

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

In the Matter of a Request for a Rate Increase) **Case No. WR-2018-0356**
by Branson Cedars Resort Utility Company LLC)

UNANIMOUS DISPOSITION AGREEMENT

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its *Unanimous Disposition Agreement* in this matter hereby states:

1. Branson Cedars Resort Utility Company LLC (BCRU) filed its *Request for Increase Letter* on May 31, 2018.

2. As a result of productive and cooperative settlement negotiations, BCRU, Staff, and the Office of the Public Counsel have reached a unanimous Disposition Agreement that is a full resolution of the utility's revenue increase request. The Disposition Agreement is attached hereto.

WHEREFORE, Staff respectfully submits to the Commission this *Unanimous Disposition Agreement*.

Respectfully submitted,

/s/ Jacob T. Westen

Jacob T. Westen
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Attorney for the Staff of the
Missouri Public Service Commission

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was delivered to the parties and or their counsel of record by U.S. Postal Service postage prepaid, or by hand, or served electronically, on this 29th day of October, 2018.

/s/ Jacob T. Westen

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

BRANSON CEDARS RESORT UTILITY COMPANY LLC

MO PSC FILE NO. WR-2018-0356

BACKGROUND

Branson Cedars Resort Utility Company LLC ("Company") initiated the small company revenue increase request ("Request") for water and sewer service that is the subject of the above-referenced Missouri Public Service Commission ("Commission"), File Number WR-2018-0356, by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-10.075, Staff Assisted Rate Case Procedure. In its amended request letter, which was filed in EFIS on July 17, 2018, the Company set forth its request for an increase of \$40,933 in its total annual water service operating revenues and \$8,187 in its total annual sewer service operating revenues. The Company acknowledges 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 water and sewer service to 64 customers and 50 customers, respectively, in Taney County, Missouri.

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

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

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

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

- (1) The agreed upon revenue requirement increase of \$7,366 (16.33% increase) added to the level of previous revenues of \$45,114 results in overall revenues of \$52,282 for water service and an agreed upon revenue requirement increase of \$9,666 (27.36% increase) added to the level of previous revenues of \$35,326 results in overall revenues of \$44,992 for sewer service. This revenue requirement is just and reasonable and designed to recover the Company's cost of service. These amounts are shown on the ratemaking income statement found in **Attachment A and B**;
- (2) The Auditing Department conducted a full and complete audit of the Company's books and records. Staff utilized a test year of the twelve months ending December 31, 2017, updating known and measureable investment through May 31, 2018 in this case. The Auditing Department findings can be found in Staff's Accounting Schedules, **Attachment C and D**;
- (3) The agreed upon net rate base is \$53,277 for water and \$88,069 for sewer, utilizing actual invoice data. The Engineering Analysis Department included all capital improvements completed on the Company's system since the last rate case, effective November 1, 2015. This data was calculated through the update period ending May 31, 2018. The development of this amount is shown on the rate base worksheet that is found in **Attachment C and D**. This amount is included in the audit work papers in the ultimate determination of the revenue requirement shown in (1) above;
- (4) Included in **Attachment C and D** is the agreed upon capital structure, which includes 100% debt and 0% equity, and a rate of return of 6.750% for the Company;
- (5) The schedule of depreciation rates in **Attachment E and F** includes the depreciation rates used by Staff in its revenue requirement analysis and shall be the prescribed schedule of water and sewer plant depreciation rates for the Company;
- (6) To allow the Company the opportunity to collect the revenue requirement agreed to in (1) above, the rates as shown on **Attachment G and H** are just and

reasonable rates that the Company will be allowed to charge its customers. The impact of these rates will be as shown on **Attachment G and H**, also attached;

(7) For the purposes of implementing the agreements set out in this disposition agreement, the Company will file with the Commission proposed tariff revisions containing the rates, charges, and language set out in the example tariff attached as **Attachment I and J**. The proposed tariff revisions will bear an effective date of **(to be determined at a later date)**.

(8) The current PSC MO Number 1 tariff will be cancelled and replaced by PSC MO Number 2, which is included in the example tariff described above;

(9) The Staff Disposition Agreement Report is attached as **Attachment K**;

(10) The Company agrees to implement the following recommendations contained in the Customer Experience Department section of the Report in **Attachment K**:

(a) Develop and maintain timesheets to record the time spent on work assignments related to the operation of the regulated utility company. This recommendation must be completed within thirty (30) days of any Commission order in Case No. WR-2018-0356;

(b) Develop and maintain records or logs indicating the use of vehicles or equipment used to provide service or repairs to utility operations. This recommendation must be completed within thirty (30) days of the effective date of any Commission order issued in Case No. WR-2018-0356;

(c) Develop and utilize an off-site method of backup for customer data to ensure it is protected and preserved. This recommendation must be completed within thirty (30) days of the effective date of any Commission order issued in Case No. WR-2018-0356;

(11) The Company agrees to implement the following recommendations contained in the Auditing Department section of the Report in **Attachment K**:

(a) Develop and maintain timesheets with sufficient detail to capture the amount of time each employee spends on operation/maintenance activities. This recommendation must be completed within thirty (30) days of the effective date of any Commission order issued in Case No. WR-2018-0356;

(b) Develop and use job descriptions for all employees working for BCRU. This recommendation must be completed within thirty (30) days of the effective date of any Commission order issued in Case No. WR-2018-0356;

(c) Maintain its books and records in accordance with the Commission's adopted versions of the NARUC USOA. The MoPSC has adopted the 1973 version of the water NARUC USOA and the 1977 version of the sewer NARUC USOA. This recommendation must be completed within thirty (30) days of the effective date of any Commission order issued in Case No. WR-2018-0356;

(12) The Company agrees to implement the following recommendations contained in the Water and Sewer Department section of the Report in **Attachment K**:

(a) Transfer the physical assets of drinking water system and waste water treatment facility from Tranquility to BCRU, or Tranquility should provide BCRU legal access to the drinking water system and waste water treatment facility through contract that provides for right to successors and assignees. This recommendation must be completed within thirty (30) days of the effective date of any Commission order issued in Case No. WR-2018-0356;

(b) If there are no backflow prevention devices as noted by DNR, then the Company must implement a backflow prevention program as required by the DNR backflow rules, and require the appropriate customers to install backflow prevention devices. The Company's backflow prevention program must also monitor the customers' annual documented testing, also as required by the DNR backflow rules. This recommendation must be completed within thirty (30) days of the effective date of any Commission order issued in Case No. WR-2018-0356;

(c) BCRU will begin implementing a meter installation program. BCRU agrees to install at least 12 meters per year on existing customer connections, as well as continue to install meters on any new construction.

(13) The Company shall file in this case notices to the Staff and Commission of the date(s) that it has completed the above requirements in paragraphs (10), (11), and (12). Such filing does not constitute prima facie compliance with the terms of this Disposition Agreement.

(14) The Company shall mail its customers a final written notice of the rates and charges included in its proposed tariff revisions prior to or with its next billing cycle

after issuance of the Commission order approving the terms of this Company/Staff Disposition Agreement. The notice shall include a summary of the impact of the proposed rates on an average residential customer's bill. When the Company mails the notice to its customers, it shall also send a copy to Staff Case Coordinator who will file a copy in this case;

(15) Staff and/or Public Counsel may conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Company/Staff Disposition Agreement;

(16) Staff and/or Public Counsel may file a formal complaint against the Company, if the Company does not comply with the provisions of this Company/Staff Disposition Agreement;

(17) The Company and Staff agree that they have read the foregoing Company/Staff Disposition Agreement, that facts stated therein are true and accurate to the best of the Company's knowledge and belief, that the foregoing conditions accurately reflect the agreement reached between the Company and Staff; and that the Company freely and voluntarily enters into this Disposition Agreement; and

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

ADDITIONAL MATTERS

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

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

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

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

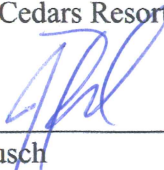
SIGNATURES

Agreement Signed and Dated:




Michael Hyams
President
Branson Cedars Resort Utility Company LLC

October 29, 2018
Date



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

10/29/18
Date



Ryan Smith
Senior Counsel
Missouri Office of the Public Counsel

October 29, 2018
Date

List of Attachments

- Attachment A** – Water Ratemaking Income Statement
- Attachment B** – Sewer Ratemaking Income Statement
- Attachment C** – Water EMS
- Attachment D** – Sewer EMS
- Attachment E** – Water Deprecation Rates
- Attachment F** – Sewer Deprecation Rates
- Attachment G** – Water Billing Comparison
- Attachment H** – Sewer Billing Comparison
- Attachment I** – Water Example Tariff Sheets
- Attachment J** – Sewer Example Tariff Sheets
- Attachment K** – Staff Disposition Report
- Attachment L** – Summary of Events

Disposition Agreement Attachment A

Water Income Statement

Branson Cedars Resort Water
Rate Making Income Statement

Operating Revenues at Current Rates	
Tarrified Rate Revenues	\$ 44,916
Other Operating Revenues	\$ 200
Total Operating Revenues	\$ 45,116

Item	Amount	Allocation	Fixed Charges	Variable Charges
Outside Services Employed	\$ 11,362	90%	\$ 10,226	\$ 1,136
Electricity-Pumping	\$ 18,395	90%	\$ 16,556	\$ 1,840
Chemicals	\$ 1,926	90%	\$ 1,733	\$ 193
Maintenance Salaries	\$ 5,017	90%	\$ 4,515	\$ 502
General Expense	\$ 1,029	90%	\$ 926	\$ 103
Lab Fees	\$ 35	90%	\$ 32	\$ 4
Accounting/Office Staff Salaries	\$ 4,500	90%	\$ 4,050	\$ 450
Well Camera System	\$ 1,019	90%	\$ 917	\$ 102
Tax Preparation	\$ 125	90%	\$ 113	\$ 13
MO DNR Fees	\$ 100	90%	\$ 90	\$ 10
PSC Assessment	\$ 380	90%	\$ 342	\$ 38
Rate Case Expense	\$ 173	90%	\$ 156	\$ 17
Depreciation	\$ 4,825	90%	\$ 4,343	\$ 483
Interest Expense	\$ -	90%	\$ -	\$ -
Return on Equity	\$ 3,596	90%	\$ 3,236	\$ 360
Total Cost of Service	\$ 52,482		\$ 47,234	\$ 5,248
Cost to Recover in Rates	\$ 52,282		\$ 47,234	\$ 5,048
Overall Revenue Increase Needed	\$ 7,366		\$ 4,278	\$ 3,088

Disposition Agreement Attachment B

Sewer Income Statement

Branson Cedars Resort Sewer
Rate Making Income Statement

Operating Revenues at Current Rates	
Tarrified Rate Revenues	\$ 35,326
Other Operating Revenues	\$ -
Total Operating Revenues	\$ 35,326

Item	Amount	Allocation	Fixed Charges	Variable Charges
Outside Services Employed	\$ 4,360	100%	\$ 4,360	\$ -
Electricity-Pumping	\$ 6,187	100%	\$ 6,187	\$ -
Chemicals	\$ 8,976	100%	\$ 8,976	\$ -
Sludge Removal	\$ 3,960	100%	\$ 3,960	\$ -
Maintenance Salaries	\$ 2,471	100%	\$ 2,471	\$ -
General Expense	\$ 1,100	100%	\$ 1,100	\$ -
Lab Fees	\$ 1,042	100%	\$ 1,042	\$ -
Accounting/Office Staff Salaries	\$ 4,500	100%	\$ 4,500	\$ -
Tax Preparation	\$ 125	100%	\$ 125	\$ -
MO DNR Fees	\$ 300	100%	\$ 300	\$ -
PSC Assessment	\$ 321	100%	\$ 321	\$ -
Rate Case Expense	\$ 173	100%	\$ 173	\$ -
Depreciation	\$ 5,532	100%	\$ 5,532	\$ -
Interest Expense	\$ -	100%	\$ -	\$ -
Return on Equity	\$ 5,945	100%	\$ 5,945	\$ -
Total Cost of Service	\$ 44,992		\$ 44,992	\$ -
Cost to Recover in Rates	\$ 44,992		\$ 44,992	\$ -
Overall Revenue Increase Needed	\$ 9,666		\$ 40,938	\$ -

Disposition Agreement Attachment C

Water EMS

Branson Cedars Resort Utility Company LLC
 WR-2018-0356
 Test Year Ending 12/31/2017
 Updated through 05/31/2018
 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) \$44,914			
Rev-3	Miscellaneous Revenues		(1) \$200			
Rev-4	TOTAL ANNUALIZED REVENUES		<u>\$45,114</u>			
1	OPERATIONS EXPENSES		(2)			
2	Outside Services Employed		\$11,362	\$11,362	\$0	100.00%
3	Electricity - Pumping		\$18,395	\$18,395	\$0	100.00%
4	Chemicals		\$1,926	\$1,926	\$0	100.00%
5	TOTAL OPERATIONS EXPENSE		<u>\$31,683</u>	<u>\$31,683</u>	<u>\$0</u>	
6	MAINTENANCE EXPENSES					
7	Maintenance Salaries		\$5,017	\$5,017	\$0	100.00%
8	General Expense		\$1,029	\$1,029	\$0	100.00%
9	Supplies Expense		\$0	\$0	\$0	100.00%
10	Lab Fees		\$35	\$35	\$0	100.00%
11	TOTAL MAINTENANCE EXPENSE		<u>\$6,081</u>	<u>\$6,081</u>	<u>\$0</u>	
12	CUSTOMER ACCOUNT EXPENSE					
13	Billing & Collections		\$0	\$0	\$0	0.00%
14	TOTAL CUSTOMER ACCOUNT EXPENSE		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
15	ADMINISTRATIVE & GENERAL EXPENSES					
16	Accounting/Office Staff Salaries		\$4,500	\$4,500	\$0	100.00%
17	Well Camera System		\$1,019	\$1,019	\$0	100.00%
18	Tax Preparation		\$125	\$125	\$0	100.00%
19	Property & Liability Insurance		\$0	\$0	\$0	0.00%
20	TOTAL ADMINISTRATIVE AND GENERAL		<u>\$5,644</u>	<u>\$5,644</u>	<u>\$0</u>	
21	OTHER OPERATING EXPENSES					
22	MO DNR Fees		\$100	\$100	\$0	100.00%
23	PSC Assessment		\$380	\$380	\$0	100.00%
24	Rate Case Expense		\$173	\$173	\$0	100.00%
25	Depreciation		\$4,825	\$4,825	\$0	100.00%
26	TOTAL OTHER OPERATING EXPENSES		<u>\$5,478</u>	<u>\$5,478</u>	<u>\$0</u>	
27	TAXES OTHER THAN INCOME					
28	Real & Personal Property Taxes		\$0	\$0	\$0	0.00%
29	TOTAL TAXES OTHER THAN INCOME		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
30	TOTAL OPERATING EXPENSES		<u>\$48,886</u>	<u>\$48,886</u>	<u>\$0</u>	
31	Interest Expense		(3) \$0	\$0	\$0	100.00%
32	Return on Equity		(3) \$3,596	\$3,596	\$0	100.00%
33	Income Taxes		(3) \$0	\$0	\$0	0.00%
34	TOTAL INTEREST RETURN & TAXES		<u>\$3,596</u>	<u>\$3,596</u>	<u>\$0</u>	
35	TOTAL COST OF SERVICE		\$52,482	\$52,482	\$0	
36	Less: Miscellaneous Revenues		\$200	\$0	\$200	0.00%
37	COST TO RECOVER IN RATES		<u>\$52,282</u>	<u>\$52,482</u>	<u>-\$200</u>	
38	INCREMENTAL INCREASE IN RATE REVENUES		<u>\$7,368</u>			
39	PERCENTAGE OF INCREASE		<u>16.33%</u>			
40	REQUESTED INCREASE IN REVENUES		\$40,933			

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Design Schedule - Water

Line Number	<u>A</u> Description	<u>B</u> Account Number (Optional)	<u>C</u> Staff Annualized	<u>D</u> Customer Charge	<u>E</u> Commodity	<u>F</u> Percentage Rate
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- (1) From Revenue Schedule
- (2) From Expense Schedule
- (3) From PreTax Rate of Return Schedule, Rate Base & Return Schedule

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Base Required Return on Investment Schedule - Water

Line Number	<u>A</u> Rate Base Description	<u>B</u> Dollar Amount	
1	Plant In Service	\$139,103	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$66,344	From Depreciation Reserve Schedule
3	Net Plant In Service	<u>\$72,759</u>	
4	Other Rate Base Items:	\$0	
	Contribution in Aid of Construction Amortization (positive or zero)	\$29,319	
	Contribution in Aid of Construction (negative or zero)	-\$48,801	
5	Total Rate Base	<u>\$53,277</u>	
6	Total Weighted Rate of Return Including Income Tax	<u>6.75%</u>	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	<u><u>\$3,596</u></u>	

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate of Return Including Income Tax - Water

	A		B	formulas
1 State Income Tax Rate Statutory / Effective	0.00%	(2)	0.00%	(1 - (B2 x .5)) x A1
2 Federal Income Tax Rate Statutory / Effective	0.00%	(1) & (2)	<u>0.00%</u>	(1 - B1) x A2
3 Composite Effective Income Tax Rate			0.00%	B1 + B2
4 Equity Tax Factor			1.0000	1 / (1-B3)
5 Recommended Weighted Rate of Return on Equity - Common and Preferred			<u>6.75%</u>	From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax			6.75%	B4 x B5
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			<u>0.00%</u>	From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax			<u><u>6.75%</u></u>	B6+B7

To Rate Base Schedule

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

Equity Income Required \$3,596
& Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	0.00%	\$3,596	\$0
\$50,001	\$75,000	0.00%	\$0	\$0
\$75,001	\$100,000	0.00%	\$0	\$0
\$100,001	\$335,000	0.00%	\$0	\$0
\$335,001	\$9,999,999,999	0.00%	\$0	\$0
			<u>\$3,596</u>	<u>\$0</u>
			Consolidated Tax Rate:	
			Average Tax Rate:	0

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Capital Structure Schedule - Water

Line Number	<u>A</u> Description	<u>B</u> Dollar Amount	<u>C</u> Percentage of Total Capital Structure	<u>D</u> Embedded Cost of Capital	<u>E</u> Weighted Cost of Capital
1	Common Stock	\$141,346	100.00%	6.75%	6.750%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$0	0.00%	0.00%	0.000%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	TOTAL CAPITALIZATION	<u>\$141,346</u>	<u>100.00%</u>		<u>6.750%</u>

To PreTax Return Rate Schedule

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

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
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	311.000	Structures & Improvements - SSP	\$3,511			100.00%	\$3,511
7	314.000	Wells and Springs	\$22,555			100.00%	\$22,555
8		TOTAL SOURCE OF SUPPLY PLANT	<u>\$26,066</u>		<u>\$0</u>		<u>\$26,066</u>
9		PUMPING PLANT					
10	325.100	Submersible Pumping Equipment	\$50,953			100.00%	\$50,953
11	325.200	Booster Pump Equipment	\$7,155			100.00%	\$7,155
12		TOTAL PUMPING PLANT	<u>\$58,108</u>		<u>\$0</u>		<u>\$58,108</u>
13		WATER TREATMENT PLANT					
14	332.000	Water Treatment Equipment	\$712			100.00%	\$712
15		TOTAL WATER TREATMENT PLANT	<u>\$712</u>		<u>\$0</u>		<u>\$712</u>
16		TRANSMISSION & DISTRIBUTION PLANT					
17	342.000	Distribution Reservoirs & Standpipes	\$13,737			100.00%	\$13,737
18	343.000	Transmission & Distribution Mains	\$34,516			100.00%	\$34,516
19	345.000	Customer Service	\$4,371			100.00%	\$4,371
20	346.100	Customer Meters, Plastic	\$1,522			100.00%	\$1,522
21		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$54,146</u>		<u>\$0</u>		<u>\$54,146</u>
22		GENERAL PLANT					
23	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
24	391.100	Office Electronic & Computer Equip.	\$0			100.00%	\$0
25	394.000	Tools, Shop, Garage Equipment	\$71			100.00%	\$71
26		TOTAL GENERAL PLANT	<u>\$71</u>		<u>\$0</u>		<u>\$71</u>
27		TOTAL PLANT IN SERVICE	<u><u>\$139,103</u></u>		<u><u>\$0</u></u>		<u><u>\$139,103</u></u>

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
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
Total Plant Adjustments				\$0

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense	F Average Life	G Net Salvage
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0	0.00%	\$0	0	0.00%
3	302.000	Franchises	\$0	0.00%	\$0	0	0.00%
4		TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>		
5		SOURCE OF SUPPLY PLANT					
6	311.000	Structures & Improvements - SSP	\$3,511	2.50%	\$88	44	-10.00%
7	314.000	Wells and Springs	\$22,555	2.00%	\$451	55	-8.00%
8		TOTAL SOURCE OF SUPPLY PLANT	<u>\$26,066</u>		<u>\$539</u>		
9		PUMPING PLANT					
10	325.100	Submersible Pumping Equipment	\$50,953	10.00%	\$5,095	12	-20.00%
11	325.200	Booster Pump Equipment	\$7,155	6.70%	\$479	15	0.00%
12		TOTAL PUMPING PLANT	<u>\$58,108</u>		<u>\$5,574</u>		
13		WATER TREATMENT PLANT					
14	332.000	Water Treatment Equipment	\$712	2.90%	\$21	35	0.00%
15		TOTAL WATER TREATMENT PLANT	<u>\$712</u>		<u>\$21</u>		
16		TRANSMISSION & DISTRIBUTION PLANT					
17	342.000	Distribution Reservoirs & Standpipes	\$13,737	2.50%	\$343	42	-5.00%
18	343.000	Transmission & Distribution Mains	\$34,516	2.00%	\$690	50	0.00%
19	345.000	Customer Service	\$4,371	2.50%	\$109	40	0.00%
20	346.100	Customer Meters, Plastic	\$1,522	10.00%	\$152	10	0.00%
21		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$54,146</u>		<u>\$1,294</u>		
22		GENERAL PLANT					
23	391.000	Office Furniture & Equipment	\$0	5.00%	\$0	20	0.00%
24	391.100	Office Electronic & Computer Equip.	\$0	14.30%	\$0	7	0.00%
25	394.000	Tools, Shop, Garage Equipment	\$71	5.00%	\$4	18	10.00%
26		TOTAL GENERAL PLANT	<u>\$71</u>		<u>\$4</u>		
27		Total Depreciation	<u><u>\$139,103</u></u>		<u><u>\$7,432</u></u>		

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

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
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	311.000	Structures & Improvements - SSP	\$748			100.00%	\$748
7	314.000	Wells and Springs	\$8,980			100.00%	\$8,980
8		TOTAL SOURCE OF SUPPLY PLANT	<u>\$9,728</u>		<u>\$0</u>		<u>\$9,728</u>
9		PUMPING PLANT					
10	325.100	Submersible Pumping Equipment	\$31,374			100.00%	\$31,374
11	325.200	Booster Pump Equipment	\$1,160			100.00%	\$1,160
12		TOTAL PUMPING PLANT	<u>\$32,534</u>		<u>\$0</u>		<u>\$32,534</u>
13		WATER TREATMENT PLANT					
14	332.000	Water Treatment Equipment	\$19			100.00%	\$19
15		TOTAL WATER TREATMENT PLANT	<u>\$19</u>		<u>\$0</u>		<u>\$19</u>
16		TRANSMISSION & DISTRIBUTION PLANT					
17	342.000	Distribution Reservoirs & Standpipes	\$10,085			100.00%	\$10,085
18	343.000	Transmission & Distribution Mains	\$13,748			100.00%	\$13,748
19	345.000	Customer Service	\$244			100.00%	\$244
20	346.100	Customer Meters, Plastic	-\$24			100.00%	-\$24
21		TOTAL TRANS. & DISTRIBUTION PLANT	<u>\$24,053</u>		<u>\$0</u>		<u>\$24,053</u>
22		GENERAL PLANT					
23	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
24	391.100	Office Electronic & Computer Equip.	\$0			100.00%	\$0
25	394.000	Tools, Shop, Garage Equipment	\$10			100.00%	\$10
26		TOTAL GENERAL PLANT	<u>\$10</u>		<u>\$0</u>		<u>\$10</u>
27		TOTAL DEPRECIATION RESERVE	<u><u>\$66,344</u></u>		<u><u>\$0</u></u>		<u><u>\$66,344</u></u>

Branson Cedars Resort Utility Company LLC

WR-2018-0356

Test Year Ending 12/31/2017

Updated through 05/31/2018

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
Total Reserve Adjustments				<u>\$0</u>

Branson Cedars Resort Utility Company LLC
 WR-2018-0356
 Test Year Ending 12/31/2017
 Updated through 05/31/2018
 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	\$37,907	Rev-2	\$7,007	100.00%	\$44,914
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$200	100.00%	\$200
Rev-4		TOTAL ANNUALIZED REVENUES	\$37,907		\$7,207		\$45,114

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
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			\$7,007
	1. To Annualize Rate Revenues		\$7,007	
Rev-3	Miscellaneous Revenues			\$200
	1. To Annualize Miscellaneous Revenues		\$200	
Total Revenue Adjustments				\$7,207

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential Monthly Flat Rate		Big Cedar Landscape Metered Rate	
		B Amount	C Amount	D Amount	E Amount
1	Customer Charge Revenues:				
2	Customer Number	54		1	
3	Bills Per Year	12		7	
4	Customer Bills Per year	648		7	
5	Current Customer Charge	<u>\$56.29</u>		<u>\$37.14</u>	
6	Annualized Customer Charge Revenues		\$36,476		\$260
7	Commodity Charge Revenues:				
8	Total Gallons Sold	0		142,134	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		142,134	
11	Block 1, Commodity Gallons per Block	0		142,134	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>1,000</u>	
13	Block 1, Commodity Billing Units	0.00		142.13	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$13.79</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$1,960
16	Commercial, Commodity Gallons per Block	0		0	
17	Commercial, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
18	Commercial, Commodity Billing Units	0.00		0.00	
19	Commercial, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
20	Commercial, Annualized Commodity Charge Rev.		\$0		\$0
21	Total Annualized Water Rate Revenues		<u>\$36,476</u>		<u>\$2,220</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.

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial Private Laundry Facilities		Commercial Model Homes	
		F Amount	G Amount	H Amount	I Amount
1	Customer Charge Revenues:				
2	Customer Number	0		2	
3	Bills Per Year	12		12	
4	Customer Bills Per year	0		24	
5	Current Customer Charge	<u>\$56.29</u>		<u>\$56.29</u>	
6	Annualized Customer Charge Revenues		\$0		\$1,351
7	Commodity Charge Revenues:				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Commercial, Commodity Gallons per Block	0		0	
17	Commercial, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
18	Commercial, Commodity Billing Units	0.00		0.00	
19	Commercial, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
20	Commercial, Annualized Commodity Charge Rev.		\$0		\$0
21	Total Annualized Water Rate Revenues		<u>\$0</u>		<u>\$1,351</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.

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial Branson Cedars Landscape		Commercial Store	
		J Amount	K Amount	L Amount	M Amount
1	Customer Charge Revenues:				
2	Customer Number	1		1	
3	Bills Per Year	5		12	
4	Customer Bills Per year	5		12	
5	Current Customer Charge	<u>\$56.29</u>		<u>\$56.29</u>	
6	Annualized Customer Charge Revenues		\$281		\$675
7	Commodity Charge Revenues:				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Commercial, Commodity Gallons per Block	0		0	
17	Commercial, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
18	Commercial, Commodity Billing Units	0.00		0.00	
19	Commercial, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
20	Commercial, Annualized Commodity Charge Rev.		\$0		\$0
21	Total Annualized Water Rate Revenues		<u>\$281</u>		<u>\$675</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.

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial Branson Cedars Shop Building		Commercial Outpost	
		N Amount	O Amount	P Amount	Q Amount
1	Customer Charge Revenues:				
2	Customer Number	1		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	12		12	
5	Current Customer Charge	<u>\$56.29</u>		<u>\$56.29</u>	
6	Annualized Customer Charge Revenues		\$675		\$675
7	Commodity Charge Revenues:				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Commercial, Commodity Gallons per Block	0		0	
17	Commercial, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
18	Commercial, Commodity Billing Units	0.00		0.00	
19	Commercial, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
20	Commercial, Annualized Commodity Charge Rev.		\$0		\$0
21	Total Annualized Water Rate Revenues		<u>\$675</u>		<u>\$675</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.

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial Branson Cedars Sales Office		Commercial Pool/Bath	
		R Amount	S Amount	T Amount	U Amount
1	Customer Charge Revenues:				
2	Customer Number	1		1	
3	Bills Per Year	12		5	
4	Customer Bills Per year	12		5	
5	Current Customer Charge	\$84.44		\$84.44	
6	Annualized Customer Charge Revenues		\$1,013		\$422
7	Commodity Charge Revenues:				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	0		0	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	0		0	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	\$0.00		\$0.00	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Commercial, Commodity Gallons per Block	0		0	
17	Commercial, Number of Commodity Gallons per Unit	0		0	
18	Commercial, Commodity Billing Units	0.00		0.00	
19	Commercial, Existing Commodity Charge	\$0.00		\$0.00	
20	Commercial, Annualized Commodity Charge Rev.		\$0		\$0
21	Total Annualized Water Rate Revenues		\$1,013		\$422

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.

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Commercial Pond Fill by Gravity		Total	
		V Amount	W Amount	X Amount	Y Amount
1	Customer Charge Revenues:				
2	Customer Number	1		64	
3	Bills Per Year	5			
4	Customer Bills Per year	5		742	
5	Current Customer Charge	\$225.16			
6	Annualized Customer Charge Revenues		\$1,126		\$42,954
7	Commodity Charge Revenues:				
8	Total Gallons Sold	0		142,134	
9	Less: Base Gallons Included In Customer Charge	0		0	
10	Commodity Gallons	0		142,134	
11	Block 1, Commodity Gallons per Block	0			
12	Block 1, Number of Commodity Gallons per Unit	0			
13	Block 1, Commodity Billing Units	0.00			
14	Block 1, Existing Commodity Charge	\$0.00			
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$1,960
16	Commercial, Commodity Gallons per Block	0			
17	Commercial, Number of Commodity Gallons per Unit	0			
18	Commercial, Commodity Billing Units	0.00			
19	Commercial, Existing Commodity Charge	\$0.00			
20	Commercial, Annualized Commodity Charge Rev.		\$0		\$0
21	Total Annualized Water Rate Revenues		\$1,126		\$44,914

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.

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Miscellaneous Revenues Feeder - Water

Line Number	<u>A</u> Description	<u>B</u> Amount
1	Seasonal Customer (Trip Charge) Turn off & Turn -Commercial	\$200
2	Total Miscellaneous Revenues	<u>\$200</u>

Branson Cedars Resort Utility Company LLC
 WR-2018-0356
 Test Year Ending 12/31/2017
 Updated through 05/31/2018
 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		Outside Services Employed	\$6,710	W-2	\$4,652	100.00%	\$11,362
3		Electricity - Pumping	\$13,683	W-3	\$4,712	100.00%	\$18,395
4		Chemicals	\$1,926			100.00%	\$1,926
5		TOTAL OPERATIONS EXPENSE	<u>\$22,319</u>		<u>\$9,364</u>		<u>\$31,683</u>
6		MAINTENANCE EXPENSES					
7		Maintenance Salaries	\$0	W-7	\$5,017	100.00%	\$5,017
8		General Expense	\$885	W-8	\$144	100.00%	\$1,029
9		Supplies Expense	\$1,362	W-9	-\$1,362	100.00%	\$0
10		Lab Fees	\$0	W-10	\$35	100.00%	\$35
11		TOTAL MAINTENANCE EXPENSE	<u>\$2,247</u>		<u>\$3,834</u>		<u>\$6,081</u>
12		CUSTOMER ACCOUNT EXPENSE					
13		Billing & Collections	\$0			100.00%	\$0
14		TOTAL CUSTOMER ACCOUNT EXPENSE	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
15		ADMINISTRATIVE & GENERAL EXPENSES					
16		Accounting/Office Staff Salaries	\$0	W-16	\$4,500	100.00%	\$4,500
17		Well Camera System	\$989	W-17	\$30	100.00%	\$1,019
18		Tax Preparation	\$125			100.00%	\$125
19		Property & Liability Insurance	\$0			100.00%	\$0
20		TOTAL ADMINISTRATIVE AND GENERAL	<u>\$1,114</u>		<u>\$4,530</u>		<u>\$5,644</u>
21		OTHER OPERATING EXPENSES					
22		MO DNR Fees	\$100			100.00%	\$100
23		PSC Assessment	\$273	W-23	\$107	100.00%	\$380
24		Rate Case Expense	\$4,303	W-24	-\$4,130	100.00%	\$173
25		Depreciation	\$0	W-25	\$4,825	100.00%	\$4,825
26		TOTAL OTHER OPERATING EXPENSES	<u>\$4,676</u>		<u>\$802</u>		<u>\$5,478</u>
27		TAXES OTHER THAN INCOME					
28		Real & Personal Property Taxes	\$0			100.00%	\$0
29		TOTAL TAXES OTHER THAN INCOME	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
30		TOTAL OPERATING EXPENSES	<u>\$30,356</u>		<u>\$18,530</u>		<u>\$48,886</u>

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
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-2	Outside Services Employed			\$4,652
	1. To update the annualized total.		\$4,652	
W-3	Electricity - Pumping			\$4,712
	1. To update the annualized total.		\$4,712	
W-7	Maintenance Salaries			\$5,017
	1. To update the annualized total.		\$5,017	
W-8	General Expense			\$144
	1. To update the annualized total.		\$144	
W-9	Supplies Expense			-\$1,362
	1. To remove cost with no invoices.		-\$1,362	
W-10	Lab Fees			\$35
	1. To update the annualized total.		\$35	
W-16	Accounting/Office Staff Salaries			\$4,500
	1. To update the annualized total.		\$4,500	
W-17	Well Camera System			\$30
	1. To update the annualized total.		\$30	
W-23	PSC Assessment			\$107
	1. To update the annualized total.		\$107	
W-24	Rate Case Expense			-\$4,130

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
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
	1. To include only expenses related to WR-2018-0356.		-\$4,130	
W-25	Depreciation			\$4,825
	1. To Annualize Depreciation		\$7,432	
	2. CIAC Depreciation Offset.		-\$2,607	
Total Expense Adjustments				<u><u>\$18,530</u></u>

Disposition Agreement Attachment D

Sewer EMS

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Design Schedule - Sewer

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)	\$35,326			
Rev-3	Miscellaneous Revenues	(1)	\$0			
Rev-4	TOTAL ANNUALIZED REVENUES		\$35,326			
1	OPERATIONS EXPENSES	(2)				
2	Outside Services Employed		\$4,360	\$4,360	\$0	100.00%
3	Electricity - Pumping Treatment		\$6,187	\$6,187	\$0	100.00%
4	Chemicals		\$8,976	\$8,976	\$0	100.00%
5	Sludge Removal		\$3,960	\$3,960	\$0	100.00%
6	TOTAL OPERATIONS EXPENSE		\$23,483	\$23,483	\$0	
7	MAINTENANCE EXPENSES					
8	Maintenance Salaries		\$2,471	\$2,471	\$0	100.00%
9	General Expense		\$1,100	\$1,100	\$0	100.00%
10	Supplies Expense		\$0	\$0	\$0	0.00%
11	Lab Fees		\$1,042	\$1,042	\$0	100.00%
12	TOTAL MAINTENANCE EXPENSE		\$4,613	\$4,613	\$0	
13	CUSTOMER ACCOUNT EXPENSE					
14	Billing & Collections		\$0	\$0	\$0	0.00%
15	TOTAL CUSTOMER ACCOUNT EXPENSE		\$0	\$0	\$0	
16	ADMINISTRATIVE & GENERAL EXPENSES					
17	Accounting/Office Staff Salaries		\$4,500	\$4,500	\$0	100.00%
18	Well Camera System		\$0	\$0	\$0	0.00%
19	Tax Preparation		\$125	\$125	\$0	100.00%
20	Property & Liability Insurance		\$0	\$0	\$0	0.00%
21	TOTAL ADMINISTRATIVE AND GENERAL		\$4,625	\$4,625	\$0	
22	OTHER OPERATING EXPENSES					
23	MO DNR Fees		\$300	\$300	\$0	100.00%
24	PSC Assessment		\$321	\$321	\$0	100.00%
25	Rate Case Expense		\$173	\$173	\$0	100.00%
26	Depreciation		\$5,532	\$5,532	\$0	100.00%
27	TOTAL OTHER OPERATING EXPENSES		\$6,326	\$6,326	\$0	
28	TAXES OTHER THAN INCOME					
29	Real & Personal Property Taxes		\$0	\$0	\$0	0.00%
30	TOTAL TAXES OTHER THAN INCOME		\$0	\$0	\$0	
31	TOTAL OPERATING EXPENSES		\$39,047	\$39,047	\$0	
32	Interest Expense	(3)	\$0	\$0	\$0	100.00%
33	Return on Equity	(3)	\$5,945	\$5,945	\$0	100.00%
34	Income Taxes	(3)	\$0	\$0	\$0	0.00%
35	TOTAL INTEREST RETURN & TAXES		\$5,945	\$5,945	\$0	
36	TOTAL COST OF SERVICE		\$44,992	\$44,992	\$0	
37	Less: Miscellaneous Revenues		\$0	\$0	\$0	0.00%
38	COST TO RECOVER IN RATES		\$44,992	\$44,992	\$0	
39	INCREMENTAL INCREASE IN RATE REVENUES		\$9,666			
40	PERCENTAGE OF INCREASE		27.36%			

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Design Schedule - Sewer

Line Number	<u>A</u> Description	<u>B</u> Account Number (Optional)	<u>C</u> Staff Annualized	<u>D</u> Customer Charge	<u>E</u> Commodity	<u>F</u> Percentage Rate
41	REQUESTED INCREASE IN REVENUES			\$8,187		

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

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate Base Required Return on Investment Schedule - Sewer

Line Number	<u>A</u> Rate Base Description	<u>B</u> Dollar Amount
1	Plant In Service	\$190,066 From Plant Schedule
2	Less Accumulated Depreciation Reserve	<u>\$71,093</u> From Depreciation Reserve Schedule
3	Net Plant In Service	\$118,973
4	Other Rate Base Items:	\$0
	Contribution in Aid of Construction Amortization (positive or zero)	\$22,444
	Contribution in Aid of Construction (negative or zero)	-\$53,348
5	Total Rate Base	<u>\$88,069</u>
6	Total Weighted Rate of Return Including Income Tax	<u>6.75%</u> From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	<u><u>\$5,945</u></u>

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Rate of Return Including Income Tax - Sewer

	A		B	formulas
1 State Income Tax Rate Statutory / Effective	0.00%	(2)	0.00%	(1 - (B2 x .5)) x A1
2 Federal Income Tax Rate Statutory / Effective	0.00%	(1) & (2)	<u>0.00%</u>	(1 - B1) x A2
3 Composite Effective Income Tax Rate			0.00%	B1 + B2
4 Equity Tax Factor			1.0000	1 / (1-B3)
5 Recommended Weighted Rate of Return on Equity - Common and Preferred			<u>6.75%</u>	From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax			6.75%	B4 x B5
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			<u>0.00%</u>	From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax			<u><u>6.75%</u></u>	B6+B7

To Rate Base Schedule

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

Equity Income Required \$5,945
 & Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	0.00%	\$5,945	\$0
\$50,001	\$75,000	0.00%	\$0	\$0
\$75,001	\$100,000	0.00%	\$0	\$0
\$100,001	\$335,000	0.00%	\$0	\$0
\$335,001	\$9,999,999,999	0.00%	\$0	\$0
			<u>\$5,945</u>	<u>\$0</u>
			Consolidated Tax Rate:	
			Average Tax Rate:	0

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Capital Structure Schedule - Sewer

Line Number	<u>A</u> Description	<u>B</u> Dollar Amount	<u>C</u> Percentage of Total Capital Structure	<u>D</u> Embedded Cost of Capital	<u>E</u> Weighted Cost of Capital
1	Common Stock	\$141,346	100.00%	6.75%	6.750%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$0	0.00%	0.00%	0.000%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	TOTAL CAPITALIZATION	<u>\$141,346</u>	<u>100.00%</u>		<u>6.750%</u>

To PreTax Return Rate Schedule

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Plant In Service - Sewer

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	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights	\$0			100.00%	\$0
8		TOTAL SOURCE OF SUPPLY PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
9		COLLECTION PLANT					
10	352.100	Collection Sewers - Force	\$48,591			100.00%	\$48,591
11	352.200	Collection Sewers - Gravity	\$7,708			100.00%	\$7,708
12	354.000	Services to Customers	\$4,115			100.00%	\$4,115
13		TOTAL COLLECTION PLANT	<u>\$60,414</u>		<u>\$0</u>		<u>\$60,414</u>
14		PUMPING PLANT					
15	362.000	Receiving Wells and Pump Pits	\$0			100.00%	\$0
16		TOTAL PUMPING PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
17		TREATMENT & DISPOSAL PLANT					
18	373.000	Treatment and Disposal Equipment	\$129,652			100.00%	\$129,652
19		TOTAL TREATMENT & DISPOSAL PLANT	<u>\$129,652</u>		<u>\$0</u>		<u>\$129,652</u>
20		GENERAL PLANT					
21	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
22	391.100	Office Computer Equipment	\$0			100.00%	\$0
23		TOTAL GENERAL PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
24		TOTAL PLANT IN SERVICE	<u><u>\$190,066</u></u>		<u><u>\$0</u></u>		<u><u>\$190,066</u></u>

To Rate Base & Depreciation Schedules

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Schedule of Adjustments for Plant in Service - Sewer

<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
Total Plant Adjustments				\$0

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Depreciation Expense - Sewer

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense	F Average Life	G Net Salvage
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0	0.00%	\$0	0	0.00%
3	302.000	Franchises	\$0	0.00%	\$0	0	0.00%
4	303.000	Miscellaneous Intangible Plant	\$0	0.00%	\$0	0	0.00%
5		TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>		
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights	\$0	0.00%	\$0	0	0.00%
8		TOTAL SOURCE OF SUPPLY PLANT	<u>\$0</u>		<u>\$0</u>		
9		COLLECTION PLANT					
10	352.100	Collection Sewers - Force	\$48,591	2.00%	\$972	50	0.00%
11	352.200	Collection Sewers - Gravity	\$7,708	2.00%	\$154	50	0.00%
12	354.000	Services to Customers	\$4,115	2.00%	\$82	50	0.00%
13		TOTAL COLLECTION PLANT	<u>\$60,414</u>		<u>\$1,208</u>		
14		PUMPING PLANT					
15	362.000	Receiving Wells and Pump Pits	\$0	4.00%	\$0	26	-5.00%
16		TOTAL PUMPING PLANT	<u>\$0</u>		<u>\$0</u>		
17		TREATMENT & DISPOSAL PLANT					
18	373.000	Treatment and Disposal Equipment	\$129,652	5.00%	\$6,483	22	-10.00%
19		TOTAL TREATMENT & DISPOSAL PLANT	<u>\$129,652</u>		<u>\$6,483</u>		
20		GENERAL PLANT					
21	391.000	Office Furniture & Equipment	\$0	5.00%	\$0	20	0.00%
22	391.100	Office Computer Equipment	\$0	14.30%	\$0	7	0.00%
23		TOTAL GENERAL PLANT	<u>\$0</u>		<u>\$0</u>		
24		Total Depreciation	<u><u>\$190,066</u></u>		<u><u>\$7,691</u></u>		

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

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Accumulated Depreciation Reserve - Sewer

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	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights	\$0			100.00%	\$0
8		TOTAL SOURCE OF SUPPLY PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
9		COLLECTION PLANT					
10	352.100	Collection Sewers - Force	\$8,958			100.00%	\$8,958
11	352.200	Collection Sewers - Gravity	\$1,451			100.00%	\$1,451
12	354.000	Services to Customers	\$158			100.00%	\$158
13		TOTAL COLLECTION PLANT	<u>\$10,567</u>		<u>\$0</u>		<u>\$10,567</u>
14		PUMPING PLANT					
15	362.000	Receiving Wells and Pump Pits	\$0			100.00%	\$0
16		TOTAL PUMPING PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
17		TREATMENT & DISPOSAL PLANT					
18	373.000	Treatment and Disposal Equipment	\$60,526			100.00%	\$60,526
19		TOTAL TREATMENT & DISPOSAL PLANT	<u>\$60,526</u>		<u>\$0</u>		<u>\$60,526</u>
20		GENERAL PLANT					
21	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
22	391.100	Office Computer Equipment	\$0			100.00%	\$0
23		TOTAL GENERAL PLANT	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
24		TOTAL DEPRECIATION RESERVE	<u><u>\$71,093</u></u>		<u><u>\$0</u></u>		<u><u>\$71,093</u></u>

To Rate Base Schedule

Branson Cedars Resort Utility Company LLC

WR-2018-0356

Test Year Ending 12/31/2017

Updated through 05/31/2018

Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<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
Total Reserve Adjustments				<u>\$0</u>

Branson Cedars Resort Utility Company LLC
 WR-2018-0356
 Test Year Ending 12/31/2017
 Updated through 05/31/2018
 Revenue Schedule - Sewer

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	\$37,907	Rev-2	-\$2,581	100.00%	\$35,326
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$0	100.00%	\$0
Rev-4		TOTAL ANNUALIZED REVENUES	\$37,907		-\$2,581		\$35,326

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Revenue Adjustment Schedule - Sewer

<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			-\$2,581
	1. To Annualize Rate Revenues		-\$2,581	
Rev-3	Miscellaneous Revenues			\$0
	1. To Annualize Miscellaneous Revenues		\$0	
Total Revenue Adjustments				-\$2,581

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Revenue Summary Schedule - Sewer

Line Number	A Description	Residential Monthly Flat Rate		Commercial Private Laundry Facilities	
		B Amount	C Amount	D Amount	E Amount
1	Customer Charge Revenues:				
2	Customer Number	54		0	
3	Bills Per Year	12		12	
4	Customer Bills Per year	648		0	
5	Current Customer Charge	<u>\$48.26</u>		<u>\$48.26</u>	
6	Annualized Customer Charge Revenues		\$31,272		\$0
7	Commodity Charge Revenues:				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Total Annualized Sewer Rate Revenues		<u>\$31,272</u>		<u>\$0</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).

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Revenue Summary Schedule - Sewer

Line Number	A Description	Commercial Model homes		Commercial Store	
		F Amount	G Amount	H Amount	I Amount
1	Customer Charge Revenues:				
2	Customer Number	2		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	24		12	
5	Current Customer Charge	<u>\$48.26</u>		<u>\$48.26</u>	
6	Annualized Customer Charge Revenues		\$1,158		\$579
7	Commodity Charge Revenues:				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Total Annualized Sewer Rate Revenues		<u>\$1,158</u>		<u>\$579</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).

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Revenue Summary Schedule - Sewer

Line Number	A Description	Commercial Outpost		Commercial Branson Cedars Sales Office	
		J Amount	K Amount	L Amount	M Amount
1	Customer Charge Revenues:				
2	Customer Number	1		1	
3	Bills Per Year	12		12	
4	Customer Bills Per year	12		12	
5	Current Customer Charge	<u>\$48.26</u>		<u>\$72.39</u>	
6	Annualized Customer Charge Revenues		\$579		\$869
7	Commodity Charge Revenues:				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Total Annualized Sewer Rate Revenues		<u>\$579</u>		<u>\$869</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).

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Revenue Summary Schedule - Sewer

Line Number	A Description	Commercial Pool/Bath		Total	
		N Amount	O Amount	P Amount	Q Amount
1	Customer Charge Revenues:				
2	Customer Number	1		60	
3	Bills Per Year	12			
4	Customer Bills Per year	12		720	
5	Current Customer Charge	<u>\$72.39</u>			
6	Annualized Customer Charge Revenues		\$869		\$35,326
7	Commodity Charge Revenues:				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		0	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0			
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>			
13	Block 1, Commodity Billing Units	0.00			
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>			
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Total Annualized Sewer Rate Revenues		<u>\$869</u>		<u>\$35,326</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).

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Miscellaneous Revenues Feeder - Sewer

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

Branson Cedars Resort Utility Company LLC
 WR-2018-0356
 Test Year Ending 12/31/2017
 Updated through 05/31/2018
 Expense Schedule - Sewer

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		Outside Services Employed	\$6,388	S-2	-\$2,028	100.00%	\$4,360
3		Electricity - Pumping Treatment	\$13,683	S-3	-\$7,496	100.00%	\$6,187
4		Chemicals	\$9,033	S-4	-\$57	100.00%	\$8,976
5		Sludge Removal	\$1,208	S-5	\$2,752	100.00%	\$3,960
6		TOTAL OPERATIONS EXPENSE	<u>\$30,312</u>		<u>-\$6,829</u>		<u>\$23,483</u>
7		MAINTENANCE EXPENSES					
8		Maintenance Salaries	\$0	S-8	\$2,471	100.00%	\$2,471
9		General Expense	\$1,848	S-9	-\$748	100.00%	\$1,100
10		Supplies Expense	\$1,362	S-10	-\$1,362	100.00%	\$0
11		Lab Fees	\$1,600	S-11	-\$558	100.00%	\$1,042
12		TOTAL MAINTENANCE EXPENSE	<u>\$4,810</u>		<u>-\$197</u>		<u>\$4,613</u>
13		CUSTOMER ACCOUNT EXPENSE					
14		Billing & Collections	\$0			100.00%	\$0
15		TOTAL CUSTOMER ACCOUNT EXPENSE	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
16		ADMINISTRATIVE & GENERAL EXPENSES					
17		Accounting/Office Staff Salaries	\$0	S-17	\$4,500	100.00%	\$4,500
18		Well Camera System	\$0			100.00%	\$0
19		Tax Preparation	\$125			100.00%	\$125
20		Property & Liability Insurance	\$0			100.00%	\$0
21		TOTAL ADMINISTRATIVE AND GENERAL	<u>\$125</u>		<u>\$4,500</u>		<u>\$4,625</u>
22		OTHER OPERATING EXPENSES					
23		MO DNR Fees	\$300			100.00%	\$300
24		PSC Assessment	\$228	S-24	\$93	100.00%	\$321
25		Rate Case Expense	\$4,303	S-25	-\$4,130	100.00%	\$173
26		Depreciation	\$0	S-26	\$5,532	100.00%	\$5,532
27		TOTAL OTHER OPERATING EXPENSES	<u>\$4,831</u>		<u>\$1,495</u>		<u>\$6,326</u>
28		TAXES OTHER THAN INCOME					
29		Real & Personal Property Taxes	\$0			100.00%	\$0
30		TOTAL TAXES OTHER THAN INCOME	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
31		TOTAL OPERATING EXPENSES	<u>\$40,078</u>		<u>-\$1,031</u>		<u>\$39,047</u>

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Expense Adjustment Schedule - Sewer

<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
S-2	Outside Services Employed			-\$2,028
	1. To update the annualized total.		-\$2,028	
S-3	Electricity - Pumping Treatment			-\$7,496
	1. To update the annualized total.		-\$7,496	
S-4	Chemicals			-\$57
	1. To update the annualized total.		-\$57	
S-5	Sludge Removal			\$2,752
	1. To update the annualized total.		\$2,752	
S-8	Maintenance Salaries			\$2,471
	1. To update the annualized total.		\$2,471	
S-9	General Expense			-\$748
	1. To update the annualized total.		-\$748	
S-10	Supplies Expense			-\$1,362
	1. To remove cost with no invoices.		-\$1,362	
S-11	Lab Fees			-\$558
	1. To update the annualized total.		-\$558	
S-17	Accounting/Office Staff Salaries			\$4,500
	1. To update the annualized total.		\$4,500	
S-24	PSC Assessment			\$93

Branson Cedars Resort Utility Company LLC
WR-2018-0356
Test Year Ending 12/31/2017
Updated through 05/31/2018
Expense Adjustment Schedule - Sewer

<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
	1. To update the annualized total.		\$93	
S-25	Rate Case Expense			-\$4,130
	1. To include only expenses related to WR-2018-0356.		-\$4,130	
S-26	Depreciation			\$5,532
	1. To Annualize Depreciation		\$7,691	
	2. CIAC Depreciation Offset.		-\$2,159	
Total Expense Adjustments				-\$1,031

Disposition Agreement Attachment E

Water Depreciation Rates

BRANSON CEDARS RESORT UTILITY COMPANY LLC
SCHEDULE of DEPRECIATION RATES
WATER SYSTEM DEPRECIATION RATES
WR-2018-0356 Attachment A

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
Source of Supply				
311	Structures & Improvements	2.5%	44	-10%
312	Collecting & Impoundment Reservoirs	2.0%	50	0%
313	Lake, River & Other Intakes	2.5%	40	0%
314	Wells & Springs	2.0%	55	-8%
316	Supply Mains	2.0%	50	0%
Pumping Plant				
321	Structures & Improvements	2.5%	44	-10%
325	Electric Pumping Equipment	10.0%	10	0%
325.1	Submersible Pumping Equipment	10.0%	12	-20%
325.2	High Service or Booster Pumping Equip.	6.7%	15	0%
325.3	Shaft-driven Pumping Equipment	5.0%	24	-20%
326	Diesel Pumping Equipment	2.7%	35	5%
328	Other Pumping Equipment	4.0%	25	0%
328.1	Gas Pumping Equipment	3.3%	29	5%
Water Treatment Plant				
331	Structures & Improvements	2.5%	44	-10%
332	Water Treatment Equipment	2.9%	35	0%
Transmission and Distribution				
341	Structures & Improvements	2.5%	44	-10%
342	Distribution Reservoirs & Standpipes	2.5%	42	-5%
343	Transmission & Distribution Mains	2.0%	50	0%
345	Customer Services	2.5%	40	0%
346	Customer Meters, Bronze (Calibrate)	3.3%	30	0%
346.1	Customer Meters, Plastic (Throw Aways)	10.0%	10	0%
347	Customer Meter Pits & Installation	2.5%	40	0%
348	Hydrants	2.0%	50	0%
General Plant				
390	Structures & Improvements	2.5%	44	-10%
391	Office Furniture & Equipment	5.0%	20	0%
391.1	Office Electronic & Computer Equip.	14.3%	7	0%
392	Transportation Equipment	13.0%	7	9%
393	Stores Equipment	4.0%	25	0%
394	Tools, Shop, Garage Equipment	5.0%	18	10%
395	Laboratory Equipment	5.0%	20	0%
396	Power Operated Equipment	6.7%	13	13%
397	Communication Equipment	6.7%	15	0%

Disposition Agreement Attachment F

Sewer Depreciation Rates

BRANSON CEDARS RESORT UTILITY COMPANY LLC

SCHEDULE of DEPRECIATION RATES SEWER SYSTEM DEPRECIATION RATES

WR-2018-0356 Attachment A

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>DEPRECIATION RATE</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>	<u>NET SALVAGE</u>
COLLECTION PLANT				
351	Structures & Improvements	4.0%	27.5	-10%
352.1	Collection Sewers (Force)	2.0%	50	0%
352.2	Collection Sewers (Gravity)	2.0%	50	0%
353	Services (A & B)	2.0%	50	0%
354	Flow Measurement Devices	3.3%	30	0%
PUMPING PLANT				
361	Structures & Improvements	4.0%	27.5	-10%
362	Receiving Wells	4.0%	26	-5%
363	Electric Pumping Equipment	10.0%	10	0%
TREATMENT & DISPOSAL PLANT				
372	Oxidation Lagoons	4.0%	40	-60%
373	Treatment & Disposal Facilities	5.0%	22	-10%
374	Plant Sewers	2.5%	40	0%
375	Outfall Sewer Lines	2.0%	50	0%
GENERAL PLANT				
390	Structures & Improvements	2.5%	44	-10%
391	Office Furniture & Equipment	5.0%	20	0%
391.1	Office Electronic & Computer Equip.	14.3%	7	0%
392	Transportation Equipment	13.0%	7	9%
393	Stores Equipment	4.0%	25	0%
394	Tools, Shop, and Garage Equipment	5.0%	18	10%
395	Laboratory Equipment	5.0%	20	0%
396	Power Operated Equipment	6.7%	13	13%
397	Communication Equipment	6.7%	15	0%

Disposition Agreement Attachment G

Water Billing Comparison

Branson Cedars Resort Water

Residential Customer Bill Comparison-Water

Rates				
Customer	Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate*	Proposed Usage Rate*
Residential	\$ 56.29	\$ 61.99	-	\$ 3.04

*Per 1,000 Gallons

MONTHLY BILL COMPARISON

5/8" Meter Monthly Billing	
Current Rates	
Customer Charge	\$ 56.29
Usage Charge	\$ -
Total Bill	\$ 56.29
Proposed Rates	
Customer Charge	\$ 61.99
Usage Charge	\$ 6.08
Total Bill	\$ 68.07
INCREASES	
Customer Charge	
\$ Increase	\$5.70
% Increase	10.12%
Usage Charge	
\$ Increase	\$6.08
% Increase	0.00%
Total Bill	
\$ Increase	\$11.78
% Increase	20.93%

Disposition Agreement Attachment H

Sewer Billing Comparison

Branson Cedars Resort Sewer

Residential Customer Bill Comparison-Water

Rates					
Customer	Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate*	Proposed Usage Rate*	
Residential	\$ 48.26	\$ 61.97	-	-	

*Per 1,000 Gallons

MONTHLY BILL COMPARISON

5/8" Meter Monthly Billing	
Current Rates	
Customer Charge	\$ 48.26
Usage Charge	\$ -
Total Bill	\$ 48.26
Proposed Rates	
Customer Charge	\$ 61.97
Usage Charge	\$ -
Total Bill	\$ 61.97
INCREASES	
Customer Charge	
\$ Increase	\$13.71
% Increase	28.41%
Usage Charge	
\$ Increase	\$0.00
% Increase	0.00%
Total Bill	
\$ Increase	\$13.71
% Increase	28.41%

Disposition Agreement Attachment I

Example Water Tariff

Name of Utility: Branson Cedars Resort Utility Company LLC

Service Area: Missouri Service Areas

Rules and Regulations Governing Rendering of Water Service	
Schedule of Rates	
Residential — Metered rate	\$61.99
Commercial — Metered rate	
Class 1.0	\$61.99
Class 1.5	\$123.97
Class 4.0	\$247.95
Specific Commercial Customer Classifications as of the effective date of this tariff:	
Model Homes (two)	1.00
Branson Cedars Landscape Store	1.00
Branson Cedars Shop Building	1.00
Outpost	1.00
Branson Cedars Sales Office	1.00
Pool/bath	2.00
Pond fill by gravity	4.00
Commodity Charge	\$3.04 per 1,000 gallons
<p>* Indicates new rate or text</p> <p>+ Indicates change</p>	

Issue Date:

Month /DayNear

Effective Date:

Month /DayNear

ISSUED BY Michael Hyams, Chief Operating Officer and Partner – 769 State Highway 86- Ridgedale, MO 65739
 Name and Title of Issuing Officer Mailing Address

Disposition Agreement Attachment J

Example Sewer Tariff

Disposition Agreement Attachment K

Staff Disposition Report

MISSOURI PUBLIC SERVICE COMMISSION

STAFF DISPOSITION REPORT

CASE NO. WR-2018-0356

October 24, 2018

**AUDITING DEPARTMENT
SETTLEMENT
REVIEW AND AUDIT**

Background

On May 31, 2018, Branson Cedars Resort Utility Company LLC (BCRU or Company) filed for a general increase to its water rates under the Commission's Staff Assisted Rate Case Procedure, 4 CSR 240-10.075. BCRU later filed an amended request on July 17, 2018 to include its sewer operations within the rate increase request.

The Company's water and sewer treatment plant is located in Taney County, Missouri. BCRU serves 64 water units and 60 sewer units within its certificated service area. BCRU's current water and sewer rates became effective on November 1, 2015, in Case No. WA-2015-0049. During that Certificates of Convenience and Necessity (CCN) case, Staff recommended that BCRU keep financial books and records for plant-in-service and operating expenses in accordance with the NARUC Water and Sewer Uniform System of Accounts. However, BCRU is not currently maintaining its books and records in accordance with the Missouri Public Service Commission's (MoPSC) recommendation.

The Company, in its current Application to the Commission, requested an increase of \$40,932.92 in its annual water system operating revenues and \$8,186.58 in its annual sewer system operating revenues.

The Company has cited the following reasons for the requested increase in the annual operating revenues for water and sewer service: (1) expected increases in water and sewer utility plant investment; (2) unforeseen costs due to equipment system failures; (3) increases in labor associated with the continued operation of the system; and (4) increases in overall operation and maintenance expenses.

The Auditing Department Staff (Audit Staff) reviewed the books and records of the Company from January 2015 through May 2018. The Audit Staff's activities in this case provide a reasonable basis for the recommendation presented in this Report. Based upon the examination of the Company's activities, the Audit Staff's cost of service calculation reflects the need for rate increases in the amount of \$7,368 for water and \$9,666 for sewer. It is the Audit Staff's opinion that these revenue requirement recommendations are reasonable given the current operating environment of the Company and the information provided in the audit.

Test Year and Update Period

The test year for this case is 12-months ending December 31, 2017, updated for known and measurable changes through May 31, 2018.

Rate of Return and Capital Structure

The Commission's Financial Analysis Unit provided the Audit Staff with a preliminary rate of return recommendation. Staff's Financial Analysis Department recommends a 6.750% rate of return, based on a hypothetical capital structure consisting of 100% debt and 0% equity, with a 6.75% cost of debt.

Rate Base

Staff included in its cost of service all capital improvements completed by the Company and in service as of August 14, 2018. BCRU's net rate base is approximately \$141,346 (water \$53,277 and sewer \$88,069). Staff's Engineering Analysis Department sponsored the adjustments to plant in service balances, depreciation reserve, contribution in aid of construction (CIAC) and depreciation expenses resulting from plant additions and retirements.

Staff used information available to determine plant and depreciation reserve balances. Staff acknowledges that there may be some documentation that was not received for improvements made on or before the August 14, 2018 cut-off date. If Staff receives this documentation showing additional plant improvements and the costs associated with such, Staff will perform updates to the adjustments made to plant and depreciation reserve to properly account for book value of existing plant.

Depreciation

Staff's Engineering Analysis Department reviewed existing depreciation rates in conjunction with plant and depreciation reserve balances. Staff is proposing no change to currently ordered depreciation rates.

Revenues

The Audit Staff annualized water and sewer revenue by applying the rates as contained in the Company's current effective tariff (WA-2015-0049 and YW-2016-0096) to the number of units as of May 31, 2018. Water and sewer revenues (for non-seasonal customers) were annualized based upon the current monthly flat tariff rate for residential and commercial customers. The commercial monthly flat rate was applied to the specific customer classifications. Big Cedar Landscape is the only metered water customer at BCRU.

BCRU has four seasonal commercial water customers: Branson Cedars landscape, Pool/bath, Pond fill by gravity and Big Cedar landscape. Branson Cedars landscape, Pool/bath, and Pond fill by gravity is used 5 months of the year and Big Cedar landscape is used 7 months of the year. Staff included a monthly flat rate for the customers for the time in service but also included a trip charge to turn on and turn off the service.

Operating Expenses

Service Contract Expense

BCRU has a contract with Ozarks Environmental Services (OES) (prior name White River Valley Environmental Services) to operate and maintain the water and sewer systems. The contract started on October 22, 2010 through October 31, 2012, and automatically renewed every thirty (30) days thereafter unless a party gave prior notification. BCRU has entered into a new operating agreement with OES starting September 1, 2018 through September 30, 2020 that can automatically be renewed every thirty (30) days thereafter unless either party gives prior notification. The contract starting September 1, 2018 was signed on August 23, 2018. Staff used the contract starting September 1, 2018 to annualize the expenses for OES.

BCRU will pay OES a base fee of \$1,125 per month (annualized \$13,500) for operation and maintenance, which includes up to 15 hours per month of operator labor. Staff included an annualized level of base fee expense in BCRU's cost of service.

Staff annualized the OES costs that are not included in the base service fees, for example: operator time spent traveling to or working at the utility's water and sewer systems in excess of 15 hours per month; and any parts, chemicals, consumable supplies, outside contractor services, outside laboratory services, electricity, propane or other miscellaneous expense items.

Staff reviewed the invoices from OES from January 2015 through May 2018 to analyze the hours over contract. The previous contract indicated that anything in excess of 12 hours per month will be billed at the operator labor rate but this increased to 15 hours per month in the new contract. Staff took the overall hours by invoice and subtracted 15 to come up with the new hours over from January 2015 through May 2018. Staff determined the hours over contract allocation between water and sewer by using the test year (12-months ending December 31, 2017) actual hours between water and sewer. Staff took that percentage then applied it to the hours over contract using a 29-month average to calculate an annualized total. Staff did not include the service calls from 2015 in the annualized total, since service calls are not used after 2015. Staff used a 29-month average for the cost associated with the water problem calls (January 2016 through May 2018).

Lab Work and Chemical Expense

Staff reviewed OES invoices for lab work and chemicals from January 1, 2015 to May 31, 2018. Staff used the 12-months ending May 31, 2018 to annualize lab work expense. Staff used the test year period (12 months ending December 31, 2017) to annualize chemical expenses, except costs associated with lime. The Company uses lime only on an as needed basis. Therefore, Staff used a 29-month average (January 1, 2016 – May 31, 2018) to determine an annualized total for lime expense.

General Expense

Staff reviewed OES invoices from January 1, 2015 to May 31, 2018. Staff included parts, repairs or improvements (not hourly rates), and miscellaneous expense charged to the general expense account. Staff used a 41-month average for miscellaneous expense and parts. However, BCRU did not accumulate any repairs expense for 2015 so Staff used a 29-month average instead of a 41-month average.

Sludge Expense

After discussions with Mr. Michael Hyams, Chief Operating Officer of the Company, the Company has moved to a monthly sludge hauling process with OES. This is due to more units being added causing the limit on the septic to reach its maximum level more quickly. Staff has annualized the sludge expense based on this monthly sludge hauling approach. The sludge hauling annualized total is \$3,960.

Payroll

BCRU does not have direct employees; instead, they are hired through Tranquility Group, LLC. (Tranquility Group). Tranquility Group owns Branson Cedars Resort. Tranquility Group has six employees that manage BCRU. The employees include the Chief Operating Officer, Michael Hyams, the Chief Executive Officer, Patsy O’Kieffe, the Comptroller, Laurie Turner, and the three maintenance staff. The employees do not complete timesheets at this time.

Staff used the Company’s response to Staff Data Request No.14 to determine a base salary for employees:

Data Request No. 14: Please provide copies of time sheets, by employees and officer (both hourly and salary) from January 1, 2015 through May 31, 2018, on a monthly basis.

Response from BCRU: “We calculated that our Tranquility Group, LLC maintenance staff use about 12 hours per week between 3 people at \$12 per hour to maintain the three water & sewer locations, plus the distribution lines as well as dealing with the

individual S.T.E.P systems at the cabins. Patsy and I (Michael) estimated around \$500 per month for each of us on the management of the utility and Laurie our accounting department does about \$250 per month as well processing and dealing with customers.

Staff divided Ms. Turner's hourly rate by the estimated yearly salary (\$3,000) to determine if her monthly estimated hours were reasonable. Based on Staff's calculation, Ms. Turner works approximately 13 hours a month on BCRU. Staff has determined this to be reasonable. Staff also determined that the payroll rate was reasonable for the three maintenance staff assuming estimated hours. Due to lack of documentation (timesheets) and job descriptions for Ms. O'Kieffe and Mr. Hyams, Staff could not verify the amount of time they work for BCRU. Therefore, in Staff's opinion \$250 each per month is reasonable at this time for these employees. Staff's annualized level for payroll is \$16,488.

PSC Assessment

Staff reflected the most current Missouri Public Service Commission Assessment for the fiscal year 2019.

Well Camera System Expense

Staff used the current annualized level as of May 31, 2018 for well camera system expense in its cost of service.

Electricity Expense

BCRU receives its electric services through White River Valley Electric Cooperative. The Audit Staff analyzed BCRU's usage for a three-year period beginning June 2015 to determine if there was a trend in usage going upward or downward. If there was a trend in a particular account, Staff used the most current 12 months of usage. If there was no discernable trend, Staff used a 3-year average. Then Staff multiplied the current energy charge per Kilowatt per hour (kWh) by the normalized usage and any other additional charges (100 Watt charge). Staff also included state tax and county tax in the annualized total of electricity expense.

Rate Case Expense

Staff included the actual costs incurred by BCRU for rate case expense as of August 20, 2018, directly relating to this case (Case No. WR-2018-0356). Staff will continue to update these costs throughout the course of the case. Staff is proposing to amortize this cost over a three-year (3-year) period. The amortized amount of rate case expense included in Staff's revenue requirement of \$346 (for water \$173 and sewer \$173).

Items Not Adjusted

The Audit Staff did not adjust the test year levels for Department of Natural Resources fees and tax preparation.

Recommendations

1. Timesheets must be utilized for all employees to record work assignments and the time associated with each work assignment, function, and for each system. Time documentation will help track each employee's time spent on the water or sewer system, and aids in the development of outside services. Timesheet information should be maintained in sufficient detail to capture the amount of time each employee spends on operation/maintenance activities, as opposed to construction activities.
2. Job descriptions must be utilized for all employees working for BCRU.
3. BCRU should maintain its books and records in accordance with the Commission's adopted versions of the NARUC USOA. The MoPSC has adopted the 1973 version of the water NARUC USOA and the 1977 version of the sewer NARUC USOA.
4. BCRU should be required to utilize and apply water and sewer depreciation rates.

CUSTOMER EXPERIENCE DEPARTMENT

The purpose of the Customer Experience Department (“CXD”) is to investigate and make recommendations to the Commission on issues related to the customer experience and customer expectations which include promoting and encouraging efficient and effective utility management and customer service. These objectives contribute to the Commission’s overall mission to ensure that Missourians receive safe and reliable utility service at just and reasonable rates.

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

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

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

The CXD Staff examined Branson Cedars’ tariffs, annual reports, Commission complaint and inquiry records, and other documentation related to Branson Cedars’ customer service and business operations. In preparation of this report, the CXD Staff submitted initial data requests to Branson Cedars on June 20, 2018, and conducted a phone interview on July 19, 2018, with Branson Cedars. A local public hearing was held on July 24, 2018, and was attended by Staff.

History

During the course of the Certificate of Convenience and Necessity (CCN) Case No.WA-2015-0049, CXD Staff worked with Branson Cedars personnel to familiarize them with some of the rules they would need to comply with in the area of customer service. Specifically, the Staff and Branson Cedars discussed 4 CSR 240-13 (Chapter 13) which addresses service and billing practices for residential customers of regulated water and sewer companies. These rules define a number of criteria and guidelines for areas such as billing requirements, credit and collection activities, and customer communication efforts.

Overview

The Branson Cedars business office is located at 769 State Highway 86, Ridgedale, Missouri 65739. This is also the location of the Branson Cedars Resort business office. Its hours of operation are from 9:00 a.m. to 5:00 p.m., Monday through Friday. All operations of Branson Cedars are performed by the employees of the Tranquility Group LLC (Tranquility). Tranquility is the entity that owns and operates the Branson Cedars Resort. The owners of the business perform the administrative activities associated with Branson Cedars. The bookkeeper for the resort also does the billing and customer payment posting functions for Branson Cedars. The business office is staffed by an employee of Tranquility, who can access customer billing information and address billing inquiries or access field operations employees. Four individuals who conduct maintenance on the resort properties also maintain the utility system and respond to operations problems. Trucks and other equipment owned by Tranquility and used for the resort are also used for utility operations. If specialized services such as plumbing are needed, the resort utilizes a local plumbing company. After hours calls in the evening and on weekends are transferred to one of the owners, who can dispatch personnel for emergency repairs. Branson Cedars states its personnel are available 24/7 by telephone.

The employees of Tranquility do not maintain time sheets recording the amount of time actually spent on Branson Cedars matters. In addition, the amount of time equipment and vehicles are used for utility operations is not tracked.

The majority of the cabins within the Branson Cedars Resort are owned by various parties for personal use or as rentals and are not occupied on a consistent basis. The owners have responsibility for paying for the utility services provided. Branson Cedars bills the individual owner with a separate billing statement for each unit. Some customers own a number of individual units and will receive multiple billing statements. At this time, Branson Cedars has 17 individual customers that own 54 units. Most of the units do not have meters and therefore are billed at a flat rate per the tariff.

Customer Billing

Branson Cedars generates all customer billing statements in-house at the Ridgedale office utilizing Microsoft Office and Quickbooks. Billing statements are generated on the last day of the month or the first day of the next month. Branson Cedars charges a flat rate total monthly fee of \$104.55 for water and sewer services. County and state taxes are also applied. Billing statements are mailed, emailed, or provided in both formats. The majority of customers request email, with only one customer asking for their statement to be mailed. Six other customers ask for their billing statement to be provided by both email and by the mail. Branson Cedars personnel assert that all billing statements are due 21 days after mailing.

The billing statement contains separate line entries for the water charges and taxes as well as the sewer charges and taxes. The service address, billing period and the due date are also noted. The billing statement also includes a phone number by which customers can reach Branson Cedars for inquiries or for emergencies. After hours and on weekends, the number is forwarded to one of the owners who will dispatch operations maintenance personnel or contact the plumbing contractor. Customer data is backed up weekly but is not stored off-site.

Payment Remittance

Customer payment options include cash, checks, credit cards, money orders, and electronic bank drafts. Most Branson Cedar customers pay their balance due via check. Three customers use electronic bank drafts and one customer utilizes a credit card. Company personnel assert that payments are processed and recorded on the day they are received. Bank deposits are made at least once a week and sometimes more frequently.

Credit and Collections

Customers requesting water or sewer service are required to complete a written application. Branson Cedars does not collect a deposit for service from its customers.

Branson Cedars indicates that it does not have any delinquent accounts and has not had to perform any discontinuances of service due to nonpayment. If a customer's balance due is not paid on time, Branson Cedars personnel will contact them either via phone or email to alert them they have not received payment. Branson Cedars asserted that this occurs very seldom and the balance due is promptly paid after the contact is made.

Although Branson Cedars has not pursued collection actions on any of its customers, it has developed a process to pursue a delinquent account or discontinuance of service. They do allow the customer 21 days to pay their balance due. Accounts that remain unpaid after a contact by Branson Cedars would receive a registered letter alerting the customer of the delinquent balance due and that a disconnection of service could occur ten days later. An additional notice would be

sent after that. Branson Cedars has not had any delinquencies nor had to disconnect any customers for nonpayment.

Complaints and Inquiries

Customers with questions or concerns may call Branson Cedars using the telephone number that appears on their billing statement. Office personnel respond to most calls, and operations personnel may also become involved in certain situations. A review of the Commission's complaint/inquiry records in the Electronic Filing and Information Service (EFIS) demonstrated no complaints received at the Commission for years 2016, 2017 and year-to-date 2018. Branson Cedars maintains a log of customer inquiries and complaints registered with the utility and have maintained this information since its CCN case in 2015.

Customer Communication

A Branson Cedars brochure regarding rights and responsibilities, which is required by Commission Rule 4 CSR 240-13.040, is provided to new customers and displayed at the office.

Findings and Conclusions and Recommendations

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

- Time Records
- Vehicle and Equipment Records
- Storage Off-site

Time Records

Time records associated with the completion of work activity for Branson Cedars are not kept by the employees of Tranquility. While these employees utilized some tracking of time for a limited time period, the continuation of actual time reporting can provide many benefits. Time records provide a record of the actual amount of employee resources necessary to complete work required to operate the regulated utility, Branson Cedars. It is also useful in the regulatory process to support the pay and benefits that regulated utilities are allowed to recover in customer rates. Time reporting should be utilized by all individuals involved in the operation of Branson Cedars and provide sufficient detail to determine the type of activity performed.

Vehicle and Equipment Records

Branson Cedars does not maintain records or logs indicating the use of vehicles or equipment owned by the resort utilized for utility operations. While it may not be cost-effective for

Branson Cedars to own and maintain its own equipment, it is important to track the use of equipment owned by other entities, such as the Tranquility Group. Equipment and vehicles represent a cost that should be tracked as it is a cost of providing service. Logs also provide data to determine if it is more cost-effective to buy or lease items used in the operation of business.

Storage Off-Site

Branson Cedars does not maintain a backup of customer information at an off-site location. Customer data should be protected and preserved by maintaining a backup at a location other than the Branson Cedars office.

Recommendations

1. Develop and maintain time records to record the time spent on work assignments related to the operation of the regulated utility company. This recommendation should be completed within thirty (30) days of the Commission order in Case No. WR-2018-0356.
2. Develop and maintain records or logs indicating the use of vehicles or equipment used to provide service or repairs to utility operations. This recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in Case No. WR-2018-0356.
3. Develop and utilize an off-site method of backup for customer data to ensure it is protected and preserved. This recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in Case No. WR-2018-0356.
4. Provide notice to Staff when the aforementioned recommendations have been implemented.

WATER / SEWER INSPECTION

Introduction

Branson Cedars Resort Utility Resort Company LLC (Company) is a regulated public water and sewer utility that received Certificates of Convenience and Necessity (CCN) from the Missouri Public Service Commission (Commission) on September 5, 2015. The Company's current water and sewer tariffs became effective November 1, 2015. The Company's water and sewer systems serve the Branson Cedars Resort development (development) in an unincorporated area of Taney County, south of the city of Hollister. The development consists of rental cabins, some of which are owned by individuals and some of which are owned by The Tranquility Group, LLC d/b/a Branson Cedars Resort (Tranquility). The development currently includes 48 rental cabins owned by individuals and four (4) owned by Tranquility, and twelve (12) commercial customers. Tranquility intends to construct and own all future residential cabin units.

The Commission's Water and Sewer Department Staff (Staff) performed an inspection of the water and sewer system on September 21, 2017. Since the last inspection, Staff has been in contact with the company several times and no major improvements have been made to the system since the last inspection. Observations and suggested improvements are listed below.

Operations

White River Valley Environmental Services, LLC (White River) is a contract operator hired by the Company to check the wells, operate the waste water treatment plant, perform testing to both, and make adjustments as needed. The gallons of water pumped and electric meter readings are recorded in a notebook that is kept in the well-house.

Upon reviewing the DNR permit and property records, it was noted that Tranquility Group LLC, the resort owner and operator, owns the wells and the waste water treatment facility. BCRU holds the Certificate of Convenience and Necessity to own, operate, maintain, control and manage the utility services for this service area. In WA-2015-0049, Tranquility Group, LLC filed an Amended Application for a CCN, wherein the amended application, it sought to make BCRU the regulated utility, and not Tranquility Group, LLC. See, WA-2015-0049, EFIS Item No. 1 "Application" and EFIS Item No. 8, "First Amended Application." As such, BCRU needs legal access to the water wells and waste water treatment facility through either a transfer of assets from Tranquility to BCRU or through a contract between Tranquility and BCRU that grants BCRU legal access to the systems.

Facilities

Sewer

The current sewer system consists of a recirculating sand filter treatment facility (RSF), with duplex pumps, a three chambered recirculation tank at the front of the plant to settle additional solids preventing clogging of downstream pipes and filter media. A percentage of the wastewater flows back from the sand filters to the recirculation tank, for additional biological treatment. The remaining percentage receives chemical addition for phosphorus removal, tertiary clarification and filtration, and ultraviolet disinfection. The water is then discharged to a receiving stream. The design flow is 9,600 gallons per day (gpd). The average flow is about 3,600 gpd. Actual daily flow is variable, because the resort is populated only on a part-time basis. The facility likely operates at close to its capacity on busy weekends and holidays when the resort is populated with renters. The collection system consists of gravity and pressure collecting sewers utilizing septic tank effluent pump (STEP) units. Effluent from each of the cabins first flows to a septic tank with a filter for partial sewage treatment and where most solids are retained, and the septic tank effluent is then pumped into the pressure collection system. Individual cabin owners own the septic tanks and pumps on their lots.

The Company's latest operating permit from the Missouri Department of Natural Resources (DNR) was renewed and became effective July 1, 2017. The Company is currently monitoring for ammonia in compliance with DNR regulations. The current permit will expire on March 31, 2019. As a long-term plan for sewage treatment, the Company intends to replace the RSF by construction of a lift station and force main that will connect to a sewer owned by the city of Hollister. Hollister would then take the wastewater and provide treatment wholesale with a charge that is based on the volume of wastewater received from the Company. This connection had been expected to be completed in 2017 but the city of Hollister has not extended any sewers and arrangements have not been finalized. The Company's proposal to pump wastewater to the city of Hollister is a more economical alternative for the Company and the customers, rather than upgrading the facility when new ammonia limits are introduced and when additional capacity is needed for future customer growth.

The facility appeared to be in good condition. The media beds were clear of any vegetation. The liner, designed to prevent wastewater from leaching into the soil and potentially into the water table, appeared to be in good condition. The Company is required by the requirements of its discharge permit issued by the Missouri Department of Natural Resources (DNR) to disinfect year-round because of the characteristics of the receiving stream. Disinfection is accomplished using ultraviolet (UV) lights rather than chlorinating and dechlorinating. At the time of Staff's inspection there was just a trickle coming out of the outfall pipe. There were not many vacationers in the resort area during the time of Staff's inspection so it was not expected that much water was being used.

Water

The drinking water system includes two wells with separate distribution systems. The two systems are interconnected, but normally operated separately by closing a valve. The valve can be opened to allow water from one system into the other if that becomes necessary.

Well #1 was drilled in 1986 to a depth of 1,007 feet. The submersible pump, which pumps approximately 100 gallons per minute, is a 10 horsepower (hp) and is set approximately 600 feet deep. The water is disinfected using hypochlorination injected at the well head and then pumped to a 20,000 gallon standpipe.

Well #2, drilled in 1985, utilizes a 30 hp submersible pump, includes two 10,000 gallon storage tanks, chlorine disinfection, and two high service pumps that pump from the tanks to the distribution system. This well has a master meter to determine how many gallons are being pumped.

Well #2 serves the sales center, pool, water features (ponds and landscaping), and provides irrigation water at this time. At the time of Staff's inspection, customers did not have meters installed. Without operating meters, the Company is unable to determine customer usage. According to the Stipulation and Agreement approved by the Commission in case WA-2015-0049, the Company was to install meters on the commercial locations within six months of the effective date of the order approving the CCN. Furthermore, according to the tariff, Rule 11 A, "All new service connections shall be metered." When Staff last spoke with the Company the meters had not been installed.

In a previous DNR inspection, DNR recommended that backflow prevention devices be installed at least for the pool, water features, and irrigation system located at some of the commercial areas, as per DNR's backflow rules, found at 10 CSR 60-11. These are safety precautions to protect the system from contamination. The current maintenance manager was not aware if the backflow prevention devices had been installed.

Rate Design/Tariff Sheets

Staff also reviewed the Company's current rate design in its investigation. The current rate structure consists of a flat monthly rate. At the local public hearing, there was discussion that some property owners would rather have a metered rate versus a flat rate. Generally, Staff agrees that a metered rate is superior to a flat rate. Staff reviewed BCRU's water operations and determined that a customer charge and a commodity charge is appropriate for all customers that have meters installed and future customers that will have meters installed.

Recommendations

1. Tranquility should transfer the physical assets of drinking water system and waste water treatment facility to BCRU, or Tranquility should provide BRCU legal access to the drinking water system and waste water treatment facility through contract that provides for right to successors and assignees.
2. Staff recommends that if there are not backflow prevention devices as noted by DNR, then the Company should implement a backflow prevention program as required by the DNR backflow rules, and require the appropriate customers to install backflow prevention devices. The Company's backflow prevention program would also monitor the customers' annual documented testing, also as required by the DNR backflow rules.
3. Staff recommends that BCRU begin implementing a meter installation program. Staff recommends that BCRU install at least 12 meters per year on existing premises, as well as continue to install meters on any new construction.

Disposition Agreement Attachment L

Summary of Case Events

Branson Cedars Resort
Case #WR-2018-0356
Summary of Case Events

Date Filed:	May 31, 2018
Day 150:	October 29, 2018
Extension?	No
Amount Requested Water:	\$40,933
Amount Agreed Upon Water:	\$7,368
Amount Requested Sewer:	\$8,187
Amount Agreed Upon Sewer:	\$9,666
Item(s) Driving Rate Increase:	The current rates have been active and unchanged since the CCN case in 2015.
Number of Customers:	64 water customers 60 sewer customers
Return on Equity:	0.000%
Rate of Return:	6.750%
Assessment Current:	Yes
Annual Reports Filed:	Yes
Other Open Cases before Commission:	No
Status with Secretary of State:	Good Standing
DNR Violations:	No
Significant Service/Quality Issues:	None