Turn-Off and Turn-On Charges Applicable to customers requesting temporary disconnection (See Rule 8)	\$10.00 per trip +
Inspection Fee (See Rules 4 & 5)	\$10.00 per trip +

Late Charges:

Billing 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 day after rendition of the bill. A charge of \$5.00 or three percent (3%) per month time the unpaid balance, whichever is more, will be added to delinquent amounts.

Returned Check Charge:

+

A returned check charge of \$29 per check will be paid by customers on all checks returned unpaid from the bank.

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**Rules and Regulations Governing
the Rendering of Water Service**

Rule 1 DEFINITIONS

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- (a) An "APPLICANT" is a person, firm, corporation, governmental body, or other entity that has applied for service; two or more APPLICANTS may make one application for a main extension.
- (b) The "COMPANY" is S.K. & M. Water and Sewer Co., acting through its officers, managers, or other duly authorized employees or agents.
- (c) A "CUSTOMER" is any person, firm, corporation or governmental body which has contracted with the company for water service or is receiving service from company, or whose facilities are connected for utilizing such service.
- (d) The "DATE OF CONNECTION" shall be the date of the permit for installation and connection issued by the company. In the event no permit is taken and a connection is made, the date of connection may be the date of commencement of construction of the building upon the property.
- (e) A "DEVELOPER" is any person, firm, corporation, partnership or any entity that, directly or indirectly, holds title to, or sells or leases, or offers to sell or lease, or advertises for sale or lease, any lots in a subdivision.
- (f) "DISCONTINUANCE OF SERVICE" is the intentional cessation of service by the company not requested by the customer.
- (g) The "MAIN" is a pipeline that is owned and maintained by the company, located on public property or private easements, and used to transport water throughout the company's service area.
- (h) The "METER" is a device used to measure and record the quantity of water that flows through the service line, and is installed in the meter setting.

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- (i) The "METER SETTING" includes the meter box, meter yoke, lid, and appurtenances, all of which shall be owned and maintained by the company.
- (j) The "SERVICE CONNECTION" is the pipeline connecting the main to the customer's water service line, or outdoor meter setting including all necessary appurtenances. This service connection will be installed, owned, and maintained by the company. If the property line is in a street, the said service connection shall be deemed to end at the edge of the street abutting the customer's property.
- (k) 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.
- (l) "TERMINATION OF SERVICE" is cessation of service requested by the customer.
- (m) 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.
- (n) 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 or outdoor meter setting, including the connection to the meter setting. If the property line is in a street, then the water service line shall be deemed to begin at the edge of the street abutting the customer's property.

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Rule 7 DISCONTINUANCE OF SERVICE BY COMPANY

(a) The company may discontinue service for any of the following reasons:

1. Nonpayment of a delinquent account not in dispute.
2. Failure to post a security deposit or guarantee acceptable to the utility.
3. Unauthorized interference, diversion or use of the utility service situated or delivered on or about the customer's premises.
4. Failure to comply with the terms and conditions of a settlement agreement.
5. 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.
6. Violation of any of these rules on file with and approved by the 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. +
7. Non-payment of a sewer bill issued by the company, or by a sewer utility requesting discontinuance of water service by an approved agreement between the company and such sewer utility. When water service is discontinued for this reason, any service charges for turn on/off or disconnection/reconnection within these rules shall not apply, and notice to the customer shall be provided by rules and procedure applicable to the customer's sewer service in lieu of notification required by these rules. *

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- (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. 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. Service of notice by mail is complete upon mailing. Discontinuance shall not occur more than eleven (11) business days after the date given as the discontinuance date. +
- (c) The company shall make reasonable effort to communicate with the customer, at least twenty-four (24) hours prior to any discontinuance, regarding the reasons(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 effort 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 21 days, and the company may require proof of a medical emergency.
- (e) Discontinuance of service will be made during reasonable hours. Company personnel shall identify themselves and announce the intention to disconnect service, or leave a conspicuous notice of the disconnect.
- (f) The provisions of paragraphs (c) and (e) above may be waived if safety of company personnel while at the premises is a consideration.
- (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.

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- (h) In case the company discontinues its service for any violation of these rules, 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 Public Service Commission's Utility Billing Practices, 4 CSR 240 - 13.

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Rule 10 BILLS FOR SERVICE

*

- (a) The charges for water service shall be at the rates specified in the rate schedules on file with the Missouri Public Service Commission. Other service charges, such as for turn-off or turn-on, are set forth in the Schedule of Service Charges in these rules.
- (b) A customer who has made application for water service to a unit shall be responsible for payment for all water service provided to him 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 have the right to render bills monthly.
- (g) 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

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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 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: still has an unpaid account with a utility providing the same type of service accrued within the last five years; or has diverted or interfered with the same type of service in an unauthorized manner within the last five (5) years; or is unable to establish a credit rating with the company. Adequate credit rating for a residential customer shall be established if the customer: owns or is purchasing a home; or is and has been regularly employed full time for at least one year; or has an adequate and regular source of income; or can provide credit references from a commercial credit source.
- (j) The company may require a security deposit or other guarantee of payment as a condition of continued service if: the water service of the customer has been discontinued for non-payment of a delinquent account not in dispute; or the utility service to the unit has been diverted or interfered with in an unauthorized manner; or 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, or two (2) out of four (4) consecutive quarterly 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.

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- (l) Interest at the rate of 6% per annum compounded annually shall be payable on all deposits, but shall not accrue after the utility has made reasonable effort to return the deposit. 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 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.
- (o) All billing matters shall be handled in accordance with the Public Service Commission's Utility Billing Practices, 4 CSR 240-13.

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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.
- (c) Applicant(s) shall enter into a contract with the company for the installation of said extension and shall tender to the company a contribution in aid of construction equal to the amount determined in paragraph (b) above, plus any applicable customer connection fee. The contract may allow the customer to contract with an independent contractor for the installation and supply of material, except that mains of 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 an applicant or applicants connecting to a main extension contributed by other applicant(s) shall be as follows:
 - (1) For single-family residential applicants that are applying for service in a platted subdivision, the company shall divide the actual cost of the extension (including income taxes) by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots that abut existing mains shall be excluded.
 - (2) For single-family residential applicants that are applying for service in areas that are unplatted in subdivision lots, the applicants' cost shall be equal to the total cost of the main extension divided by the total length of the main extension in feet times 100 feet.

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(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 times 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	16
4	25

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

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- (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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