

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

In the Matter of the Small Company Rate)
Increase Request of Raytown Water)
Company) Case No. WR-2009-0098

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

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

1. On September 12, 2008, the Missouri Public Service Commission ("the Commission") received a Rate Increase Request Letter ("Request Letter") from Raytown Water Company ("Raytown" or "the Company").
2. In its Request Letter, Raytown requested the Commission allow an increase of \$405,402 in its annual operating revenues pursuant to Commission Rule 4 CSR 240-3.050.
3. Upon completion of its investigation of the Company's request, Staff provided Raytown and the Office of the Public Counsel ("OPC") with various information, as well as its initial recommendations for the resolution of the revenue increase request.
4. Pursuant to negotiations conducted after the receipt by the Company and OPC of the above-referenced information and recommendations, Staff and Raytown were able to reach an agreement ("Disposition Agreement") regarding the resolution of the Company's rate increase request.
5. Included in Appendix A, attached hereto, is a copy of the above-referenced Disposition Agreement, as well as various attachments related to the Disposition Agreement.

Additionally, Appendix A contains affidavits from Staff members that participated in the investigation of the Company's Request.

6. Pursuant to Rule 4 CSR 240-3.050, governing disposition agreements executed between Staff and small utility companies utilizing the small utility rate case procedure, Raytown will file tariff sheets seeking to implement the terms of the Disposition Agreement. The tariff sheets will be filed February 17, 2009, and as required will bear the minimum 45-day effective date of April 3, 2009.

7. Raytown is current on its payment of Commission assessments and on its filings of annual reports and statements of revenue. Raytown has no other cases pending before the Commission at this time.

WHEREFORE, Staff respectfully submits this Agreement Notice and the attached Appendix for the Commission's information and consideration in this case and requests that the Commission enter an Order adopting the terms agreed upon by Staff and the Company.

Respectfully submitted,

/s/ Eric Dearmont

Eric Dearmont
Assistant General Counsel
Missouri Bar No. 60892

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-5472 (Telephone)
(573) 751-9285 (Fax)
eric.dearmont@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 9th day of February, 2009.

/s/ Eric Dearmont

APPENDIX A

STAFF PARTICIPANT AFFIDAVITS AND DISPOSITION AGREEMENT & ATTACHMENTS

CASE NO. WR-2009-0098

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Staff Participant Affidavits

James M. Russo – Water & Sewer Department

Amanda McMellen – Auditing Department

Arthur Rice – Engineering & Management Services Department

J. Kay Niemeier – Engineering & Management Services Department

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

AFFIDAVIT OF JAMES M. RUSSO

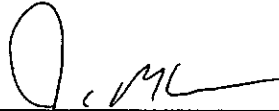
STATE OF MISSOURI)

) SS

CASE NO. WR-2009-0098

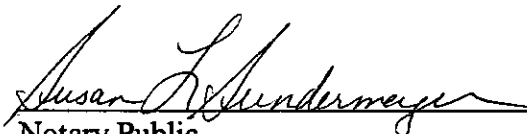
COUNTY OF COLE)

COMES NOW James M. Russo, being of lawful age, and on his oath states the following: (1) that he is the Rate and Tariff Examination Supervisor of the Missouri Public Service Commission's Water & Sewer Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he was responsible for the preparation of the following *Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachments A, B, D, E & H to the Disposition Agreement; (5) that he has knowledge of the matters set forth in the Disposition Agreement and the above-referenced attachments thereto; and (6) that the matters set forth in the Disposition Agreement and the above-referenced attachments thereto are true and correct to the best of his knowledge, information and belief.



James M. Russo
Rate & Tariff Examination Supervisor
Water and Sewer Department

Subscribed and sworn to before me this 9th day of February, 2009.



Notary Public



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF AMANDA C. McMELLEN

STATE OF MISSOURI

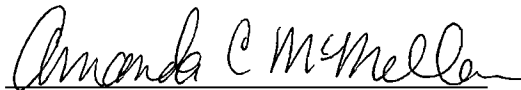
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COUNTY OF COLE

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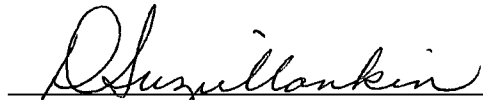
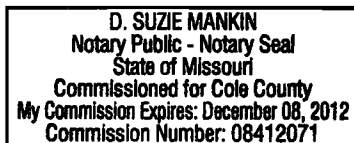
Case No. WR-2009-0098

COMES NOW Amanda C. McMellen, being of lawful age, and on her oath states the following: (1) that she is an Utility Regulatory Auditor III in the Missouri Public Service Commission's Auditing Department; (2) that she participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that she has knowledge of the following *Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that she was responsible for the preparation of Attachment C to the Disposition Agreement; (5) that she has knowledge of the matters set forth in Attachment C to the Disposition Agreement; and (6) that the matters set forth in Attachment C to the Disposition Agreement are true and correct to the best of her knowledge, information, and belief.



Amanda C. McMellen
Utility Regulatory Auditor IV
Auditing Department

Subscribed and sworn to before me this 9th day of February, 2009.



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF ARTHUR W. RICE, PE


STATE OF MISSOURI)

ss.)

COUNTY OF COLE)

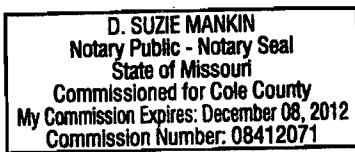
Case No. WR-2009-0098

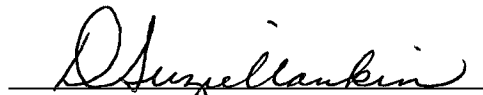
COMES NOW Arthur W. Rice, PE, being of lawful age, and on her oath states the following: (1) that he is a Utility Regulatory Engineer I in the Missouri Public Service Commission's Engineering and Management Services Department; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the following *Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachment F to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment F to the Disposition Agreement; and (6) that the matters set forth in Attachment F to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.



Arthur W. Rice, PE
Utility Regulatory Engineer I
Engineering and Management
Services Department

Subscribed and sworn to before me this 9th day of February, 2009.




Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF J. KAY NIEMEIER

STATE OF MISSOURI

ss.

COUNTY OF COLE

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Case No. WR-2009-0098

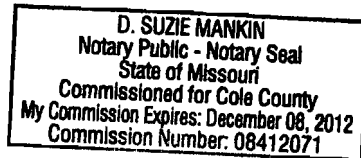
COMES NOW J. Kay Niemeier, being of lawful age, and on her oath states the following: (1) that she is an Utility Management Analyst III in the Missouri Public Service Commission's Engineering and Management Services Department; (2) that she participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that she has knowledge of the following *Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that she was responsible for the preparation of Attachment G to the Disposition Agreement; (5) that she has knowledge of the matters set forth in Attachment G to the Disposition Agreement; and (6) that the matters set forth in Attachment G to the Disposition Agreement are true and correct to the best of her knowledge, information, and belief.

J. Kay Niemeier

J. Kay Niemeier

Utility Management Analyst III
Engineering and Management Services Department

Subscribed and sworn to before me this 9th day of February, 2009.



D. Suzie Mankin

Notary Public

Company/Staff Disposition Agreement

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

RAYTOWN WATER COMPANY

MO PSC CASE NO. WR-2009-0098

BACKGROUND

Raytown Water Company (Company) initiated the small company revenue increase request (Request) that is the subject of the above-referenced Missouri Public Service Commission (Commission) tracking file by submitting a letter to the Secretary of the Commission 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, the Company set forth its request for an increase of \$405,402 in its total annual water service operating revenues for the affected service areas. Also in its request letter, the Company acknowledged that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions would be reviewed during the Commission Staff's (Staff) review of the revenue increase request, and could thus be the subject of Staff recommendations. The Company provides service to approximately 6,600 customers in the affected service area, the vast majority of which are residential customers.

Pursuant to the provisions of the Small Company Procedure and related internal operating procedures, Staff initiated an audit of the Company's books and records, a review of the Company's customer service and general business practices, a review of the Company's existing tariff, an inspection of the Company's facilities and a review of the Company's operation of its facilities. (Hereafter, these activities are collectively referred to as the Staff's "investigation" of the Company's Request.)

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

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

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

(1) For the purpose of implementing the agreements set out herein, the Company shall file proposed tariff revisions with the Commission containing the rates, charges and language as agreed to by the Company and Staff. These proposed tariff revisions shall bear an effective date of March 27, 2009.

(2) The resulting agreed-upon annualized operating revenue increase of \$317,990 reflects the annualized operating revenue increase needed to recover the Company's cost of service.

(3) The Company operates under a capital structure of 87.03% equity and agrees upon a return on equity of 9.57% as applied to that capital structure.

(4) The rates reflected on the tariff sheets to be filed by the Company are designed to generate revenues sufficient to recover the agreed-upon total annualized cost of service for the Company.

(5) The depreciation rates used by Staff in its revenue requirement analysis shall be the prescribed schedule of water plant depreciation rates for the Company. A schedule of these depreciation rates is attached as Appendix A.

(6) The over-accrual in Account 392 at the end of the test year (December 2008) is approximately \$140,000. Depreciation Reserve: Account 343, Transmission and Distribution Mains are under-accrued. Within six (6) months of the effective date of an order approving this Disposition Agreement, the Company shall transfer the excess accumulated depreciation from the Transportation Equipment account to the Mains account which will correct both accounts.

(7) Within six (6) months of the effective date of an order approving this Disposition Agreement, the Company shall implement the recommendations contained in the Engineering & Management Services Department ("EMSD") Report. These recommendations include the following:

a. The Company shall develop a procedure to ensure the Company's meter reading routes are periodically evaluated, such as every five years. If appropriate, the Company shall make necessary changes to the Company's meter reading routes.

b. The Company shall implement a procedure to ensure that the eight (8) master meters are read on a monthly basis. The Company shall also develop a monthly report that tracks and monitors the Company's master meter reads on its system as compared to its customers' actual meter readings.

- c. The Company shall secure the drop box located on the Company's office counter or shall discontinue use of the drop box.
- d. The Company shall evaluate the use of the a software program to process credit card payments as opposed to the Company's current policy of processing such payments through its bank. The Company shall implement the use of such software programming if found to be efficient and effective as compared to the use of the bank.
- e. The Company shall evaluate the possibility of increasing the Company's efforts to collect on finalized delinquent disconnect accounts prior to assigning the collection of such accounts to a collection agency. If deemed appropriate, the Company shall assign the collection of these accounts to the Company's collection agency immediately following disconnection.
- f. The Company shall develop and monitor a report that tracks monthly the number of accounts and the dollar amount of those "written-off" accounts which are forwarded to the Company's collection agency.
- g. The Company shall develop and utilize a report that tracks monthly the payments collected by the Company's collection agency. The Company shall monitor the information on a regular basis.
- h. The Company shall evaluate the benefits of the Company contracting with more than one collection agency. If the decision is made to hire multiple agencies, the Company shall ensure that the contracts for such collection agencies expire at staggered times.
- i. The Company shall implement a procedure that ensures all work orders are included in the Company's work order count.
- j. The Company shall develop in written form, information that summarizes the rights and responsibilities of the utility and its customers and make such documentation available to customers. The document shall adhere to Commission Rule 4 CSR 240-13.040(3).
- k. The Company shall develop a procedure to ensure that an employee performance evaluation is performed annually for each employee. In addition, the Company shall develop a procedure to document all employee evaluations.
- l. The Company shall discontinue the practice of compensating Company employees at a rate of time and one-half unless the employee has worked the

required 40 hours for that specific pay period.

(8) Within 15 days of issue date of a Commission order approving the Company's revised tariff submission, the Company shall mail its customers a written notice of the rates and charges included in those revised tariffs. 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. Staff shall file a copy of the notice in the subject case file.

(9) The Company acknowledges that Staff will conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Disposition Agreement.

(10) The Company acknowledges that Staff may file a formal complaint against the Company if the Company does not comply with the provisions of this Disposition Agreement.

(11) The rates reflected in tariff sheets to be filed by the Company are just and reasonable, and where necessary, the provisions contained in those tariff sheets properly reflect all other agreements set out herein.

(12) The Company shall maintain its books and records in accordance with the Uniform System of Accounts (USOA), particularly regarding, but not limited to, the area of uncollectible expense.

(13) Company policies in the areas of leave and time management shall be equally applied to, and equally enforced upon, all Company employees. Specifically, Company policies relating to the accrual of vacation time for part-time and full-time employees shall be equally applied to, and equally enforced upon, all Company employees. Employees shall work their scheduled hours unless they receive prior approval from management. Furthermore, the Company understands that Staff strongly discourages the practice of employees being allowed to work on weekends to enable them to accumulate vacation time.

(14) The Company shall train all employees to properly record both regular and over time hours in accordance with the Code of Federal Regulations, Title 29, Chapter 5, Part 778; and to properly fill out time cards with accurate totals of actual time spent working by Company employees.

(15) The Company shall be consistent in the processing of cell phone charges for non-field employees and family members of Raytown employees. The Company shall either eliminate cell phones not justified by work duties, or ensure that all charges for these cell phones are not related to legitimate business use by management, the field employees or by office employees using the base office cell phones for legitimate business purposes be fully reimbursed by the Company's employees, and documentation of such

reimbursements be maintained for future audit.

(16) The Company shall conduct a thorough review of the contracts with its tower tenants to ensure the providers are fully meeting the terms of each contract. The Company acknowledges that (a) the renewal periods of the Chapel and Hydropillar towers end on December 31 of each year and (b) that quarterly payments on the Chapel and Hydropillar towers are to be made to the Company in *advance*, in accordance with the contracts.

(17) In order to avoid additional charges, the Company shall make an additional effort to ensure that payments to vendors who assess late fees and finance charges are made in a timely manner.

(18) The Company shall record all revenues received for tap fees as part of Contribution in Aid of Construction (CIAC) with an appropriate deduction to Depreciation Expense. Any costs associated with these taps shall be included by the Company in the appropriate plant in service account.

(19) The Company shall ensure that its employees document all time spent using Company vehicles for personal use, showing times in and out.

(20) The Company shall read the meter for the Kansas City Water Department on a monthly basis and shall bill accordingly.

(21) The above agreements satisfactorily resolve all issues identified by Staff and the Company regarding the Company's Request, except as otherwise specifically stated.

ADDITIONAL MATTERS

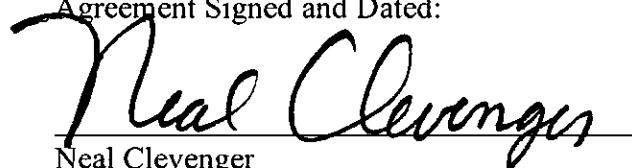
Other than the specific conditions agreed upon and expressly set out herein, the terms of this Disposition Agreement reflect compromises between Staff and the Company. Neither party has agreed to any specific ratemaking principle in arriving at the amount of the annual operating revenue increase specified herein.

The Company acknowledges that Staff will be filing this Disposition Agreement and any attachments thereto, in the case that will be opened when the Company files the proposed tariff revisions called for under the terms of this Agreement. The Company also acknowledges that Staff may make other filings in that case.

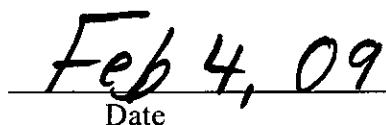
EFFECTIVE DATE AND SIGNATURES

This Disposition Agreement shall be considered effective as of the date that the Company files the proposed tariff revisions required herein with the Commission.

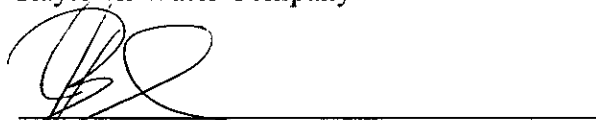
Agreement Signed and Dated:



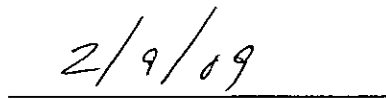
Neal Clevenger
President
Raytown Water Company



Date



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



Date

List of Attachments

- Attachment A – Example Tariff Sheets
- Attachment B – Ratemaking Income Statement
- Attachment C – Audit Workpapers
- Attachment D – Rate Design Worksheet
- Attachment E – Billing Comparison Worksheet
- Attachment F – Schedule of Depreciation Rates
- Attachment G – EMSD Report
- Attachment H – Summary of Case Events

Agreement Attachment A

Example Tariff Sheets

The Raytown Water Company
Name of Issuing Company

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

**Rules Governing
Rendering of Water Service**

Schedule of Rates

Rules and Regulations: The Rules and Regulations set forth in this Tariff shall cover the supply of service under this rate. Also, Rules 13 and 14 of the Company's General Rules and Regulations shall apply to all service under this Tariff.

Availability:

Any metered customer located in the Company's service territory

Water Rates:

There shall be a monthly minimum charge dependent on the size of the water meter as follows:

<u>Meter Size</u>	<u>Charge</u> +
5/8"	\$8.15
1.0"	\$14.79
1.5"	\$25.71
2.0"	\$38.82
3.0"	\$69.38
4.0"	\$113.03

There shall be a metered usage charge applied on a monthly basis, and billed by the Company on a monthly basis of \$5.13 per 1000 gallons. +

Bulk Water Service Rate:

Bulk Water sales shall be made at the rate of \$0.27 per 52 gallons. +

Payment Terms: Bills are due and payable within twenty-one (21) days after rendition of the bill.

Online payment thru OPAY: third party fee assessed by and paid directly to OPAY
Credit card Transaction fee: \$3.00 for payments taken by RWC at the counter.

* indicates new rate or text

+ indicates change

DATE OF ISSUE February 17, 2009

DATE EFFECTIVE April 3, 2009

ISSUED BY Neal Clevenger, President
Name of Officer

P.O. Box 1080 Nixa, MO 65714-1080
Title Address

Agreement Attachment B
Ratemaking Income Statement

RAYTOWN WATER COMPANY

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	2,724,440
2	Other Operating Revenues *	\$	286,408
3	Total Operating Revenues	\$	3,010,848
4	* See "Revenues - Current Rates" for Details		

Cost of Service

	Item		Amount
1	Purchased Water	\$	1,017,488
2	Operation Supervision & Engineering	\$	26,522
3	Storage Facilities Expense	\$	2,750
4	T & D Lines Expense Inc. Tools	\$	1,116
5	Water Samples	\$	4,214
6	Meter Testing	\$	80
7	Customer Installation Expense	\$	16
8	Miscellaneous T & D Expense	\$	454
9	Maintenance of Mians	\$	88,722
10	Maintenance of Tools/Equipment/General Supplies	\$	27,492
11	Maintenance of Valves	\$	6,587
12	Maintenance of Towers	\$	2,298
13	Tower Expenses	\$	10,593
14	Maintenance of T&D Services	\$	17,902
15	Maintenance of Customer Meter Wells & Meters	\$	13,837
16	Maintenance of Hydrants	\$	2,942
17	Line Locates	\$	13,026
18	Hydrant Tools & Equipment	\$	1,476
19	Hydrant Accident Repairs	\$	35
20	Supervision of Customer Accounts	\$	1,399
21	Meter Reading	\$	46,746
22	Uniform Expense	\$	8,762
23	Customer Service Orders	\$	132,657
24	Uncollectible Customer Account	\$	17,437
25	Safety Meetings & Equipment	\$	2,072
26	Administration & General - Salaries	\$	75,353
27	Administrative Expenses Transferred	\$	(17,876)
28	Capitalized Labor & Overhead	\$	(17,714)
29	Vacation, Sick, Holiday, Comp/Griev Pay	\$	59,234
30	Employee Pension & Benefits Payable	\$	197,320
31	15% Pension Expense	\$	75,032
32	Attorney Services	\$	14,975
33	Accounting Services	\$	27,372
34	Outside Services Employed	\$	19,395
35	Consulting, Mapping and CCR Report Services	\$	4,328
36	Office Supplies	\$	16,946
37	Office Utilities	\$	4,428
38	Printing & Postage Expense	\$	47,842
39	Communication Expense	\$	21,899
40	Collections Posted on NCO Webs	\$	1,801
41	MPSC Reports	\$	731
42	City Right of Way Permit Fees	\$	4,165
43	Leased Office Equipment	\$	12,374
44	Tower Maintenance Program	\$	83,415
45	Insurance Claims Payable	\$	273
46	Property Insurance Payable	\$	21,969
47	Injuries & Damages Payable	\$	17,989
48	Computer Maintenance	\$	14,383
49	Cybercollect Administrative Costs	\$	-
50	Educational & Employee Drug Screens	\$	13,805

51	Director Fees, Board Reports & Expenses	\$	14,299
52	Maintenance of General Plant inc. Equipment	\$	16,624
53	PSC Inspection and Directives	\$	318
54	Rate Case Expense	\$	2,784
55	Regulatory Commission Expense	\$	20,957
56	Miscellaneous General Expenses	\$	11,011
57	Sub-Total Operating Expenses	\$	2,212,055
58	Property Taxes	\$	120,335
59	MO Franchise Taxes	\$	2,307
60	Employer FICA Taxes	\$	40,225
61	Federal Unemployment Taxes	\$	840
62	State Unemployment Taxes	\$	2,194
63	State & Federal Income Taxes	\$	204,937
64	Sub-Total Taxes	\$	370,838
65	Depreciation Expense	\$	280,721
66	Depreciation Expense-CIAC Related	\$	(9,696)
67	Interest on Customer Deposits	\$	1,458
68	Interest Expense	\$	37,682
69	Amortize ITC	\$	3,845
70	Amortization of Utility Plant-Gateway	\$	28,854
71	Amortization of Utility Plant-Computer	\$	60,943
72	Sub-Total Depreciation/Amortization	\$	403,807
73	Return on Rate Base	\$	342,138
74	Total Cost of Service	\$	3,328,838
75	Overall Revenue Increase Needed	\$	317,990

Agreement Attachment C

Audit Workpapers

Exhibit No.:
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staff
Case No: WR-2009-0098
Date Prepared: 2/3/2009



MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

REVISED

STAFF ACCOUNTING SCHEDULES

RAYTOWN WATER COMPANY

CASE NO. WR-2009-0098

Jefferson City, Missouri

February 2009

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Expense Schedule - Water

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		OPERATIONS EXPENSES					
2		TOTAL OPERATIONS EXPENSE	\$0		\$0		\$0
3		MAINTENANCE EXPENSES					
4		TOTAL MAINTENANCE EXPENSE	\$0		\$0		\$0
5		SOURCE OF SUPPLY EXPENSES					
6	602.000	Purchased Water	\$798,623	W-6	\$218,865	100.00%	\$1,017,488
7		TOTAL SOURCE OF SUPPLY EXPENSES	\$798,623		\$218,865		\$1,017,488
8		TRANSMISSION & DISTRIBUTION EXPENSES					
9	660.000	Operation Supervision & Engineering	\$24,747	W-9	\$1,775	100.00%	\$26,522
10	661.000	Storage Facilities Expense	\$2,560	W-10	\$190	100.00%	\$2,750
11	662.000	Transmission & Distribution Lines Expense	\$717	W-11	\$0	100.00%	\$717
12	662.010	Transmission & Distribution Lines - Tools	\$399			100.00%	\$399
13	662.100	Water Samples	\$3,790	W-13	\$424	100.00%	\$4,214
14	663.000	Meter Testing	\$75	W-14	\$5	100.00%	\$80
15	664.000	Customer Installation Expense	\$16			100.00%	\$16
16	665.000	Miscellaneous T&D Expense	\$442	W-16	\$12	100.00%	\$454
17	672.000	Maintenance of Towers	\$2,142	W-17	\$156	100.00%	\$2,298
18	672.100	Tower Tools & Equipment	\$73			100.00%	\$73
19	672.200	Tower General Supplies	\$737			100.00%	\$737
20	672.300	Tower Utilities	\$8,308	W-20	\$1,475	100.00%	\$9,783
21	673.000	Maintenance of Mains	\$88,210	W-21	\$512	100.00%	\$88,722
22	673.100	Maintenance Tools & Equipment	\$6,438	W-22	\$339	100.00%	\$6,777
23	673.200	Maintenance General Supplies	\$20,206	W-23	\$509	100.00%	\$20,715
24	673.300	Maintenance of Valves	\$6,229	W-24	\$358	100.00%	\$6,587
25	673.400	Line Locates	\$12,296	W-25	\$730	100.00%	\$13,026
26	675.000	Maintenance of T&D Services	\$17,902			100.00%	\$17,902
27	675.100	Maintenance of Customer Meter Wells	\$7,585	W-27	\$334	100.00%	\$7,919
28	676.000	Maintenance of Meters	\$5,536	W-28	\$382	100.00%	\$5,918
29	677.000	Maintenance of Hydrants	\$2,768	W-29	\$174	100.00%	\$2,942
30	677.100	Hydrant Tools & Equipment	\$1,476			100.00%	\$1,476
31	667.300	Hydrant Accident Repairs	\$32	W-31	\$3	100.00%	\$35
32		TOTAL TRANSMISSION & DISTRIBUTION EXPENSES	\$212,684		\$7,378		\$220,062
33		CUSTOMER ACCOUNT EXPENSE					
34	901.000	Supervision of Customer Account	\$1,278	W-34	\$121	100.00%	\$1,399
35	902.000	Meter Reading	\$43,570	W-35	\$3,176	100.00%	\$46,746
36	902.100	Uniform Expense	\$8,017	W-36	-\$112	100.00%	\$7,905
37	902.110	Miscellaneous Uniform Expense	\$857			100.00%	\$857
38	903.100	Customer Accounting (Service Orders)	\$100,427	W-38	\$9,781	100.00%	\$110,208
39	903.200	Customer Turn On & Turn Off	\$20,892	W-39	\$1,557	100.00%	\$22,449
40	903.300	City of Raytown Contract Turn On/Off (Reimburse)	\$3,320	W-40	-\$3,320	100.00%	\$0
41	903.400	City of Raytown Contract Office Equipmen	\$2,677	W-41	-\$2,677	100.00%	\$0
42	904.000	Uncollectible Customer Account	\$12,013	W-42	\$5,424	100.00%	\$17,437
43		TOTAL CUSTOMER ACCOUNT EXPENSE	\$193,051		\$13,950		\$207,001
44		CUSTOMER SERVICE & INFORMATION EXPENSES					
45	907.000	Safety Meetings	\$853	W-45	\$14	100.00%	\$867
46	907.100	Safety Equipment	\$1,205			100.00%	\$1,205
47		TOTAL CUSTOMER SERVICE & INFORMATION EXPENSES	\$2,058		\$14		\$2,072
48		ADMINISTRATIVE & GENERAL EXPENSES					
49	920.000	Administration & General Salaries	\$68,694	W-49	\$6,659	100.00%	\$75,353
50	920.200	City Redevelopment Projects	\$60	W-50	-\$60	100.00%	\$0

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Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
51	920.300	Collections Posted on NCO Webs	\$1,638	W-51	\$163	100.00%	\$1,801
52	920.400	MPSC Reports	\$665	W-52	\$66	100.00%	\$731
53	921.000	Office Supplies	\$16,894	W-53	-\$732	100.00%	\$16,162
54	921.001	Office Utilities	\$3,479	W-54	\$949	100.00%	\$4,428
55	921.010	Kitchen & Bathroom Supplies	\$784			100.00%	\$784
56	921.020	Printing & Postage Supplies & Expense	\$45,730	W-56	\$2,112	100.00%	\$47,842
57	921.040	Communication Expense	\$27,188	W-57	-\$5,289	100.00%	\$21,899
58	921.100	City Right of Way Permit Fees	\$5,462	W-58	-\$1,297	100.00%	\$4,165
59	921.200	Leased Office Equipment	\$12,097	W-59	\$277	100.00%	\$12,374
60	922.100	Administrative Expenses Transferred (Credit)	-\$17,876			100.00%	-\$17,876
61	922.200	Capitalized Labor and Overhead	-\$17,714			100.00%	-\$17,714
62	923.000	Outside Services Employed	\$19,644	W-62	-\$249	100.00%	\$19,395
63	923.100	Tower Maintenance Program	\$91,644	W-63	-\$8,229	100.00%	\$83,415
64	923.110	Insurance Claims Payable	\$273			100.00%	\$273
65	923.200	Attorney Services	\$11,844	W-65	\$3,131	100.00%	\$14,975
66	923.300	Accounting Services	\$27,372			100.00%	\$27,372
67	923.400	Computer Maintenance	\$14,231	W-67	\$152	100.00%	\$14,383
68	923.500	Mapping Services	\$303			100.00%	\$303
69	923.700	Consulting Services	\$1,170			100.00%	\$1,170
70	923.800	CCR Report Services	\$2,855			100.00%	\$2,855
71	923.900	Cybercollect Administrative Costs	\$1,695	W-71	-\$1,695	100.00%	\$0
72	924.000	Property Insurance Payable	\$22,162	W-72	-\$193	100.00%	\$21,969
73	925.000	Injuries & Damages Insurance Payable	\$18,383	W-73	-\$394	100.00%	\$17,989
74	926.000	Employee Pension & Benefits Payable	\$150,520	W-74	\$46,800	100.00%	\$197,320
75	926.100	15% Pension Expense	\$69,555	W-75	\$5,477	100.00%	\$75,032
76	928.000	Regulatory Expense	\$18,304	W-76	\$2,653	100.00%	\$20,957
77	928.100	Rate Case Expense	\$25	W-77	\$2,759	100.00%	\$2,784
78	928.200	Rate Case Employee Salaries	\$2,525	W-78	-\$2,525	100.00%	\$0
79	928.230	PSC Inspection and Directives	\$289	W-79	\$29	100.00%	\$318
80	930.100	Miscellaneous General Expense	\$12,221	W-80	-\$1,210	100.00%	\$11,011
81	930.200	Directors Fees and Expenses	\$13,215	W-81	\$219	100.00%	\$13,434
82	930.210	Board Reports and Directives	\$787	W-82	\$78	100.00%	\$865
83	930.300	Educational Expenses	\$14,067	W-83	-\$321	100.00%	\$13,746
84	930.400	Employee Drug Screens	\$59			100.00%	\$59
85	932.000	Maintenance of General Plant	\$16,109	W-85	\$364	100.00%	\$16,473
86	932.200	Small Equipment for Plant Maintenance	\$151			100.00%	\$151
87	999.000	Vacation, Sick, Holiday, Comp/Grievance, and Work Comp Pay	\$53,841	W-87	\$5,393	100.00%	\$59,234
88		TOTAL ADMINISTRATIVE AND GENERAL	\$710,345		\$55,087		\$765,432
89		OTHER OPERATING EXPENSES					
90	431.100	Interest on Customer Deposits	\$652	W-90	\$806	100.00%	\$1,458
91	933.000	Amortize ITC	-\$2,404	W-91	\$2,404	100.00%	\$0
92		Depreciation	\$349,021	W-92	-\$68,300	100.00%	\$280,721
93		Depreciation Expense - CIAC-Relatec	\$0	W-93	-\$9,696	100.00%	-\$9,696
94		Amortization of Utility Plant - Compute	\$0	W-94	\$60,943	100.00%	\$60,943
95		Amortization of Utility Plant - Gateway	\$0	W-95	\$28,854	100.00%	\$28,854
96		Amortization of EI ERA Issuance Costs	\$0	W-96	\$3,845	100.00%	\$3,845
97		TOTAL OTHER OPERATING EXPENSES	\$347,269		\$18,856		\$366,125
98		TAXES OTHER THAN INCOME					
99	408.100	Property Taxes	\$112,759	W-99	\$7,576	100.00%	\$120,335
100	408.200	Missouri Franchise Taxes	\$2,307			100.00%	\$2,307
101	408.300	Employer FICA Taxes	\$40,115	W-101	\$110	100.00%	\$40,225
102	408.400	Federal Unemployment Tax	\$784	W-102	\$56	100.00%	\$840
103	408.500	State Unemployment Tax	\$2,707	W-103	-\$513	100.00%	\$2,194
104		TOTAL TAXES OTHER THAN INCOME	\$158,672		\$7,229		\$165,901
105		TOTAL OPERATING EXPENSES	\$2,422,702		\$321,379		\$2,744,081

Raytown Water Company
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 Expense Adjustment Schedule - Water

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-6	Purchased Water	602.000		\$218,865
	To adjust test year to reflect Staff's annualized water volume sold. (Mapeka)		\$218,865	
W-9	Operation Supervision & Engineering	660.000		\$1,775
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$1,771	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$112	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$116	
W-10	Storage Facilities Expense	661.000		\$190
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$190	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$13	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$13	
W-11	Transmission & Distribution Lines Expense	662.000		\$0
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$4	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$4	
W-13	Water Samples	662.100		\$424
	To adjust test year to reflect the increase in the annual DNR fees. (Foster)		\$200	

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A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$223	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$9	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$10	
W-14	Meter Testing	663.000		\$5
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$5	
W-16	Miscellaneous T&D Expense	665.000		\$12
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$12	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$1	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$1	
W-17	Maintenance of Towers	672.000		\$156
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$156	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$8	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$8	
W-20	Tower Utilities	672.300		\$1,475
	To adjust test year to reflect the increase in electricity and natural gas rates. (Foster)		\$1,475	

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<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-21	Maintenance of Mains	673.000		\$512
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$511	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$21	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$22	
W-22	Maintenance Tools & Equipment	673.100		\$339
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$339	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$24	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$24	
W-23	Maintenance General Supplies	673.200		\$509
	To adjust test year to reflect the annualization of rent on storage property. (Mapeka)		\$450	
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$59	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$6	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$6	
W-24	Maintenance of Valves	673.300		\$358
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$357	

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<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$20	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$21	
W-25	Line Locates	673.400		\$730
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$728	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$46	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$48	
W-27	Maintenance of Customer Meter Wells	675.100		\$334
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$334	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$12	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$12	
W-28	Maintenance of Meters	676.000		\$382
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$381	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$29	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$30	

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Expense Adjustment Schedule - Water

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Expense Adj Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
W-29	Maintenance of Hydrants	677.000		\$174
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$174	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$16	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$16	
W-31	Hydrant Accident Repairs	667.300		\$3
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$3	
W-34	Supervision of Customer Account	901.000		\$121
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$121	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$1	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$1	
W-35	Meter Reading	902.000		\$3,176
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$3,169	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$208	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$215	
W-36	Uniform Expense	902.100		-\$112

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A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
	To adjust the test year to reflect the annualization of uniform expense. (Mapeka)		-\$112	
W-38	Customer Accounting (Service Orders)	903.100		\$9,781
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$9,781	
W-39	Customer Turn On & Turn Off	903.200		\$1,557
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$1,553	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$103	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$107	
W-40	City of Raytown Contract Turn On/Off (Reimburse)	903.300		-\$3,320
	To adjust test year to eliminate expenses for nonregulated activities. (Mapeka)		-\$3,320	
W-41	City of Raytown Contract Office Equipment	903.400		-\$2,677
	To adjust test year to eliminate expenses for nonregulated activities. (Mapeka)		-\$2,677	
W-42	Uncollectible Customer Account	904.000		\$5,424
	To adjust test year to reflect the annualization of bad debts. (Mapeka)		\$5,424	
W-45	Safety Meetings	907.000		\$14
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$14	
W-49	Administration & General Salaries	920.000		\$6,659

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<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	To adjust test year to reflect a three year normalized level advertising expenses. (Mapeka)		-\$133	
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$6,792	
W-50	City Redevelopment Projects	920.200		-\$60
	To adjust test year to eliminate expenses for nonregulated activities. (Mapeka)		-\$60	
W-51	Collections Posted on NCO Webs	920.300		\$163
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$163	
W-52	MPSC Reports	920.400		\$66
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$66	
W-53	Office Supplies	921.000		-\$732
	To adjust test year to reflect membership for one cardholder. (Mapeka)		-\$50	
	To adjust test year to reflect a three year normalized level for advertising expenses. (Mapeka)		\$240	
	To adjust test year to disallow finance charges, interest, late fees, and other expenses. (McMellen)		-\$922	
W-54	Office Utilities	921.001		\$949
	To adjust test year to reflect the increase in electricity and natural gas rates. (Foster)		\$949	
W-56	Printing & Postage Supplies & Expense	921.020		\$2,112

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<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
	To adjust test year to reflect an increase in postage rates. (Foster)		\$2,112	
W-57	Communication Expense	921.040		-\$5,289
	To adjust test year to reflect the disallowance of late charges and a decrease for overpayments of AT&T telephone expenses. (Foster)		-\$141	
	To adjust test year to reflect disallowance of Sprint-Nextel unreimbursed personal cell phone charges and nonrecurring equipment purchases. (Foster)		-\$5,148	
W-58	City Right of Way Permit Fees	921.100		-\$1,297
	To adjust test year to reflect annualization of fees. (McMellen)		-\$1,297	
W-59	Leased Office Equipment	921.200		\$277
	To adjust test year to reflect annualization of leases. (McMellen)		\$277	
W-62	Outside Services Employed	923.000		-\$249
	To adjust test year to reflect a decrease for overpayments to AnsaRing. (Foster)		-\$199	
	To adjust test year to reflect the annualization of office cleaning expenses. (Mapeka)		-\$50	
W-63	Tower Maintenance Program	923.100		-\$8,229
	To adjust test year to reflect annualized level of current fees. (McMellen)		-\$8,229	
W-65	Attorney Services	923.200		\$3,131
	To adjust test year to reflect annualized level of attorney's expenses. (Mapeka)		\$3,131	

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 Expense Adjustment Schedule - Water

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-67	Computer Maintenance	923.400		\$152
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$152	
W-71	Cybercollect Administrative Costs	923.900		-\$1,695
	To eliminate service, not an ongoing service (Mapeka)		-\$1,695	
W-72	Property Insurance Payable	924.000		-\$193
	To adjust test year to reflect the decrease in insurance expense. (Foster)		-\$193	
W-73	Injuries & Damages Insurance Payable	925.000		-\$394
	To adjust test year to reflect the decrease in insurance expense. (Foster)		-\$394	
W-74	Employee Pension & Benefits Payable	926.000		\$46,800
	To adjust test year to reflect annualized level of health insurance. (Mapeka)		\$38,373	
	To adjust test year to reflect annualized level of dental insurance. (Mapeka)		-\$486	
	To adjust test year to reflect annualized level of life insurance. (Mapeka)		-\$402	
	To adjust test year to excluded J. Beatie's and M. Clevenger's insurance. (Mapeka)		-\$849	
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$10,164	
W-75	15% Pension Expense	926.100		\$5,477
	To adjust test year to reflect annualized level of pension expense. (Mapeka)		\$5,477	

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Expense Adjustment Schedule - Water

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-76	Regulatory Expense	928.000		\$2,653
	To adjust test year to reflect the increase in the annual PSC assessment. (Foster)		\$2,653	
W-77	Rate Case Expense	928.100		\$2,759
	To adjust out test year rate case expense. (Foster)		-\$25	
	To adjust test year to reflect the annualized level of rate case expense. (Foster)		\$2,784	
W-78	Rate Case Employee Salaries	928.200		-\$2,525
	To adjust out test year salaries charged to rate case. (Foster)		-\$2,525	
W-79	PSC Inspection and Directives	928.230		\$29
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$29	
W-80	Miscellaneous General Expense	930.100		-\$1,210
	To adjust test year to reflect membership for one cardholder. (Mapeka)		-\$140	
	To adjust test year to remove various disallowed expenses. (McMellen)		-\$1,070	
W-81	Directors Fees and Expenses	930.200		\$219
	To adjust test year to reflect the increase in the directors fees and the disallowance of Neal Clevenger's and Chiki Thompson's directors fees. (Foster)		\$150	
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$69	

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<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
W-82	Board Reports and Directives	930.210		\$78
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$78	
W-83	Educational Expenses	930.300		-\$321
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$530	
	To adjust test year to reflect annualization of educational expenses. (McMellen)		-\$851	
W-85	Maintenance of General Plant	932.000		\$364
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$363	
	To adjust test year to reflect the annualization of gasoline expense. (Foster)		-\$25	
	To adjust test year to reflect the annualization of commercial automobile insurance expense (Foster)		\$26	
W-87	Vacation, Sick, Holiday, Comp/Grievance, and Work (999.000		\$5,393
	To adjust test year to reflect the annualization of payroll. (Mapeka)		\$5,393	
W-90	Interest on Customer Deposits	431.100		\$806
	To adjust test year to reflect the 4.25% interest earned based on the 13-month average of customer deposits. (Foster)		\$806	
W-91	Amortize ITC	933.000		\$2,404
	To adjust test year to eliminate ITC amortization (McMellen)		\$2,404	

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Expense Adjustment Schedule - Water

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
W-92	Depreciation			-\$68,300
	1. To Annualize Depreciation		-\$68,300	
	2. Description		\$0	
W-93	Depreciation Expense - CIAC-Related			-\$9,696
	To adjust test year to reflect the elimination of CIAC-related depreciation expense. (McMellen)		-\$9,696	
W-94	Amortization of Utility Plant - Computer			\$60,943
	To adjust test year to reflect annualization of the computer software and hardware for the new system. (McMellen)		\$60,943	
W-95	Amortization of Utility Plant - Gateway			\$28,854
	To adjust test year to reflect annualization of the Gateway project. (McMellen)		\$28,854	
W-96	Amortization of EIERA Issuance Costs			\$3,845
	To adjust test year to reflect annualization of EIERA closing costs. (McMellen)		\$3,845	
W-99	Property Taxes	408.100		\$7,576
	To adjust test year to reflect annualized level of property taxes. (Mapeka)		\$7,576	
W-101	Employer FICA Taxes	408.300		\$110
	To adjust test year to reflect annualized level of employer FICA taxes. (Mapeka)		\$110	
W-102	Federal Unemployment Tax	408.400		\$56
	To adjust test year to reflect annualized level of FUTA. (Mapeka)		\$56	

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Expense Adjustment Schedule - Water

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Expense Adj Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
W-103	State Unemployment Tax	408.500		-\$513
	To adjust test year to reflect annualized level of SUTA. (Mapeka)		-\$513	
Total Expense Adjustments				<u><u>\$321,379</u></u>

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Revenue Schedule - Water

Line Number	A Account Number (Optional)	B Revenue Description	C Company/ Test Year Amount	D Adjustment Number	E Jurisdictional Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$2,571,103	Rev-2	\$153,337	100.00%	\$2,724,440
Rev-3		Miscellaneous Revenues	\$270,979	Rev-3	\$15,429	100.00%	\$286,408
Rev-4		TOTAL ANNUALIZED REVENUES	\$2,842,082		\$168,766		\$3,010,848

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Revenue Adjustment Schedule - Water

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Revenue Adj Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
Rev-2	Annualized Rate Revenues			\$153,337
	1. To Annualize Rate Revenues		\$153,337	
Rev-3	Miscellaneous Revenues			\$15,429
	1. To Annualize Miscellaneous Revenues		\$15,429	
Total Revenue Adjustments				\$168,766

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential 5/8"		Residential 1"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	6,084		82	
3	Bills Per Year	12		12	
4	Customer Bills Per year	73,008		984	
5	Current Customer Charge	<u>\$7.30</u>		<u>\$13.24</u>	
6	Annualized Customer Charge Revenues		\$532,958		\$13,028
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	335,976		14,307	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	335,976		14,307	
11	Block 1, Commodity Gallons per Block	<u>335,976</u>		<u>14,307</u>	
12	Block 1, Number of Commodity Gallons per Unit	<u>1</u>		<u>1</u>	
13	Block 1, Commodity Billing Units	335,976.00		14,307.00	
14	Block 1, Existing Commodity Charge	<u>\$4.59</u>		<u>\$4.59</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$1,542,130		\$65,669
16	Total Annualized Water Rate Revenues		<u>\$2,075,088</u>		<u>\$78,697</u>

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

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential 1.5"		Residential 2"	
		F Amount	G Amount	H Amount	I Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	16		24	
3	Bills Per Year	12		12	
4	Customer Bills Per year	192		288	
5	Current Customer Charge	<u>\$23.02</u>		<u>\$34.76</u>	
6	Annualized Customer Charge Revenues		\$4,420		\$10,011
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	5,690		14,143	
9	Less: Base Gallons Included In Customer Charge	0		0	
10	Commodity Gallons	5,690		14,143	
11	Block 1, Commodity Gallons per Block	5,690		14,143	
12	Block 1, Number of Commodity Gallons per Unit	1		1	
13	Block 1, Commodity Billing Units	5,690.00		14,143.00	
14	Block 1, Existing Commodity Charge	<u>\$4.59</u>		<u>\$4.59</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$26,117		\$64,916
16	Total Annualized Water Rate Revenues		<u>\$30,537</u>		<u>\$74,927</u>

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

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential 3"		Residential 4"	
		J Amount	K Amount	L Amount	M Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	9		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	108		12	
5	Current Customer Charge	<u>\$62.13</u>		<u>\$101.22</u>	
6	Annualized Customer Charge Revenues		\$6,710		\$1,215
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	15,549		3,558	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	15,549		3,558	
11	Block 1, Commodity Gallons per Block	<u>15,549</u>		<u>3,558</u>	
12	Block 1, Number of Commodity Gallons per Unit	<u>1</u>		<u>1</u>	
13	Block 1, Commodity Billing Units	15,549.00		3,558.00	
14	Block 1, Existing Commodity Charge	<u>\$4.59</u>		<u>\$4.59</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$71,370		\$16,331
16	Total Annualized Water Rate Revenues		<u>\$78,080</u>		<u>\$17,546</u>

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

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial 5/8"		Commercial 1"	
		N Amount	O Amount	P Amount	Q Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	255		72	
3	Bills Per Year	12		12	
4	Customer Bills Per year	3,060		864	
5	Current Customer Charge	<u>\$7.30</u>		<u>\$13.24</u>	
6	Annualized Customer Charge Revenues		\$22,338		\$11,439
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	17,168		7,978	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	17,168		7,978	
11	Block 1, Commodity Gallons per Block	<u>17,168</u>		<u>7,978</u>	
12	Block 1, Number of Commodity Gallons per Unit	<u>1</u>		<u>1</u>	
13	Block 1, Commodity Billing Units	17,168.00		7,978.00	
14	Block 1, Existing Commodity Charge	<u>\$4.59</u>		<u>\$4.59</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$78,801		\$36,619
16	Total Annualized Water Rate Revenues		<u>\$101,139</u>		<u>\$48,058</u>

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

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial 1.5"		Commercial 2"	
		R Amount	S Amount	I Amount	U Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	27		32	
3	Bills Per Year	12		12	
4	Customer Bills Per year	324		384	
5	Current Customer Charge	<u>\$23.02</u>		<u>\$34.76</u>	
6	Annualized Customer Charge Revenues		\$7,458		\$13,348
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	9,730		26,460	
9	Less: Base Gallons Included In Customer Charge	0		0	
10	Commodity Gallons	9,730		26,460	
11	Block 1, Commodity Gallons per Block	<u>9,730</u>		<u>26,460</u>	
12	Block 1, Number of Commodity Gallons per Unit	<u>1</u>		<u>1</u>	
13	Block 1, Commodity Billing Units	9,730.00		26,460.00	
14	Block 1, Existing Commodity Charge	<u>\$4.59</u>		<u>\$4.59</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$44,661		\$121,451
16	Total Annualized Water Rate Revenues		<u>\$52,119</u>		<u>\$134,799</u>

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

Raytown Water Company
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 Test Year Ending 12-31-2007
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial 3"		Total	
		V Amount	W Amount	X Amount	Y Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	4		6,606	
3	Bills Per Year	12			
4	Customer Bills Per year	48		79,272	
5	Current Customer Charge	<u>\$62.13</u>			
6	Annualized Customer Charge Revenues		\$2,982		\$625,907
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	6,638		457,197	
9	Less: Base Gallons Included In Customer Charge	0		0	
10	Commodity Gallons	6,638		457,197	
11	Block 1, Commodity Gallons per Block	6,638			
12	Block 1, Number of Commodity Gallons per Unit	1			
13	Block 1, Commodity Billing Units	6,638.00			
14	Block 1, Existing Commodity Charge	<u>\$4.59</u>			
15	Block 1, Annualized Commodity Charge Rev.		\$30,468		\$2,098,533
16	Total Annualized Water Rate Revenues		<u>\$33,450</u>		<u>\$2,724,440</u>

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

**Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Miscellaneous Revenues Feeder - Water**

Line Number	<u>A</u> Description	<u>B</u> Amount
12	Total Miscellaneous Revenues	<u><u>\$286,408</u></u>

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Rate Design Schedule - Water

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues		(1) \$2,724,440			
Rev-3	Miscellaneous Revenues		(1) \$286,408			
Rev-4	TOTAL ANNUALIZED REVENUES		\$3,010,848			
1	OPERATIONS EXPENSES		(2)			
2	TOTAL OPERATIONS EXPENSE		\$0	\$0	\$0	
3	MAINTENANCE EXPENSES					
4	TOTAL MAINTENANCE EXPENSE		\$0	\$0	\$0	
5	SOURCE OF SUPPLY EXPENSES					
6	Purchased Water	602.000	\$1,017,488	\$0	\$1,017,488	0.00%
7	TOTAL SOURCE OF SUPPLY EXPENSES		\$1,017,488	\$0	\$1,017,488	
8	TRANSMISSION & DISTRIBUTION EXPENSES					
9	Operation Supervision & Engineering	660.000	\$26,522	\$0	\$26,522	0.00%
10	Storage Facilities Expense	661.000	\$2,750	\$0	\$2,750	0.00%
11	Transmission & Distribution Lines Expense	662.000	\$717	\$0	\$717	0.00%
12	Transmission & Distribution Lines - Tools	662.010	\$399	\$0	\$399	0.00%
13	Water Samples	662.100	\$4,214	\$0	\$4,214	0.00%
14	Meter Testing	663.000	\$80	\$0	\$80	0.00%
15	Customer Installation Expense	664.000	\$16	\$0	\$16	0.00%
16	Miscellaneous T&D Expense	665.000	\$454	\$0	\$454	0.00%
17	Maintenance of Towers	672.000	\$2,298	\$0	\$2,298	0.00%
18	Tower Tools & Equipment	672.100	\$73	\$0	\$73	0.00%
19	Tower General Supplies	672.200	\$737	\$0	\$737	0.00%
20	Tower Utilities	672.300	\$9,783	\$0	\$9,783	0.00%
21	Maintenance of Mains	673.000	\$88,722	\$0	\$88,722	0.00%
22	Maintenance Tools & Equipment	673.100	\$6,777	\$0	\$6,777	0.00%
23	Maintenance General Supplies	673.200	\$20,715	\$0	\$20,715	0.00%
24	Maintenance of Valves	673.300	\$6,587	\$0	\$6,587	0.00%
25	Line Locates	673.400	\$13,026	\$0	\$13,026	0.00%
26	Maintenance of T&D Services	675.000	\$17,902	\$0	\$17,902	0.00%
27	Maintenance of Customer Meter Wells	675.100	\$7,919	\$0	\$7,919	0.00%
28	Maintenance of Meters	676.000	\$5,918	\$0	\$5,918	0.00%
29	Maintenance of Hydrants	677.000	\$2,942	\$0	\$2,942	0.00%
30	Hydrant Tools & Equipment	677.100	\$1,476	\$0	\$1,476	0.00%
31	Hydrant Accident Repairs	667.300	\$35	\$0	\$35	0.00%
32	TOTAL TRANSMISSION & DISTRIBUTION EXPENSES		\$220,062	\$0	\$220,062	
33	CUSTOMER ACCOUNT EXPENSE					
34	Supervision of Customer Account	901.000	\$1,399	\$0	\$1,399	0.00%
35	Meter Reading	902.000	\$46,746	\$0	\$46,746	0.00%
36	Uniform Expense	902.100	\$7,905	\$0	\$7,905	0.00%
37	Miscellaneous Uniform Expense	902.110	\$857	\$0	\$857	0.00%
38	Customer Accounting (Service Orders)	903.100	\$110,208	\$0	\$110,208	0.00%
39	Customer Turn On & Turn Off	903.200	\$22,449	\$0	\$22,449	0.00%
40	City of Raytown Contract Turn On/Off (Reimburse)	903.300	\$0	\$0	\$0	0.00%
41	City of Raytown Contract Office Equipment	903.400	\$0	\$0	\$0	0.00%
42	Uncollectible Customer Account	904.000	\$17,437	\$0	\$17,437	0.00%
43	TOTAL CUSTOMER ACCOUNT EXPENSE		\$207,001	\$0	\$207,001	
44	CUSTOMER SERVICE & INFORMATION EXPENSES					
45	Safety Meetings	907.000	\$867	\$0	\$867	0.00%
46	Safety Equipment	907.100	\$1,205	\$0	\$1,205	0.00%
47	TOTAL CUSTOMER SERVICE & INFORMATION EXPENSES		\$2,072	\$0	\$2,072	

Raytown Water Company
 Informal Rate Case
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 Test Year Ending 12-31-2007
 Rate Design Schedule - Water

A	B	C	D	E	F	
Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
48	ADMINISTRATIVE & GENERAL EXPENSES					
49	Administration & General Salaries	920.000	\$75,353	\$0	\$75,353	0.00%
50	City Redevelopment Projects	920.200	\$0	\$0	\$0	0.00%
51	Collections Posted on NCO Webs	920.300	\$1,801	\$0	\$1,801	0.00%
52	MPSC Reports	920.400	\$731	\$0	\$731	0.00%
53	Office Supplies	921.000	\$16,162	\$0	\$16,162	0.00%
54	Office Utilities	921.001	\$4,428	\$0	\$4,428	0.00%
55	Kitchen & Bathroom Supplies	921.010	\$784	\$0	\$784	0.00%
56	Printing & Postage Supplies & Expense	921.020	\$47,842	\$0	\$47,842	0.00%
57	Communication Expense	921.040	\$21,899	\$0	\$21,899	0.00%
58	City Right of Way Permit Fees	921.100	\$4,165	\$0	\$4,165	0.00%
59	Leased Office Equipment	921.200	\$12,374	\$0	\$12,374	0.00%
60	Administrative Expenses Transferred (Credit)	922.100	-\$17,876	\$0	-\$17,876	0.00%
61	Capitalized Labor and Overhead	922.200	-\$17,714	\$0	-\$17,714	0.00%
62	Outside Services Employed	923.000	\$19,395	\$0	\$19,395	0.00%
63	Tower Maintenance Program	923.100	\$83,415	\$0	\$83,415	0.00%
64	Insurance Claims Payable	923.110	\$273	\$0	\$273	0.00%
65	Attorney Services	923.200	\$14,975	\$0	\$14,975	0.00%
66	Accounting Services	923.300	\$27,372	\$0	\$27,372	0.00%
67	Computer Maintenance	923.400	\$14,383	\$0	\$14,383	0.00%
68	Mapping Services	923.500	\$303	\$0	\$303	0.00%
69	Consulting Services	923.700	\$1,170	\$0	\$1,170	0.00%
70	CCR Report Services	923.800	\$2,855	\$0	\$2,855	0.00%
71	Cybercollect Administrative Costs	923.900	\$0	\$0	\$0	0.00%
72	Property Insurance Payable	924.000	\$21,969	\$0	\$21,969	0.00%
73	Injuries & Damages Insurance Payable	925.000	\$17,989	\$0	\$17,989	0.00%
74	Employee Pension & Benefits Payable	926.000	\$197,320	\$0	\$197,320	0.00%
75	15% Pension Expense	926.100	\$75,032	\$0	\$75,032	0.00%
76	Regulatory Expense	928.000	\$20,957	\$0	\$20,957	0.00%
77	Rate Case Expense	928.100	\$2,784	\$0	\$2,784	0.00%
78	Rate Case Employee Salaries	928.200	\$0	\$0	\$0	0.00%
79	PSC Inspection and Directives	928.230	\$318	\$0	\$318	0.00%
80	Miscellaneous General Expense	930.100	\$11,011	\$0	\$11,011	0.00%
81	Directors Fees and Expenses	930.200	\$13,434	\$0	\$13,434	0.00%
82	Board Reports and Directives	930.210	\$865	\$0	\$865	0.00%
83	Educational Expenses	930.300	\$13,746	\$0	\$13,746	0.00%
84	Employee Drug Screens	930.400	\$59	\$0	\$59	0.00%
85	Maintenance of General Plant	932.000	\$16,473	\$0	\$16,473	0.00%
86	Small Equipment for Plant Maintenance	932.200	\$151	\$0	\$151	0.00%
87	Vacation, Sick, Holiday, Comp/Grievance, and Work Comp Pay	999.000	\$59,234	\$0	\$59,234	0.00%
88	TOTAL ADMINISTRATIVE AND GENERAL		\$765,432	\$0	\$765,432	
89	OTHER OPERATING EXPENSES					
90	Interest on Customer Deposits	431.100	\$1,458	\$0	\$1,458	0.00%
91	Amortize ITC	933.000	\$0	\$0	\$0	0.00%
92	Depreciation		\$280,721	\$0	\$280,721	0.00%
93	Depreciation Expense - CIAC-Related		-\$9,696	\$0	-\$9,696	0.00%
94	Amortization of Utility Plant - Computer		\$60,943	\$0	\$60,943	0.00%
95	Amortization of Utility Plant - Gateway		\$28,854	\$0	\$28,854	0.00%
96	Amortization of EI ERA Issuance Costs		\$3,845	\$0	\$3,845	0.00%
97	TOTAL OTHER OPERATING EXPENSES		\$366,125	\$0	\$366,125	
98	TAXES OTHER THAN INCOME					
99	Property Taxes	408.100	\$120,335	\$0	\$120,335	0.00%
100	Missouri Franchise Taxes	408.200	\$2,307	\$0	\$2,307	0.00%
101	Employer FICA Taxes	408.300	\$40,225	\$0	\$40,225	0.00%
102	Federal Unemployment Tax	408.400	\$840	\$0	\$840	0.00%
103	State Unemployment Tax	408.500	\$2,194	\$0	\$2,194	0.00%
104	TOTAL TAXES OTHER THAN INCOME		\$165,901	\$0	\$165,901	
105	TOTAL OPERATING EXPENSES		\$2,744,081	\$0	\$2,744,081	
106	Interest Expense	(3)	\$37,682	\$0	\$37,682	0.00%

Raytown Water Company
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 Test Year Ending 12-31-2007
 Rate Design Schedule - Water

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
107	Return on Equity	(3)	\$342,138	\$0	\$342,138	0.00%
108	Income Taxes	(3)	\$204,937	\$0	\$204,937	0.00%
109	TOTAL INTEREST RETURN & TAXES		<u>\$584,757</u>	<u>\$0</u>	<u>\$584,757</u>	
110	TOTAL COST OF SERVICE		\$3,328,838	\$0	\$3,328,838	
111	Less: Miscellaneous Revenues		<u>\$286,408</u>	<u>\$0</u>	<u>\$286,408</u>	0.00%
112	COST TO RECOVER IN RATES		<u>\$3,042,430</u>	<u>\$0</u>	<u>\$3,042,430</u>	
113	INCREMENTAL INCREASE IN RATE REVENUES		<u>\$317,990</u>			
114	PERCENTAGE OF INCREASE		<u>10.56%</u>			
115	REQUESTED INCREASE IN REVENUES			<u>\$0</u>		

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

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Rate of Return Including Income Tax - Water

	A	B	formulas
1 State Income Tax Rate Statutory / Effective	6.25% (2)	5.24%	(1 - (B2 x .5)) x A1
2 Federal Income Tax Rate Statutory / Effective	34.00% (1) & (2)	32.22%	(1 - B1) x A2
3 Composite Effective Income Tax Rate		37.46%	B1 + B2
4 Equity Tax Factor		1.5990	1 / (1-B3)
5 Recommended Weighted Rate of Return on Equity - Common and Preferred		7.75%	From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax		12.40%	B4 x B5
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		0.85%	From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax		13.25%	B6+B7

To Rate Base Schedule

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

Equity Income Required **\$518,391**
 & Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$50,000	\$7,500
\$50,001	\$75,000	25.00%	\$25,000	\$6,250
\$75,001	\$100,000	34.00%	\$25,000	\$8,500
\$100,001	\$335,000	39.00%	\$235,000	\$91,650
\$335,001	\$9,999,999,999	34.00%	\$183,391	\$62,353
			\$518,391	\$176,253
			Consolidated Tax Rate:	
			Average Tax Rate: 0.34	

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Rate Base Required Return on Investment Schedule - Water

Line Number	A Rate Base Description	B Dollar Amount	
1	Plant In Service	\$9,705,535	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$4,107,075	From Depreciation Reserve Schedule
3	Net Plant In Service	\$5,598,460	
4	Other Rate Base Items:	\$0	
	Contribution in Aid of Construction	-\$398,044	
	Deferred Taxes	-\$830,140	
	Investment Tax Credit	-\$29,444	
	Customer Credit Balance	-\$9,412	
	Materials & Supplies	\$95,550	
	Customer Deposits	-\$34,307	
	Prepaid Insurance	\$19,749	
5	Total Rate Base	\$4,412,412	
6	Total Weighted Rate of Return Including Income Tax	13.25%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$584,758	

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Capital Structure Schedule - Water

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital
1	Common Stock	\$4,931,487	81.03%	9.57%	7.754%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$23,746	0.39%	10.00%	0.039%
4	Long Term Debt	\$970,000	15.94%	4.23%	0.674%
5	Short Term Debt	\$160,936	2.64%	5.35%	0.141%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	TOTAL CAPITALIZATION	\$6,086,169	100.00%		8.608%

To PreTax Return Rate Schedule

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Plant In Service - Water

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights SP	\$0			100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Wells & Springs	\$0			100.00%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$0			100.00%	\$0
13		TOTAL SOURCE OF SUPPLY PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
16	325.000	Electric Pumping Equipment	\$0			100.00%	\$0
17	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
18	328.000	Other Pumping Equipment	\$0			100.00%	\$0
19		TOTAL PUMPING PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
20		WATER TREATMENT PLANT					
21	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
22	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
23	332.000	Water Treatment Equipment	\$0			100.00%	\$0
24		TOTAL WATER TREATMENT PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
25		TRANSMISSION & DISTRIBUTION PLANT					
26	340.000	Land & Land Rights-T&D	\$88,215			100.00%	\$88,215
27	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
28	342.000	Distribution Reservoirs & Standpipes	\$2,745,768	P-28	-\$4,204	100.00%	\$2,741,564
29	344.000	Fire Mains	\$0			100.00%	\$0
30	345.000	Services	\$87,094	P-30	\$40,532	100.00%	\$127,626
31	343.000	Transmission & Distribution Mains	\$3,457,755	P-31	\$989	100.00%	\$3,458,744
32	343.110	Gateway Transmission Main	\$258,013			100.00%	\$258,013
33	346.100	Meters- Bronze Chamber	\$228,356	P-33	-\$1,631	100.00%	\$226,725
34	346.000	Meters- Plastic Chamber	\$287,392	P-34	\$7,268	100.00%	\$294,660
35	347.000	Meter Well/Install/Upgrade	\$195,887	P-35	-\$3,295	100.00%	\$192,592
36	348.000	Hydrants	\$695,424	P-36	\$52,455	100.00%	\$747,879
37		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$8,043,904</u>		<u>\$92,114</u>		<u>\$8,136,018</u>
38		GENERAL PLANT					
39	389.000	Land & Land Rights-GP	\$3,531			100.00%	\$3,531
40	390.000	Structures & Improvements - GP	\$451,583	P-40	\$3,907	100.00%	\$455,490
41	391.000	Office Furniture & Equipment	\$35,817	P-41	\$4,207	100.00%	\$40,024
42	391.100	Office Electronic Equipment	\$119,150	P-42	-\$60,476	100.00%	\$58,674
43	391.200	New Computer System	\$113,621	P-43	\$8,538	100.00%	\$122,159
44	392.000	Transportation Equipment - GP	\$305,558	P-44	\$64,025	100.00%	\$369,583
45	394.000	Tools, Shop and Garage Equipment	\$142,507	P-45	-\$9,674	100.00%	\$132,833
46	395.000	Laboratory Equipment	\$2,290	P-46	\$3,370	100.00%	\$5,660
47	396.000	Power-Operated Equipment	\$279,685	P-47	\$61,269	100.00%	\$340,954
48	397.000	Communication Equipment	\$36,166	P-48	\$4,443	100.00%	\$40,609
49		TOTAL GENERAL PLANT	<u>\$1,489,908</u>		<u>\$79,609</u>		<u>\$1,569,517</u>
50		TOTAL PLANT IN SERVICE	<u>\$9,533,812</u>		<u>\$171,723</u>		<u>\$9,705,535</u>

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Plant In Service - Water

Line Number	<u>A</u> Account # (Optional)	<u>B</u> Plant Account Description	<u>C</u> Total Plant	<u>D</u> Adjustment Number	<u>E</u> Adjustments	<u>F</u> Jurisdictional Allocation	<u>G</u> Adjusted Jurisdictional
To Rate Base & Depreciation Schedules							

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Schedule of Adjustments for Plant in Service - Water

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
P-28	Distribution Reservoirs & Standpipes	342.000		-\$4,204
	To adjust test year plant to current. (McMellen)		-\$4,204	
P-30	Services	345.000		\$40,532
	To adjust test year plant to current. (McMellen)		\$40,532	
P-31	Transmission & Distribution Mains	343.000		\$989
	To adjust test year plant to current. (McMellen)		\$989	
P-33	Meters- Bronze Chamber	346.100		-\$1,631
	To adjust test year plant to current. (McMellen)		-\$1,631	
P-34	Meters- Plastic Chamber	346.000		\$7,268
	To adjust test year plant to current. (McMellen)		\$7,268	
P-35	Meter Well/Install/Upgrade	347.000		-\$3,295
	To adjust test year plant to current. (McMellen)		-\$3,295	
P-36	Hydrants	348.000		\$52,455
	To adjust test year plant to current. (McMellen)		\$52,455	
P-40	Structures & Improvements - GP	390.000		\$3,907

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Schedule of Adjustments for Plant in Service - Water

A Plant Adjustment Number	B Plant In Service Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
	To adjust test year plant to current. (McMellen)		\$3,907	
P-41	Office Furniture & Equipment	391.000		\$4,207
	To adjust test year plant to current. (McMellen)		\$4,207	
P-42	Office Electronic Equipment	391.100		-\$60,476
	To adjust test year plant to current. (McMellen)		-\$60,476	
P-43	New Computer System	391.200		\$8,538
	To adjust test year plant to current. (McMellen)		\$8,538	
P-44	Transportation Equipment - GP	392.000		\$64,025
	To adjust test year plant to current. (McMellen)		\$64,025	
P-45	Tools, Shop and Garage Equipment	394.000		-\$9,674
	To adjust test year plant to current. (McMellen)		-\$9,674	
P-46	Laboratory Equipment	395.000		\$3,370
	To adjust test year plant to current. (McMellen)		\$3,370	
P-47	Power-Operated Equipment	396.000		\$61,269
	To adjust test year plant to current. (McMellen)		\$61,269	

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Schedule of Adjustments for Plant in Service - Water

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Plant Adjustment Number	Plant In Service Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
P-48	Communication Equipment	397.000		\$4,443
	To adjust test year plant to current. (McMellen)		\$4,443	
Total Plant Adjustments				\$171,723

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Accumulated Depreciation Reserve - Water

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights SP	\$0			100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Wells & Springs	\$0			100.00%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$0			100.00%	\$0
13		TOTAL SOURCE OF SUPPLY PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
16	325.000	Electric Pumping Equipment	\$0			100.00%	\$0
17	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
18	328.000	Other Pumping Equipment	\$0			100.00%	\$0
19		TOTAL PUMPING PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
20		WATER TREATMENT PLANT					
21	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
22	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
23	332.000	Water Treatment Equipment	\$0			100.00%	\$0
24		TOTAL WATER TREATMENT PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
25		TRANSMISSION & DISTRIBUTION PLANT					
26	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
27	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
28	342.000	Distribution Reservoirs & Standpipes	\$1,005,164	R-28	\$63,713	100.00%	\$1,068,877
29	344.000	Fire Mains	\$0			100.00%	\$0
30	345.000	Services	\$73,939	R-30	\$22,852	100.00%	\$96,791
31	343.000	Transmission & Distribution Mains	\$1,155,989	R-31	\$219,275	100.00%	\$1,375,264
32	343.110	Gateway Transmission Main	\$154,808	R-32	\$103,207	100.00%	\$258,015
33	346.100	Meters- Bronze Chamber	\$14,009	R-33	\$187,963	100.00%	\$201,972
34	346.000	Meters- Plastic Chamber	\$204,420	R-34	-\$62,110	100.00%	\$142,310
35	347.000	Meter Well/Install/Upgrade	\$34,519	R-35	-\$10,609	100.00%	\$23,910
36	348.000	Hydrants	\$280,628	R-36	-\$17,202	100.00%	\$263,426
37		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$2,923,476</u>		<u>\$507,089</u>		<u>\$3,430,565</u>
38		GENERAL PLANT					
39	389.000	Land & Land Rights-GP	\$0			100.00%	\$0
40	390.000	Structures & Improvements - GP	\$121,969	R-40	\$352	100.00%	\$122,321
41	391.000	Office Furniture & Equipment	\$14,606	R-41	\$21,347	100.00%	\$35,953
42	391.100	Office Electronic Equipment	\$98,636	R-42	-\$93,272	100.00%	\$5,364
43	391.200	New Computer System	\$68,172	R-43	\$53,998	100.00%	\$122,170
44	392.000	Transportation Equipment - GP	\$305,558	R-44	-\$172,774	100.00%	\$132,784
45	394.000	Tools, Shop and Garage Equipment	\$52,187	R-45	-\$12,697	100.00%	\$39,490
46	395.000	Laboratory Equipment	\$1,908	R-46	\$115	100.00%	\$2,023
47	396.000	Power-Operated Equipment	\$181,428	R-47	\$16,236	100.00%	\$197,664
48	397.000	Communication Equipment	\$15,362	R-48	\$3,379	100.00%	\$18,741
49		TOTAL GENERAL PLANT	<u>\$859,826</u>		<u>-\$183,316</u>		<u>\$676,510</u>

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Accumulated Depreciation Reserve - Water

Line Number	<u>A</u> Account Number	<u>B</u> Depreciation Reserve Description	<u>C</u> Total Reserve	<u>D</u> Adjustment Number	<u>E</u> Adjustments	<u>F</u> Jurisdictional Allocation	<u>G</u> Adjusted Jurisdictional
50		TOTAL DEPRECIATION RESERVE	<u>\$3,783,302</u>		<u>\$323,773</u>		<u>\$4,107,075</u>

To Rate Base Schedule

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-28	Distribution Reservoirs & Standpipes	342.000		\$63,713
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$63,713	
R-30	Services	345.000		\$22,852
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$22,852	
R-31	Transmission & Distribution Mains	343.000		\$219,275
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$219,275	
R-32	Gateway Transmission Main	343.110		\$103,207
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$103,207	
R-33	Meters- Bronze Chamber	346.100		\$187,963
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$187,963	
R-34	Meters- Plastic Chamber	346.000		-\$62,110
	To adjust test year accumulated depreciation reserve to current. (McMellen)		-\$62,110	
R-35	Meter Well/Install/Upgrade	347.000		-\$10,609
	To adjust test year accumulated depreciation reserve to current. (McMellen)		-\$10,609	

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-36	Hydrants	348.000		-\$17,202
	To adjust test year accumulated depreciation reserve to current. (McMellen)		-\$17,202	
R-40	Structures & Improvements - GP	390.000		\$352
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$352	
R-41	Office Furniture & Equipment	391.000		\$21,347
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$21,347	
R-42	Office Electronic Equipment	391.100		-\$93,272
	To adjust test year accumulated depreciation reserve to current. (McMellen)		-\$93,272	
R-43	New Computer System	391.200		\$53,998
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$53,998	
R-44	Transportation Equipment - GP	392.000		-\$172,774
	To adjust test year accumulated depreciation reserve to current. (McMellen)		-\$172,774	
R-45	Tools, Shop and Garage Equipment	394.000		-\$12,697
	To adjust test year accumulated depreciation reserve to current. (McMellen)		-\$12,697	

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
R-46	Laboratory Equipment	395.000		\$115
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$115	
R-47	Power-Operated Equipment	396.000		\$16,236
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$16,236	
R-48	Communication Equipment	397.000		\$3,379
	To adjust test year accumulated depreciation reserve to current. (McMellen)		\$3,379	
Total Reserve Adjustments				<u><u>\$323,773</u></u>

Raytown Water Company
 Informal Rate Case
 Case Number WR-2009-0098 (V.6)
 Test Year Ending 12-31-2007
 Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2	301.000	Organization	\$0	0.00%	\$0
3	302.000	Franchises	\$0	0.00%	\$0
4		TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>
5		SOURCE OF SUPPLY PLANT			
6	310.000	Land & Land Rights SP	\$0	0.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0	2.50%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0	0.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0	0.00%	\$0
10	314.000	Wells & Springs	\$0	2.00%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0	0.00%	\$0
12	316.000	Supply Mains	\$0	0.00%	\$0
13		TOTAL SOURCE OF SUPPLY PLANT	<u>\$0</u>		<u>\$0</u>
14		PUMPING PLANT			
15	321.000	Structures & Improvements - PP	\$0	0.00%	\$0
16	325.000	Electric Pumping Equipment	\$0	10.00%	\$0
17	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0
18	328.000	Other Pumping Equipment	\$0	0.00%	\$0
19		TOTAL PUMPING PLANT	<u>\$0</u>		<u>\$0</u>
20		WATER TREATMENT PLANT			
21	330.000	Land & Land Rights-WTP	\$0	0.00%	\$0
22	331.000	Structures & Improvements - WTP	\$0	0.00%	\$0
23	332.000	Water Treatment Equipment	\$0	0.00%	\$0
24		TOTAL WATER TREATMENT PLANT	<u>\$0</u>		<u>\$0</u>
25		TRANSMISSION & DISTRIBUTION PLANT			
26	340.000	Land & Land Rights-T&D	\$88,215	0.00%	\$0
27	341.000	Structures & Improvements - T&D	\$0	0.00%	\$0
28	342.000	Distribution Reservoirs & Standpipes	\$2,741,564	2.50%	\$68,539
29	344.000	Fire Mains	\$0	0.00%	\$0
30	345.000	Services	\$127,626	2.50%	\$3,191
31	343.000	Transmission & Distribution Mains	\$3,458,744	2.00%	\$69,175
32	343.110	Gateway Transmission Main	\$258,013	0.00%	\$0
33	346.100	Meters- Bronze Chamber	\$226,725	3.30%	\$7,482
34	346.000	Meters- Plastic Chamber	\$294,660	10.00%	\$29,466
35	347.000	Meter Well/Install/Upgrade	\$192,592	2.50%	\$4,815
36	348.000	Hydrants	\$747,879	2.00%	\$14,958
37		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$8,136,018</u>		<u>\$197,626</u>
38		GENERAL PLANT			
39	389.000	Land & Land Rights-GP	\$3,531	0.00%	\$0
40	390.000	Structures & Improvements - GP	\$455,490	2.50%	\$11,387

Raytown Water Company
Informal Rate Case
Case Number WR-2009-0098 (V.6)
Test Year Ending 12-31-2007
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
41	391.000	Office Furniture & Equipment	\$40,024	5.00%	\$2,001
42	391.100	Office Electronic Equipment	\$58,674	14.30%	\$8,390
43	391.200	New Computer System	\$122,159	0.00%	\$0
44	392.000	Transportation Equipment - GP	\$369,583	7.80%	\$28,827
45	394.000	Tools, Shop and Garage Equipment	\$132,833	5.00%	\$6,642
46	395.000	Laboratory Equipment	\$5,660	5.00%	\$283
47	396.000	Power-Operated Equipment	\$340,954	6.70%	\$22,844
48	397.000	Communication Equipment	\$40,609	6.70%	\$2,721
49		TOTAL GENERAL PLANT	<u>\$1,569,517</u>		<u>\$83,095</u>
50		Total Depreciation	<u><u>\$9,705,535</u></u>		<u><u>\$280,721</u></u>

Agreement Attachment D

Rate Design Worksheet

RAYTOWN WATER COMPANY

Development of Tariffed Rates-Water

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

Revenues Generated by Current Tariffed Rates	\$ 2,724,440
Agreed-Upon Overall Revenue Increase	\$ 317,990
Percentage Increase Needed	11.672%

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 7.30	\$ 8.15	\$ 4.590	\$ 5.13
1"	\$ 13.24	\$ 14.79	\$ 4.590	\$ 5.13
1.5"	\$ 23.02	\$ 25.71	\$ 4.590	\$ 5.13
2"	\$ 34.76	\$ 38.82	\$ 4.590	\$ 5.13
3"	\$ 62.13	\$ 69.38	\$ 4.590	\$ 5.13
4"	\$ 101.22	\$ 113.03	\$ 4.590	\$ 5.13

Agreement Attachment E

Billing Comparison Worksheet

RAYTOWN WATER COMPANY

Residential Customer Bill Comparison-Water

Rates for 5/8" Meter

<u>Current Base Customer Charge</u>	<u>Proposed Base Customer Charge</u>	<u>Current Usage Rate</u>	<u>Proposed Usage Rate</u>
\$7.30	\$8.15	\$4.590	\$5.126

current service charge is monthly charge

usage rate is per 1,000 gallons used

MONTHLY BILL COMPARISON

6,000 gallons/month usage

Current Rates

Customer Charge	\$ 7.30
Usage Charge	\$ 27.54
Total Bill	\$ 34.84

Proposed Rates

Customer Charge	\$ 8.15
Usage Charge	\$ 30.75
Total Bill	\$ 38.91

INCREASES

Customer Charge

\$ Increase	\$0.85
% Increase	11.67%

Usage Charge

\$ Increase	\$3.21
% Increase	11.67%

Total Bill

\$ Increase	\$4.07
% Increase	11.67%

Agreement Attachment F

Schedule of Depreciation Rates

RAYTOWN WATER COMPANY

DEPRECIATION RATES

WR-2008-0098 Attachment F

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>DEPRECIATION RATE</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>	<u>NET SALVAGE</u>
340	Land and Land Rights	0.0%	NA	NA
342	Distribution Reservoirs & Standpipes	2.5%	40	0%
343	Transmission & Distribution Mains	2.0%	50	0%
345	Services	2.5%	40	0%
346.1	Meters, pre 1997, Bronze	3.3%	27	10%
346.2	Meters post 1997, Plastic	10.0%	10	0%
347	Meter Installations	2.5%	40	0%
348	Hydrants	2.0%	48	5%
390	Structures & Improvements	2.5%	40	0%
391	Office Furniture & Equipment	5.0%	20	0%
391.1	Office Electronic Equipment	14.3%	7	0%
392	Transportation Equipment	7.8%	12	7%
393	Stores Equipment	4.0%	25	0%
394	Tools, Shop, Garage Equipment	5.0%	20	0%
395	Laboratory Equipment	5.0%	20	0%
396	Power Operated Equipment	6.7%	14	6%
397	Communication Equipment	6.7%	15	0%

Agreement Attachment G

EMSD Report

REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW

Engineering and Management Services Department

Review of Raytown Water Company Case No. WR-2009-0098

The Engineering and Management Services Department (EMSD) staff initiated an informal review of the customer service processes, procedures and practices at Raytown Water Company (Raytown or Company) on September 11, 2008, following the Company's request for an increase in its overall annual operating revenues under the Small Utility Rate Case Procedure. Prior to on-site interviews, the EMSD staff examined Company tariffs, annual reports, Missouri Public Service Commission (Commission) complaint records and other documentation related to the Company's customer service operations. The EMSD staff also submitted Data Requests. The EMSD staff participated in a meeting with the Company President/General Manager August 5, 2008 to discuss the possibility of a rate increase request. Meetings with Company personnel were held October 21, October 22 and November 3. Additional discussions and ride alongs with Company personnel were performed on November 4. The Commission received eight public comments in response to Case No. WR-2009-0098; all comments were in disagreement with the rate increase.

An earlier informal review by the EMSD staff was initiated March 6, 2003, and filed with the Commission January 14, 2004, following the Company's request for an increase in its overall annual operating revenues under the Small Utility Rate Case Procedure. The EMSD staff made seven recommendations in its review and evaluated the Company's implementation of these recommendations during the current review.

The purpose of the EMSD is to promote and encourage efficient and effective utility management. This purpose contributes to the Commission's overall mission to guarantee that customers receive safe and adequate service at the lowest possible cost, while providing utilities the opportunity to earn a fair return on their investment.

The objectives of this review were to document and analyze the management control processes, procedures and practices used by the Company to ensure that its customers' service needs are met and to make recommendations, where appropriate, by which the Company may improve the quality of services provided to its customers.

The findings of this review will also provide the Commission with information regarding the Company's customer service operations.

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

- Evaluation of recommendations made in the January 14, 2004 Report
- Computer System
- Customer Deposits
- Meter Reading
- Master Meters
- Customer Billing
- Payment Remittance
- Credit and Collections
- Bad Debt Write-Offs
- Theft of Service
- Collection Agency
- Work Orders
- Communication with Customers
- Complaint/Inquiries Handling and Documentation
- Delinquent Sewer Accounts of the City of Raytown

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

Overview

The Company's business office is located at 9820 East 63rd Street, Raytown, MO, 64133. Its business office hours are 7 a.m. to 4 p.m. Monday through Friday. Its website address is raytownwaterco.com.

Raytown Water Company provides water service to approximately 6,666 customers (2007 Annual Report end of year) in a service area mostly in Raytown, Missouri with some customers in Independence, Missouri.

The Company's growth is limited because a large percentage of the land in its service territory has already been developed and its service territory is bounded on all sides by a public water district and a municipal water system. The Company's 20 square-mile

service territory is generally bounded by 50th Street to the north, Woodson Road to the east, 350 Highway to the south and Blue Ridge Cutoff to the west.

The table below demonstrates the small variance in the Company’s total customers and gallons of water sold for the years 2005 through 2007. The Company customer growth has been negligible since 2005.

Year	Total Customers	Percentage Difference	Gallons of Water Sold	Percentage Difference
2005	6,719		361,242,000	
2006	6,649	-1.05%	445,105,024	+23.22%
2007	7,227	+8.69%	455,547,708	+2.35%

Source: Raytown Water Company Annual Reports

The Company purchases the water it provides to its customers from the City of Kansas City, Missouri. Therefore, the Company is not actively involved in the production or treatment of water. The Company has been informed by the City of Kansas City to expect an increase of 8% in 2009.

Employees of the Company include the owners, four full-time and two part-time business office employees (one employee works eight hours per day three days per week and one employee works approximately five hours per day five days per week) and eight field employees. The eight field employees consist of two three-person crews, who are responsible for construction, repair and maintenance to the system and performing turn-ons and turn-offs, and two meter readers.

Below is an explanation of the Company’s response to recommendations made in the EMSD’s January 14, 2004 Report.

Evaluation of Recommendations made in January 14, 2004 Report

1. Charge an appropriate amount of a customer deposit to those customers required to pay a customer deposit.

The Company indicated that for customers deemed necessary to pay a deposit, the Company has implemented a procedure to charge two times the highest bill for the

previous twelve months at the service location. If necessary, the Company allows the customer to make payment of their deposit in installments. The EMSD staff is of the opinion the Company has satisfied this recommendation.

2. Retain customer deposits of customers who have not satisfactorily remitted payment of all undisputed charges during the last twelve month billing period. Upon termination of service, apply the deposit with accrued interest to the final bill and return the balance to the customer.

The Company stated that it has implemented this recommendation. A monthly report is generated by the Company's system and is manually reviewed by an employee. This report is a listing of all customers holding a deposit with their payment history displayed. The employee reviews the customer's payment history and determines whether to retain the customer's deposit due to a poor payment history or apply the deposit with interest to the customer's next billing statement due to a payment history that shows the past twelve month's payments have been made prior to the due date. The EMSD staff is of the opinion the Company has satisfied this recommendation.

3. Perform a cost-benefit analysis to support the Company's use of postcard billing or full-page billing.

The Company did not perform a formal cost-benefit analysis. The Company stated that it determined the use of full-page billing would work best due to several reasons, i.e., privacy issues, ability for billing staffers and United States Postal Service request. The EMSD staff is of the opinion the Company is justified in its decision to use full-page billing.

4. Ensure that customers receive a full 21-day period after rendition of their bill to make payment by discontinuing the practice of charging accounts a late charge that are received at the drop box after 1:00 p.m. on the final day to make payment.

The Company informed the EMSD staff that it collects payments from its drop boxes at the beginning of the day following the payment due date. These payments are processed and

any accounts for which payment has not been received are assessed a late fee at that time. The EMSD staff is of the opinion the Company has satisfied this recommendation and customers paying their bills in the drop boxes are being provided the full 21-day period to make payment of their bill prior to be assessed a late fee.

5. Examine other possible methods of payment that could be offered to the customer. Following analysis of the payment options, implement those that are viable.

The Company stated that it has implemented additional payment options and it currently has the following payment options: cash, check, money order, Visa, MasterCard, automatic clearing house, on-line and credit card over the phone. The EMSD staff is of the opinion the Company has satisfied this recommendation.

6. Examine other possible procedures for after-hour collection of payment and reconnection of service to delinquent disconnects. The Company might wish to consider accepting money orders only or possibly performing these duties on the next working day following the day requested by the customer. The Company should ensure the safety of the employee performing these duties.

The Company indicated to the EMSD staff that the customers disconnected for non-payment requesting reconnection after hours are required to make payment by money order. On the day of delinquent disconnects, reconnections are performed until 9 p.m. If unable to make payment by money order, the customer is informed that payment can be made the following day and service will be restored on the day payment is received. The EMSD staff is of the opinion that Company has satisfied this recommendation.

7. Develop and utilize a report that monthly tracks the payments received from the Company's collection agency. Monitor the information on a regular basis.

The Company's current collection agency, NCO, does not provide the Company a monthly report of its collections. The Company is required to obtain this information from NCO's

website. The EMSD staff is of the opinion that Company has not satisfied this recommendation and this recommendation will be addressed in the current report.

Review of Company following rate increase filing of September 11, 2008

Computer System

During the second half of 2003, the Company began implementation of a new computer system with Frey & Company. The Company has designated one employee as its computer administrator and all employees do not have the same access to information within the system. The Company indicated that although time is saved in processing of tasks, more duties have been created due to the additional information provided by the system.

Customer Deposits

Currently, the Company attempts to obtain on the customer application all names of parties over the age of 18 at the service location. The Company is currently revising its customer application to include the customer's signature that he/she agrees to abide by the Company's rules, regulations and tariffs.

The Company stated that customers required to pay a deposit according to the Company's tariff are charged a deposit that does not exceed two times the highest bill of that customer at the same address during the preceding twelve months. Interest is credited at the rate of 3% per annum.

A monthly report is printed each month that shows the current amount of customers with deposits. An employee reviews the customer deposits that are at least twelve months old. If the account has had at least one delinquent payment during the past twelve months, the deposit's interest is applied and the deposit is retained by the Company.

When a customer discontinues service with the Company, the customer deposit is applied to the final bill and any remaining deposit is refunded to the customer. The Company forwards its deposits that it has been unable to return to the rightful customer to the state of Missouri's Unclaimed Property in November each year. When this occurs, the

individual has not been a customer of the Company for at least 24 months and the Company has been attempting to refund the deposit during this time.

Meter Reading

The Company employs two meter readers that read its 58 routes. The routes are 1 through 15, 16 through 28, 29 through 42 and 44 through 64. There are approximately 120 customers on each route and each meter reader attempts to read two routes per day. If necessary, other field personnel assist with the meter reading tasks. The Company has approximately 100 inside meters that have readout boxes at the location in order to obtain a meter reading. The Company indicated that all meters of customers with a historically poor payment history have been relocated outside the residence. Each meter reader is equipped with a walkie talkie/phone. In its attempt to detect possible theft, the Company stated that every meter is read every month, whether connected or disconnected.

The Company stated that it typically changes its meters every ten years. These meter changes are performed during the warmer months. The date of the meter installation is noted in the Company's computer system and a data base query will provide a list of meters needing to be changed. From this printout, the Company determines which meters are to be changed. The Company can also run a query through its meter maintenance program. In addition, employees can easily determine older or newer meters by the meter numbers.

The meter readers use hand-held devices manufactured by Neptune; these devices were implemented during the First Quarter of 2005. The hand-held device interfaces with the Company's billing system. The hand-held meter reading device provides the proper sequence of locations to read and also provides the option to change the route due to weather, meter reader's accessible equipment, etc. The Company indicated that after January 2009, it would no longer have support from its current company, Neptune, and would be converting to Itron. Company employees stated that Itron meter reading equipment provided more features and that the conversion was quite easy.

The hand-held device provides the reader with the customer's name and previous meter reading. If it is not possible to read a meter, the employee is able to designate the reason into the device. The Company indicated that it attempts several times to read

meters before estimating the usage. If known, the reason for the estimated meter reading is noted on the customer's billing statement. If the meter is not able to be read due to growth around the meter, the customer is mailed a letter requesting the customer trim around the meter to allow the meter reader to gain access to the meter. The device notifies the meter reader when the route is completed.

The routes are loaded into the hand-held device when placed on the system's base. When the reading of the route is complete, the hand-held device is returned to the office, the readings are downloaded into the Company's system and transferred to the customer accounts, and bills are calculated. The hand-held device is then loaded with another route and the meter reader begins to read the next route. After uploading the readings into the system, the employee prints an exception report and necessary service orders are generated for the meter readers to re-read the meters.

Master Meters

The Company informed the EMSD staff that it is not currently reading its eight master meters. The meters are read by the City of Kansas City, but the Company is unaware of their reading schedule. The Company's monthly bills are based upon the eight master meter readings.

Customer Billing

After a route is completed and each customer's usage is calculated, the information is entered into the billing system and full-page bills are printed. A copy of the Company's billing statement is shown on the following page.

The Raytown Water Company
 9820 E. 63rd Street
 Raytown, MO 64133

Book: 19 Account: [REDACTED] Bill Date: 09/16/2008



Check # _____

Due By: 10/07/2008 Amount Due: \$ 56.38

Amount Enclosed: [REDACTED]

Due After: 10/07/2008 Amount: \$59.38



Remit Payment to: **The Raytown Water Company**
 9820 E. 63rd Street
 Raytown, MO 64133



Sign me up to receive _____ e-bill or _____ both paper and e-bill. e-mail address: _____

Return this portion with your payment

Book: 19 Account: [REDACTED] [REDACTED] Service Address: [REDACTED] From: 08/05/2008 To: 09/08/2008 Bill Date: 09/16/2008 Read Date: 09/08/2008 Due Date: 10/07/2008 Next Read Date: 10/10/2008	<table border="1"> <thead> <tr> <th>Activity</th> <th>Days</th> <th>Serv Code</th> <th>Service Description</th> <th>Prior Reading</th> <th>Present Reading</th> <th>Usage in 100's of Gal.</th> <th>Charges</th> </tr> </thead> <tbody> <tr> <td>Prev Balance</td> <td></td> <td></td> <td>09/16/2008</td> <td></td> <td></td> <td></td> <td>56.38</td> </tr> <tr> <td>Penalty</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.00</td> </tr> <tr> <td>Adjustment</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.00</td> </tr> <tr> <td>Payment</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.00</td> </tr> <tr> <td>Applied Deposit</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.00</td> </tr> <tr> <td colspan="7">Past Due Balance*</td> <td>56.38</td> </tr> <tr> <td>BILL</td> <td>34</td> <td>RT</td> <td>5/8 RESIDENTIAL</td> <td>650</td> <td>697</td> <td>47</td> <td>28.85</td> </tr> <tr> <td>TAX</td> <td></td> <td></td> <td>TX1</td> <td></td> <td></td> <td></td> <td>0.40</td> </tr> <tr> <td>PRI</td> <td></td> <td></td> <td>PRI Primacy Fee</td> <td></td> <td></td> <td></td> <td>0.23</td> </tr> <tr> <td colspan="7" style="text-align: center;"> <p><i>*If you have a past due balance, that amount is due immediately and may be subject to turn off; the remaining balance is due on the due date.</i></p> <p>View and pay your bill on-line at www.raytownwaterco.com</p> <p>E-bill is now available. Complete e-mail information on top portion and return with your payment to start receiving your bills via internet.</p> </td> <td></td> </tr> <tr> <td colspan="5" style="text-align: right;">Total Due By</td> <td>10/07/2008</td> <td></td> <td>\$56.38</td> </tr> <tr> <td colspan="5" style="text-align: right;">Amount due if paid after</td> <td>10/07/2008</td> <td></td> <td>\$59.38</td> </tr> </tbody> </table>	Activity	Days	Serv Code	Service Description	Prior Reading	Present Reading	Usage in 100's of Gal.	Charges	Prev Balance			09/16/2008				56.38	Penalty							0.00	Adjustment							0.00	Payment							0.00	Applied Deposit							0.00	Past Due Balance*							56.38	BILL	34	RT	5/8 RESIDENTIAL	650	697	47	28.85	TAX			TX1				0.40	PRI			PRI Primacy Fee				0.23	<p><i>*If you have a past due balance, that amount is due immediately and may be subject to turn off; the remaining balance is due on the due date.</i></p> <p>View and pay your bill on-line at www.raytownwaterco.com</p> <p>E-bill is now available. Complete e-mail information on top portion and return with your payment to start receiving your bills via internet.</p>								Total Due By					10/07/2008		\$56.38	Amount due if paid after					10/07/2008		\$59.38
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The Raytown Water Company Visit our Website www.raytownwaterco.com
 9820 E. 63rd Street, Raytown, MO 64133 Phone: (816) 356-0333 Fax: (816) 356-0331

The Company normally includes informational leaflets and paid advertisements as inserts with its bills; the Company receives compensation for this service. During the Third Quarter of 2006, the Company began emailing bills to customers that desired this method.

The Company's four billing cycle statements are mailed to the customers on Monday or Tuesday each week requesting payment within 21 days in order to avoid a late charge. Customers paying after the due date are charged a late fee of \$3.00 or 2%, whichever is greater. The Company's system is programmed for the 2% to commence at an amount of \$150.00. The Company stated that a late fee is not charged on balance due amounts. The Company has the capability to change a customer's due date, if necessary. In this current rate case, the Company is requesting a change in its late fee to 5% or \$5.00, whichever is greater.

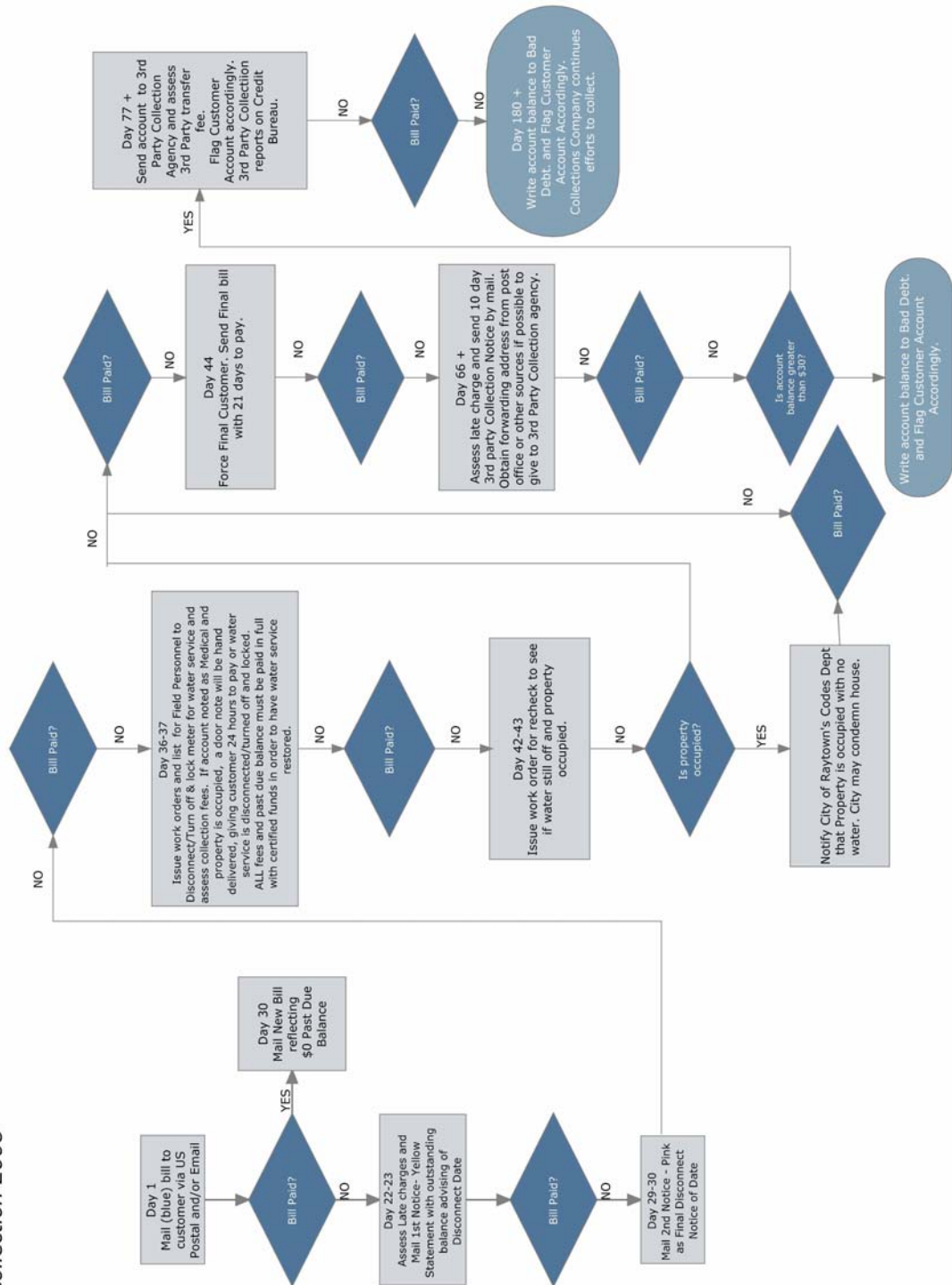
Below is a table that displays the timeline of a customer's billing statement through disconnection for non-payment.

Billing statement mailed	April 7, 2008
Due Date	April 29, 2008
First Delinquent Notice (yellow) mailed	April 30, 2008
Second Delinquent Notice (pink) mailed	May 7, 2008
Disconnect for Nonpayment	May 13, 2008

Source: Raytown Water Company, Response to Data Request No. 75

The Company's customer billing flowchart is shown on the following page.

**Raytown Water Company
Water Bills - Accounts Receivable
Collection 2008**



Source: Raytown Water Company, Response to Data Request No. 76

Payment Remittance

The Company's payment options include cash, check, money order, Visa, MasterCard, automatic clearing house, online and credit card over the phone. There is a \$3.00 convenience fee for MasterCard and a \$1.95 third party fee for online payments. The Company is considering implementing budget billing. With implementation of these payment options, the Company has noticed a decline in the number of mailed payments. The table below displays the total dollars collected through the Company's payment options for 2006 and 2007.

Dollar Amounts of Payment Options			
	2006	2007	Percentage Difference
Automatic Clearing House	\$155,020.27	\$183,024.78	+18.065
Cash	\$232,389.61	\$225,153.50	-3.214
Check	\$2,392,558.94	\$2,205,613.70	-8.476
VISA	\$62,454.81	\$77,574.33	+24.209
MasterCard	\$13,871.64	\$13,696.97	-1.275
Money Order	\$45,650.49	\$72,881.63	+59.651
On Line		\$35,622.66*	N/A

Source: Raytown Water Company, Response to Data Request No. 74

* Option was initiated in February 2007

The table below displays the number of payments received by the Company per payment option for 2006 and 2007.

Number of Payments per Payment Options			
	2006	2007	Percentage Difference
Automatic Clearing House	5018	5919	+17.955
Cash	6847	6687	-2.392
Check	64,002	60,533	-5.731
VISA	2230	2706	+21.345
MasterCard	539	542	+.557
Money Order	1480	2294	+55.0
On Line		973*	N/A

Source: Raytown Water Company, Response to Data Request No. 74

* Option was initiated in February 2007

The dollar amounts and number of payments from 2006 to 2007 increase and decrease correspondingly except for MasterCard.

Credit and Collections

On the customer's due date, any accounts not yet received are charged a delinquent fee and a delinquent notice (a yellow notice) is mailed providing the customer an additional thirteen days to make payment. The delinquent notice includes the total amount due and the exact date service will be discontinued if payment is not received. The customer is mailed a second delinquent notice (a pink notice) on the eighth day of delinquency if payment has not yet been received. If payment is not received, the customer's service is terminated on the fourteenth day. The flowchart of collection of delinquent accounts is in the Customer Billing section of this report. Copies of the delinquent notices mailed to customers are shown on the following pages.

The Raytown Water Company
 9820 E. 63rd Street
 Raytown, MO 64133

If paying by Credit/Debit Card, please fill out below. Note: \$3.00 fee will be assessed on all Credit/Debit Card transactions.
 Master Card _____ OR Visa _____ Exp. Date: _____
 Card No.: _____

Signature: _____

As of 10/7/2008

Book 45 Account: [REDACTED]



Total Amount Due **\$73.86**

Total Amount Enclosed: \$ _____

To: [REDACTED]

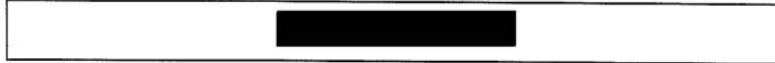
Remit Payment The Raytown Water Company
 9820 E. 63rd Street
 Raytown, MO 64133



Account Statement - 1st Notice

Return this portion with your payment

Our records indicate that as of 10/7/2008, there is a balance past due for the following service address.



We believe this to be an oversight and will appreciate prompt payment. ***If payment has been made, please disregard this notice.*** We have arranged to continue service until 7 AM 10/7/2008, after which time, service will be terminated if full payment has not been received. Additional service charges may be assessed if your service is disconnected and payment of your account in full will be required in certified funds prior to restoration of service. This may include an additional security deposit amount.

Below is a listing of outstanding balances totalling \$73.86. Please let us know when we can expect payment or if you have questions and/or concerns. Office hours Monday - Friday, 7am - 4pm, excluding all Federal Holidays.

Statement of Account as of 10/7/2008

Book 45 Account: [REDACTED]

Service	Seq	Rate Code	Rate Description	Amount
WATER	1	100	5/8 RESIDENTIAL	73.86
Total:				\$73.86

Please bring entire notice when paying in person
 Online payment now available

Note: payments made online are processed the following business day AND must be made 24 hours prior to scheduled shut off Date & Time to avoid disconnect.

The Raytown Water Company

Visit our Website www.raytownwaterco.com

9820 E. 63rd Street, Raytown MO 64133 Phone: (816) 356-0333 Fax: (816) 356-0331

The Raytown Water Company
9820 E. 63rd Street
Raytown, MO 64133

If paying by Credit/Debit Card, please fill out below. Note: \$3.00 fee will be assessed on all Credit/Debit Card transactions.

Master Card _____ OR Visa _____ Exp. Date: _____
Card No.: _____

Signature: _____

As of 10/7/2008

Book 45 Account: [REDACTED]



Total Amount Due \$73.86

Total Amount Enclosed: \$ _____

To: [REDACTED]

Remit Payment to: The Raytown Water Company
9820 E. 63rd Street
Raytown, MO 64133



IT IS TOO LATE TO MAIL YOUR PAYMENT

Return this portion with your payment

Account Statement

Final Disconnect Notice

Our records indicate that as of **10/7/2008**, there is an OVERDUE amount for the following service address and is scheduled for disconnection.

[REDACTED]

TO AVOID DISCONNECTION AND A MINIMUM \$30.00 CHARGE, FULL PAYMENT MUST be in our office prior to 7am 10/7/2008, - the disconnection date. We do not go to the door to collect monies prior to disconnecting service.

If the OVERDUE AMOUNT has been paid, please disregard this notice.

Additional service charges may be assessed if your service is disconnected and payment of your account in full will be required in **certified funds prior to restoration of service**. This may include an additional security deposit amount equivalent to two times the highest bill in the last 12 month period.

Below is a listing of outstanding balances totalling \$73.86.

* If you need to make a payment arrangements, you will need to complete a payment plan application and pay a \$6.50 administration fee **24 hours prior** to the disconnect date. Please note that only 1 payment arrangement can be made in a 12 month period. No arrangements will be allowed after disconnection.

If you have questions and/or concerns, call 816-356-0333, Monday - Friday, 7am - 4pm. Thank you for your cooperation.

Statement of Account as of 10/7/2008

Book 45 Account: [REDACTED]

Service	Seq	Rate Code	Rate Description	Amount
WATER	1	100	5/8 RESIDENTIAL	73.86
Total:				\$73.86

NOTE: PAYMENTS MADE ONLINE MUST BE MADE 24 HOURS PRIOR TO SCHEDULED SHUT OFF DATE & TIME

The Raytown Water Company

9820 E. 63rd Street, Raytown MO 64133 Phone: (816) 356-0333 Fax: (816) 356-0331

Source: Raytown Water Company, Response to Data Request No. 78

The Company's disconnects for non-payment are performed on Tuesday of each week by its meter readers. Upon arrival at the service location, the meter reader informs the customer if available at the service location, their service is going to be disconnected and leaves a door hanger at the service location that informs them of the amount due to be reconnected and the necessary action to have service restored. A copy of the door hanger is shown on the following page.

The Raytown Water Company
9820 E. 63rd Street
Raytown, MO 64133
816-356-0333
(Answered 24hrs)

Hours: Monday - Friday 7:00 am to 4:00 pm

Following Holidays Observed:

New Years Eve, Martin Luther King Jr., Presidents Day,
Good Friday, Memorial Day, Independence Day,
Labor Day, Columbus Day, Veteran's Day,
Thanksgiving Day, Day after Thanksgiving and
Christmas Day

Requirements to have Service Restored/Reconnected

Water service will not be restored until all charges have been paid in full, including all fees such as NSF, door note, disconnect and reconnect fees as applicable. Payment must be in the form of Certified funds, ie. *Cash, Money order or Cashier check or Mastercard/Visa. **NO arrangements will be allowed on this amount. *ONLY Money orders and/or Cashier check will be accepted if payment is collected after normal business hours. We cannot collect CASH, Mastercard/Visa at the premises.**

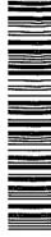
Upon receipt of all payments, reasonable effort will be made to restore service the same day, and in any event, restoration shall be made not later than the next working day following the day requested by the customer per MO 4 CSR 240.13050.11

Someone must be present for reconnection.
Absolutely no exceptions.

NOTICE !

Date: 10/7/2008

Book 45 Account



Our Serviceman called at the above premises because:

Your service is scheduled to be discontinued on _____ at 8:00am unless the Past Due Balance on you account + \$15.00 Door Note Fee is paid at our office.

XX Your Water has been disconnected due to your Past Due Balance not being paid. Please see amount needed below and "Requirements to have Service Restored/Reconnected."

* Turn-on service after 4:00 pm is available only on the day water was turned-off.

Amount Needed to Restore/Reconnect Service

Service	Amount
WATER	73.86
Door note/Disconnect Fee	15.00
Restoration fee during regular business hours	15.00
Balance due for reconnection prior to 4:00 pm (Payment in full must be received in office by 3:30 pm)	103.86
*Balance due for reconnection after 4:00 pm	113.86

The employee disconnects the service and leaves the meter. If the customer is a known offender of service theft, a notation is made on the disconnect service order to remove the meter if the service is disconnected. The EMSD staff performed ride alongs with the meter readers while performing disconnects for nonpayment and noted that a meter was pulled when service was disconnected at a location of a known offender of service theft, as noted on the service order.

The Company accepts no payment in the field during the business day for reconnection of delinquent disconnected accounts. For reconnection of service after business hours, the service personnel will accept money orders only. The Company stated that it will not accept a payment by check for any delinquent disconnects to be reconnected. If necessary, the City of Raytown will condemn property if the residence is being occupied without water service.

Four employees perform the after-hours reconnects on an alternating basis. If a disconnect for non payment does not have service restored, a service order is generated within 30 days to reread the meter and to verify the service remains disconnected. If the customer is no longer at the location, the account is finalized and the customer is provided 21 days to make payment. If not paid within 21 days, the customer is mailed a notice informing them the account will be forwarded to a collection agency if payment is not received within 14 days. A copy of this notice is shown on the following page.

The Raytown Water Company
 9820 E. 63rd Street
 Raytown, MO 64133

If paying by Credit/Debit Card, please fill out below. Note: \$3.00 fee will be assessed on all Credit/Debit Card transactions.
 Master Card _____ OR Visa _____ Exp. Date: _____
 Card No.: _____

Signature: _____

As of 10/7/2008

Book 45 Account: [REDACTED]



Total Amount Due **\$73.86**

Total Amount Enclosed: \$ _____

To: [REDACTED]

Remit Payment The Raytown Water Company
 9820 E. 63rd Street
 Raytown, MO 64133



Collection Notice

Return this portion with your payment

Your account is seriously past due for the following service address.

[REDACTED ADDRESS]

We are showing an outstanding balance totalling \$73.86. Please let us know when we can expect payment or if you have questions. For a direct line call 816-356-0333, Monday - Friday, 7am - 4pm.

Payment must be received by our office within 14 days of the date of this notice to prevent account being referred to collection agency.

If payment has been made, please disregard this notice.

Collection agency will require additional fees and reports to all credit bureau agencies. Please note that this is the only notice given prior to account going to collections. Collection fees are to be paid by the customer and are equal to 50% of the amount owed plus \$10.

Statement of Account as of 10/7/2008

Book 45 Account: [REDACTED]

Service	Seq	Rate Code	Rate Description	Amount
WATER	1	100	5/8 RESIDENTIAL	73.86
Total:				\$73.86

Please bring entire notice when paying in person.

The Raytown Water Company

9820 E. 63rd Street, Raytown MO 64133 Phone: (816) 356-0333 Fax: (816) 356-0331

The Company informed the EMSD staff that when it receives an insufficient funds check, the customer's account is debited and a letter is mailed informing the customer of their payment deadline to avoid possible disconnection. The customer is allowed ten days to make payment of the amount due to avoid disconnection. The customer's account is currently charged a \$25.00 returned check fee; this fee has been requested to be increased to \$30.00 in the current rate case. This returned check fee covers the \$10.00 fee charged by the Company's bank and the administrative fees.

The Company's computer system has a follow-up feature that flags the accounts with a returned check(s) not paid within the ten days; this information is provided in the insufficient funds letter. If payment is not received within the ten days, the service is disconnected on the next business day and a door hanger is left at the location.

If the Company receives two insufficient funds checks within six months from a customer, a letter is mailed to the customer stating that no checks will be accepted for a period of twelve months. The letter states that following twelve months of good pay, the "no check" status will be removed from their account. The Company stated that the number of insufficient funds checks received from a customer is shown on their account. The customer's account is flagged in the system and if the customer attempts to pay by check, the Company returns the check to the customer with a letter of explanation that includes a copy of the previous notification. The Company indicated that it is not always able to capture all of these checks.

Bad Debt Write-Offs

In 2006 and 2007, the Company stated its accountant chose a percentage to use as its bad debt write-offs. In 2008, the Company is considering all past due accounts older than 90 days as bad debt write-offs. The table below displays the Company's write-offs for 2004 through 2007.

Company Write-offs for 2004 through 2007	
2004	\$12,682
2005	\$5,032
2006	\$12,692
2007	\$12,013

Source: 2007 State of the Company Report, Book 1, Tab29

The Company anticipates its bad debt write-offs to be \$48,000 for 2008. This amount will include actual bad debt write-offs for 2005 through 2008. The Company writes off its bad debt when all means of collecting by the Company and the collection agency have been exhausted.

Theft of Service

The Company informed the EMSD staff that when it detects a service connected that is disconnected according to its records, a work order is immediately generated to disconnect the service. When the disconnected customer contacts the Company for service restoration, they are informed that the service has been illegally reconnected, a customer application is required and a customer deposit is possibly necessary. The new customer is responsible for all usage since the final reading of the previous customer.

Collection Agency

The Company generates a report at the end of each month that is reviewed by an employee to determine which accounts are forwarded to the collection agency. The Company indicated that the accounts forwarded to the collection agency are not considered written off at that time by the Company. The Company stated it determines the amount of bad debt to be written off when it has exhausted all efforts to collect. The Company signed a contract with NCO in April 2006. At that time, the Company made payment of \$10,000, which was based upon the Company forwarding 1,000 accounts to the collection agency at a cost of \$10.00 per account. In accordance with the Company's tariff, the \$10.00 fee is added to each customer's account that is forwarded to the collection agency. NCO retains 50% of the amount it collects; this 50% is also added to the customer's amount due when forwarded to the collection agency so that the Company is reimbursed the total amount of the customer's bill. When the Company has been reimbursed \$30,000, which is three times its initial payment of \$10,000, the contract will be renegotiated.

NCO reports these accounts to the three major credit bureaus. Customers are instructed to contact the NCO office with questions regarding their account and mail payments to NCO's Ohio office. The Company accepts partial and full payments toward customers' accounts.

NCO mails a monthly check to the Company with an explanation of the payments received. This report is verified by a Company employee.

The table below displays the amount of collections the Company has forwarded to NCO and the amount of collections NCO has made during the period of January 2007 through October 2008.

Amounts Forwarded to and Collected by NCO		
	Amounts Forwarded to NCO	Amounts Collected by NCO
January 2007	\$0.00	\$0.00
February 2007	\$0.00	\$0.00
March 2007	\$0.00	\$0.00
April 2007	\$0.00	\$0.00
May 2007	\$2,831.62	\$0.00
June 2007	\$7,082.37	\$193.18
July 2007	\$324.64	\$0.00
August 2007	\$0.00	\$0.00
September 2007	\$0.00	\$83.29
October 2007	\$0.00	\$0.00
November 2007	\$949.67	\$0.00
December 2007	\$5,028.29	\$0.00
January 2008	\$0.00	\$38.27
February 2008	\$0.00	\$107.73
March 2008	\$3,287.09	\$10.00
April 2008	\$0.00	\$0.00
May 2008	\$4,485.22	\$100.00
June 2008	\$1,876.26	\$160.06
July 2008	\$0.00	\$50.00
August 2008	\$0.00	\$116.75
September 2008	\$0.00	\$48.47
October 2008	\$0.00	\$0.00
Total	\$25,865.16	907.75

Source: Raytown Water Company, Response to Data Request No. 88

Work Orders

A work order is generated due to a complaint of high usage, new customer, read out, new tap or anytime a service technician is required to go to the service location. The business office maintains the work orders by the service location. Following completion of the work order, it is returned to the office and an employee documents the service order information into its system. This information interfaces with the billing system and the customer's next billing statement reflects the work order charges.

The table below shows the number of work orders completed for 2006, 2007 and 2008 January through May.

Completed Work Orders			
	2006	2007	2008 (January – May)
News and Finals	2318	2236	817
Service Call	935	305	142
Leaks	31	38	15
Meter Change	375	439	655
Collections	2276	2252	974
City Sewer	366 (Began in Sept.)	1629	536
General/Miscellaneous	13	96	8
Total	6314	6995	3147

Source: 2007 State of the Company Report, Book 2, Tab 38

The Company's number of completed service orders is increasing yearly. The daily average for 2006 was 25.36, for 2007 was 27.98 and 2008 (January – May) was 29.41.

Communication with Customers

The Company informs customers of assistance organizations by enclosing the information in both of its delinquent notices that are mailed monthly to its customers. Although the Company has not performed a survey of its customers, the City of Raytown performed a survey during spring 2007, which included water service of the Company and the Public Water District No. 2. On a scale of 1 to 11, the Importance-Satisfaction Rating for water service was 5.

The Company continues its contract with a local answering service that answers all calls during non-business hours. At the beginning of the next business day, documentation of all calls is provided to the Company and Company personnel return all requested calls. Emergency calls received by the answering service are forwarded immediately to the Company's on-call employee.

The Company also continues its contract with a vendor that provides a recorded message on its telephone system that plays while customers are placed on hold. These

messages are changed quarterly and include notices regarding high water usage during hot weather, upcoming repair work, etc.

Complaints/Inquiries Handling and Documentation

The Consumer Services Department of the Commission received seven complaints of the Company during 2006 and 2007. The EMSD staff reviewed these complaints with Company personnel and it was determined that the Company was in error on two of the complaints.

All of the Company's employees handle complaints and/or inquiries and are responsible for documenting the complaint/inquiry. If necessary, a complaint or inquiry is elevated to the manager for handling.

Delinquent Sewer Accounts of the City of Raytown

For the delinquent sewer customers of the City of Raytown, the Company contracted with the City of Raytown May 8, 1996, to perform disconnection of the customer's water service for the City of Raytown. These disconnects are performed on the last Wednesday of each month. The City of Raytown provides a list of its delinquent paying sewer customers and an accompanying door hanger to the Company the day prior to disconnection. The Company creates a work order for each delinquent account which is provided to the meter readers to perform the disconnections. The employee does not inform the customer prior to disconnection; the meter reader disconnects the water service and leaves a door hanger at the customer's door.

When a disconnected account is eligible for reconnection, the City of Raytown faxes the necessary information to the Company. The Company stated that it and the City of Raytown share their read in/read outs and disconnection information so that each utility has current information.

The after-hour reconnection charge is \$35.00. The City of Raytown is charged an hourly rate of \$24.71 for the time required of the Company's employees' time. Seven days following disconnection, the Company rechecks the disconnected services to make certain the service is still disconnected. The Company typically bills the City of Raytown around

the 10th of the month following the disconnections with payment requested by the 10th of the following month. The Company's bill is a letter with the itemized charges for its performed disconnects and reconnects.

The table below shows the Company's expenses, the City of Raytown's charges and the Company's profit for 2005, 2006, 2007 and January through June 2008.

Year	Company Expenses	Charges to City of Raytown	Company Profit
2005	\$2,192.07	\$7,328.42	\$5,136.35
2006	\$4,013.76	\$11,958.16	\$7,944.40
2007	\$9,491.70	\$23,421.07	\$13,929.37
2008 January to June	\$3,279.94	\$7,826.73	\$4,546.79

Source: 2007 State of the Company Report, Book 1, Tab 23

There has been a dramatic increase in the number of disconnects performed for the City of Raytown since 2005. The EMSD staff was informed by the Company that it is currently updating its contract with the City of Raytown and will be increasing its service charges.

Findings, Conclusions and Recommendations

The following discussion presents a summary of the findings, conclusions and recommendations pertaining to the Company's customer service operations. The information presented in this section focuses on the following areas that require Company management's attention:

- Meter Reading Routes
- Master Meters
- Payments Received in Drop Box
- Payment Options
- Credit and Collections
- Collection Agency
- Work Orders
- Communication with Customers
- Employee Performance Evaluations
- Employee Overtime Compensation

Meter Reading Routes

The meter reading routes have not been evaluated for more than nine years. Through a review of its meter reading routes, the Company may determine some competencies that would provide a more efficient and effective method of meter reading. Although the Company does not experience a large increase in the number of meters on a yearly basis, the EMSD staff would recommend the Company evaluate its meter reading routes at least every five years.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop a procedure to ensure the Company's meter reading routes are periodically evaluated, such as every five years. If appropriate, make necessary changes to the Company's meter reading routes.

Master Meters

The Company is not currently reading its eight master meters. Therefore, the Company is not able to track or monitor the amount of water removed from its water supply to the amount of water registered through its customers' meters each month. The Company stated that the City of Kansas City reads the eight master meters and bills the Company monthly.

The implementation of the program to track and monitor the amount of water removed from its supply as compared to the amount registered through its customers' meters on a monthly basis would be beneficial. Leak detection at the water supply system or at the customers' meters, as well as any other problems would be more timely and accurately identified by the Company.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Implement a procedure to ensure that the eight master meters are read on a monthly basis. Develop a monthly report that tracks and monitors the Company's master meter reads on its system as compared to its customers' actual meter readings.

Payments Received in Drop Box

The Company's drop box located on the counter inside the office is unsecured. Although the Company indicated it has never experienced a problem with the drop box, it

remains an unsafe situation. The Company has the responsibility of protecting the payments in the drop box until the payments are processed. The EMSD staff is of the opinion the drop box should be made secure or discontinue the use of the drop box as customers have two other drop boxes located at the office to insert payments.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Secure the drop box located on the office counter or discontinue use of the drop box.

Payment Options

The Company's procedure for credit card payments charges the customer \$3.00, while the Company's software program procedure would charge the customer \$1.95. Currently, the Company is able to accept Visa and MasterCard. The employee enters the customer's payment information into the Company's system and the customer is provided an authorization number. Next, the employee adds the convenience fee of \$3.00 to the customer's bill. The employee processes the payment through the cash drawer to ensure the daily payments and the payments with the bank balance. The EMSD staff was informed that the bank's monthly charge for processing the Company's credit card payments is based upon the number of payments and the total dollar amount of payments processed by the bank. The Company evaluated the number and dollar amount of credit card payments to determine its \$3.00 convenience fee.

The Company's software program accepts payments through Visa, MasterCard, American Express and Discover, but the Company has not implemented this procedure. Currently, when the customer pays with a credit card, the employee accesses the internet inquiry through the Company's system and retrieves the customer's account in the Company's website in order to process the payment online. The customer is informed of the \$1.95 fee prior to completing the transaction and is provided a confirmation number after the payment process is completed. The employee processes the credit card payment through the cash drawer to ensure the daily payments and the payments with the bank balance.

The EMSD staff is of the opinion that utilizing the Company's system might be a more efficient and effective method of handling its credit card payments than processing through its bank. The employee's tasks would be simplified and the customer would be charged \$1.05 less per payment.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Evaluate the use of the Company's software program to process credit card payments instead of the Company's current procedure of processing through its bank. If deemed a more efficient and effective procedure, discontinue the Company's current procedure and implement the procedure to process credit card payments through the Company's software program.

Credit and Collections

After delinquent disconnect accounts are finalized, the customer is provided an additional 35 days to make payment before the account is forwarded to a collection agency; the Company does not attempt to collect on these accounts prior to forwarding to its collection agency. The Company stated that almost all of the accounts forwarded to its collection agency are delinquent disconnect accounts. If efforts are not going to be made to collect on these accounts, the EMSD staff is of the opinion that the success of collecting on these accounts might improve if provided to the collection agency immediately after the account is processed by the Company.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Evaluate the possibility of increasing the Company's efforts to collect on finalized delinquent disconnect accounts prior to forwarding to the collection agency. If deemed appropriate, forward these accounts to the Company's collection agency immediately following disconnection.

Collection Agency

The Company does not track and monitor the number of accounts or the dollar amount of written-off accounts forwarded to its collection agency. The Company should maintain this information to determine any trends in its written-off accounts that are forwarded to its collection agency and to also determine the accuracy of the collection agency's reports to the Company.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and monitor a report that monthly tracks the number of accounts and the dollar amount of written-off accounts forwarded to the Company's collection agency.

The Company does not track and monitor the performance of its collection agency through the use of a monthly collection report. Although the Company can obtain the information through the collection agency's website, the Company does not maintain the information documenting payments received from its collection agency. By not having this information located in a report, the Company's ability to monitor and analyze the performance of its collection agency is difficult.

The Company contracted with this collection agency during the past twelve months and the Company should be closely monitoring the collection agency's performance. The Company is aware that its write-offs have steadily trended upward during the past few years. By closely monitoring the performance of its collection agency, the Company would hopefully be able to address its trend of increasing write-offs.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and utilize a report that monthly tracks the payments collected by the Company's collection agency. Monitor the information on a regular basis.

The Company does not receive the benefit of contracting with more than one collection agency. The Company currently has a contract with only one collection agency, NCO. NCO's success of collecting for the Company has been poor. During 2007 and 2008, NCOI collected \$907.75 of the \$25,865.16 that was forwarded to it, which is 3.51%.

The benefits of contracting with more than one collection agency include the following:

- Increased collection rate due to the competitiveness of the collection agencies.
- Negotiable collection fees.
- Availability of backup if one collection agency is no longer contracted with the Company.

Although the Company is obligated to NCO until NCO has collected three times the Company's \$10,000 initial payment, or \$30,000, the Company could benefit by contracting with more than one collection agency.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Evaluate the benefits of the Company contracting with more than one collection agency. If implemented, the Company should ensure that the collection agency contract's expiration dates are staggered.

Work Orders

The Company does not track all of its work orders as some of the work orders are worked from a listing or a sheet of paper and are not included in the Company's count of work orders. Examples of these include rereads if high or low usage is recorded and the meter changes. To ensure that the Company's recorded number of work orders performed is accurate, the EMSD staff would encourage the Company to implement a procedure that ensures all work orders are included in the Company's work order count.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Implement a procedure that ensures all work orders are included in the Company's work order count.

Communication with Customers

The Company does not have a written document that conveys the rights and responsibilities of the Company and its customers, which is in violation of Commission Rule 4 CSR 240-13.040(3). The Rule states:

A utility shall prepare, in written form, information which in layman's terms summarizes the rights and responsibilities of the utility and its customers in accordance with this chapter. The form shall be submitted to the consumer services department of the Missouri Public Service Commission, and to the Office of the Public Counsel. This written information shall be displayed prominently, and shall be available at all utility office locations open to the general public, and shall be mailed or otherwise delivered to each residential customer of the utility if requested by the customer. The information shall be delivered or mailed to each new customer of the utility upon the commencement of service and shall be available at all times upon request. The written information shall indicate

conspicuously that it is being provided in accordance with the rules of the commission, and shall contain information concerning, but not limited to: (A) – (L).

The EMSD staff provided the Company with a sample of a document that would meet the requirements of the Rule.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop in written form, the information that summarizes the rights and responsibilities of the utility and its customers and make such documentation available to customers. The document should adhere to Commission Rule 4 CSR 240-13.040(3).

Employee Performance Evaluations

Employee performance evaluations are not currently being completed by the Company for all employees. The performance appraisal is an observation and evaluation of the employee's job performance in order to determine the degree to which the employee is performing effectively. The process includes a written assessment of the defined performance standards set for each employee. Following the observation and evaluation, the supervisor and employee meet to discuss the evaluation. Performance evaluations contribute to the Company's decisions regarding salary increases, promotions, demotions and disciplinary actions. Although not a requirement by the Fair Labor Standards Act (FLSA), the EMSD staff is of the opinion that employee performance evaluations are beneficial for Company management and Company employees.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop a procedure to ensure an employee performance evaluation is annually performed for each employee. In addition, develop a procedure to document all employee evaluations.

Employee Overtime Compensation

The Company unnecessarily compensates employees at time and a half when 40 hours have not been worked by the employee. The federal overtime provisions which are contained in the FLSA state that unless exempt, employees covered by the Act must receive overtime pay for actual hours worked over 40 in a workweek at a rate not less than

time and one-half their regular rates of pay. The Act does not require overtime pay for work on Saturdays, Sundays, holidays, or regular days of rest, unless overtime is worked on such days.

When the EMSD staff discussed this matter with Company management, the Company stated that it plans to inform employees of this change in compensation and discontinue this practice effective January 1, 2009.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Discontinue the practice of compensating Company employees at a rate of time and one-half unless the employee has worked the required 40 hours for that specific pay period.

Agreement Attachment H

Summary of Case Events

Raytown Water Company
Summary of Case Events

Date Filed	September 12, 2008
Day 150	February 9, 2009
Extension?	No
If yes, why?	
Amount Requested	405,402
Amount Agreed Upon	317,990
Number of Customers	6,606
Weighted Rate of Return	8.608%
Return on Equity	9.57%
Assessments Current	Yes
Annual Reports Filed	Yes
Statement of Revenue Filed	Yes
Other Open Cases before Commission	None
Status with Secretary of State	Good Standing
DNR Violations	None
Significant Service/Quality Issues	None