

Exhibit No.:  
Issues: Customer Refunds  
Witness: James A. Busch  
Sponsoring Party: MO PSC Staff  
Type of Exhibit: Surrebuttal Testimony  
Case No.: SR-2013-0016  
Date Testimony Prepared: April 29, 2013

**MISSOURI PUBLIC SERVICE COMMISSION**

**REGULATORY REVIEW DIVISION**

**SURREBUTTAL TESTIMONY**

**OF**

**JAMES A. BUSCH**

**EMERALD POINTE UTILITY COMPANY**

**CASE NO. SR-2013-0016**

*Jefferson City, Missouri*  
*April 2013*

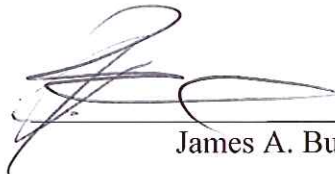
**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Request for an )  
Increase in Sewer Operating Revenues of ) Case No.: SR-2013-0016  
Emerald Pointe Utility Company )

**AFFIDAVIT OF JAMES A. BUSCH**

**STATE OF MISSOURI** )  
) ss  
**COUNTY OF COLE** )

James A. Busch, of lawful age, on his oath states: that he has participated in the preparation of the following Surrebuttal Testimony in question and answer form, consisting of 7 pages of Surrebuttal Testimony to be presented in the above case, that the answers in the following Surrebuttal Testimony were given by him; that he has knowledge of the matters set forth in such answers; and that such matters are true to the best of his knowledge and belief.

  
\_\_\_\_\_ James A. Busch

Subscribed and sworn to before me this 29<sup>th</sup> day of April, 2013.

LAURA BLOCH  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: June 21, 2015  
Commission Number: 11203914

  
\_\_\_\_\_ Notary Public

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**OF**

**JAMES A. BUSCH**

**EMERALD POINTE UTILITY COMPANY**

**CASE NO. SR-2013-0016**

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**SURREBUTTAL TESTIMONY**

**OF**

**JAMES A. BUSCH**

**EMERALD POINTE UTILITY COMPANY**

**CASE NO. SR-2013-0016**

13 Q. Please state your name and business address.

14 A. My name is James A. Busch and my business address is P. O. Box 360,  
15 Jefferson City, Missouri 65102.

16 Q. Are you the same James A. Busch who filed direct testimony in this  
17 proceeding?

18 A. Yes I am.

19 Q. What is the purpose of your surrebuttal testimony?

20 A. The purpose of my surrebuttal testimony is to respond to testimony filed on  
21 behalf of Emerald Pointe Utility Company (Emerald Pointe or Company) witnesses Mr. Gary  
22 W. Snadon and Mr. Dale Johansen.

**I. Executive Summary**

23 Q. Please summarize your surrebuttal testimony.

24 A. In my surrebuttal testimony, I briefly discuss Mr. Johansen's change in the  
25 manner in which the Company proposes to treat the sewage treatment expense from the City  
26 of Hollister and I provide further support for Staff's position regarding the Company's over-  
27 collection of sewer commodity charges.

1 **II. Hollister Sewage Treatment Expense**

2 Q. On pages 3 and 4 of his direct testimony, Mr. Johansen acknowledges that  
3 Staff used appropriate volumes in calculating sewage treatment expense as originally  
4 proposed by the Company. However, the Company now states that it is fearful of large  
5 understatement of this expense due to January's wholesale treatment bill from the City of  
6 Hollister. Does Staff agree with this last minute change?

7 A. No.

8 Q. Why?

9 A. After months of negotiating with the Company regarding this issue, Staff  
10 finally agreed with a level of expense equal to the Company's original proposal. Now, at the  
11 eleventh hour, based on one billing month outside the current test year, the Company is trying  
12 to increase the amount of this expense. There is no justification for the Company's position  
13 that a 20% increase in volumes is an appropriate amount or that there is even an ongoing  
14 issue. This could have been a one-month anomaly and is not proper to include in rates at this  
15 time, especially since this is outside the current test year for this proceeding. The Company  
16 always has the right to request another rate increase to address changes in costs outside of the  
17 current test year to make up for any potential shortfall.

18 **III. Emerald Pointe's Sewer Commodity Overcharges**

19 Q. On page 6 of Mr. Johansen's testimony and starting on page 5 of Mr. Snadon's  
20 testimony, they both discuss correspondence between Staff and the Company that Mr.  
21 Johansen found through a "work file" and Mr. Snadon says the Company received from Staff.  
22 Do you have any comment regarding the work file and correspondence?

1           A.     Yes. Mr. Johansen reviewed the work file that Staff has concerning Emerald  
2     Pointe's previous rate case in 2000. Staff has reviewed that file as well and has also reviewed  
3     the correspondence mentioned in Mr. Snadon's testimony. Staff confirms that the  
4     information Mr. Johansen and Mr. Snadon discuss is reflective of information that Staff  
5     currently has regarding Emerald Pointe's previous rate case. However, Staff cannot confirm  
6     if that is a complete and accurate record of all correspondence between Staff and the  
7     Company. Over the past 12 years, files get moved and employees come and go, so there is no  
8     guarantee that what Staff has is complete. Further, it is possible that a substitute tariff could  
9     have been filed and no written correspondence was ever created. Any error could have been  
10    discussed over the phone or in person.

11          Q.     Since there is no record, at this time, of any correspondence between Staff and  
12    the Company explaining the difference between the filed tariff and the document the  
13    Company has, please explain Staff's rationale for believing the Company overcharged its  
14    customer.

15          A.     According to two documents - the customer notice sent by Emerald Pointe on  
16    August 13, 1999 (attached as Schedule JAB - S1) and the Agreement Regarding Disposition  
17    of Small Company Rate Increase Request ("Disposition Agreement" and attached as Schedule  
18    JAB - S2) filed in the previous rate case, SR-2000-595, the Company initiated the rate request  
19    by asking for an increase of sewer revenues of \$2,500. Staff proceeded to undertake an audit  
20    of the Company's books and records. After the audit was complete, the Auditing department  
21    would have sent the results to the Water and Sewer Department so that the appropriate rate  
22    design could be developed. According to the audit workpapers, an increase greater than the  
23    Company's initial request may have been appropriate. However, the prevailing practice at

1 that time was that the Company could not receive a greater increase than what the Company  
2 requested. Thus, the total increase in sewer revenues was \$2,500.

3 Q. Please continue.

4 A. Based on the agreed upon increase of \$2,500, Water and Sewer Staff  
5 developed rates designed to collect the appropriate amount of revenues. Based upon then  
6 current revenues plus the increase, total operating revenues were \$35,909. Water and Sewer  
7 Staff then looked at the total number of customers for each meter size. Meter sizes for sewer  
8 customers were 5/8", 1", and 2". Based on different flow factors for the different sized  
9 meters, the analyst can create a meter equivalent to determine the appropriate customer charge  
10 for the different size meters. This calculation is the industry standard for determining the  
11 appropriate customer charge for different sized customers. Once that number is determined,  
12 the annual revenue figure is divided by the number of meter equivalents and then by 12 to  
13 determine the monthly customer charge for the smallest meter size. Based on the flow factors  
14 described earlier, meter equivalent is multiplied by the flow factor to arrive at the appropriate  
15 customer charge per each meter. After these calculations, the 5/8" meter charge was \$13.63,  
16 the 1" meter charge was \$34.08, and the 2" meter charge was \$109.06. These charges are the  
17 charges reflected in the Company's currently effective tariff.

18 Q. Please show this calculation.

19 A. To make this simpler, I will create a table to show the calculations. As noted,  
20 the total amount of revenue to be collected by the Company was \$35,909.

Meter Size	Customers	Flow Factor	Meter Equivalents
5/8"	108	1	108
1"	3	2.5	8
2"	13	8	104
			220
Revenues	\$35,909		
Meter Equivalents	220		
Cost per Meter Eq.	\$163.59	(Revenues divided by Meter Equivalents)	
Months	12		
Monthly Cost per Eq	\$13.63	(Customer Charge for smaller Meter)	
Meter Size	Monthly Cost	Flow Factor	Customer Charge
5/8"	\$13.63	1	\$ 13.63
1"	\$13.63	2.5	\$ 34.08
2"	\$13.63	8	\$ 109.06

1  
2 Q. What amount would these charges allow the Company to collect?

3 A. Multiplying the \$13.63 customer charge for 5/8" customers \* 108 customers \*  
4 12 months equals \$17,668.21. Multiplying the \$34.08 customer charge for 1" customers \* 3  
5 customers \* 12 months equals \$1,226.96. Multiplying the \$109.06 customer charge for 2"  
6 customers \* 13 customers \* 12 months equals \$17,013.81. \$17,668.21 + \$1,226.96 +  
7 \$17,013.81 = \$35,909.

8 Q. What does this mean?

9 A. This means that there was no commodity rate developed for Emerald Pointe  
10 for sewer service in its previous rate case. Attached as Schedule JAB - S3 are the Water and  
11 Sewer Staff's workpapers from that proceeding that detail how the appropriate rate design  
12 was developed.

13 Q. What else does Schedule JAB - S2 show?

14 A. Schedule JAB - S2 shows the letter that Mr. Snadon sent to the Commission  
15 for filing the revised tariff sheet associated with the Disposition Agreement as well as the



1 appropriate tariff sheet. The tariff sheet in question, P.S.C. MO. No. 1 1<sup>st</sup> Revised Sheet No.  
2 4 shows the agreed upon customer charges, but no commodity charge for sewer service. This  
3 is the tariff sheet that the Commission approved.

4 Q. Do you have an explanation for the tariff sheets referenced in Mr. Snadon's  
5 testimony?

6 A. Yes. If one looks at the water tariff that is currently in effect for the Company,  
7 one would note that there is a \$3.50 commodity rate for water usage. A further review shows  
8 that the tariff sheet for both water and sewer are almost identical. It is my belief that a  
9 typographical error was made when the original tariff sheets were sent out to the Company for  
10 review. Once it was noticed, the commodity piece was removed for the sewer system.  
11 Unfortunately, this change was then missed by the Company and led to the Company  
12 charging the \$3.50 per 1,000 gallon for sewer usage.

13 Q. Whose responsibility is it to make sure the Company is charging the  
14 appropriate rate?

15 A. It is the Company's responsibility. It is my understanding that the  
16 Commission would send a copy of the actual approved tariff sheet upon the effective date of  
17 any new tariff to the Company. Once the new tariff became effective, it would be stamped  
18 filed, and a copy would be put the official file and another copy sent to the Company.

19 Q. Starting on page 7 of his testimony, Mr. Johansen discusses the Company's  
20 yearly earnings. In his discussion, he tries to show that the Company, even with the extra  
21 commodity charge, was still under-earning. Does that mean that the Company was not  
22 overcharging its customers?

1           A.     Not at all. As I discussed briefly earlier, at the time of that earlier rate request,  
2 a Company could not be granted an increase greater than what it asked for. Emerald Pointe  
3 asked for an increase of \$2,500 in its revenues, and it was granted such. If this amount proved  
4 to be too little, the Company should have filed for another rate request. The bottom line is  
5 that the effective tariffed rate for Emerald Pointe did not include a commodity charge, and the  
6 Company collected one over the past 12 years or more.

7 **IV. Recommendation**

8           Q.     What is Staff's recommendation to the Commission regarding the over-  
9 collection of sewer commodity charges?

10          A.     Staff still recommends that the Commission order the Company to refund over-  
11 charges, with interest, collected during the five-year period immediately preceding the date  
12 when the Company ceased collecting the unapproved commodity rate. Staff recommends that  
13 the Company provide bill credits to existing customers who are due refunds over a 45-month  
14 period. For any customer who has left the system, Staff recommends that the Company send  
15 those former customers a check for the amount of refund owed. For any customer who leaves  
16 the system prior to being refunded all amounts owed, the Company should send that customer  
17 a check for any remaining un-refunded balance.

18          Q.     Does this conclude your surrebuttal testimony?

19          A.     Yes.

**Emerald Pointe Utility Company**  
111 East Main  
Branson, Missouri 65616  
Phone 417- 335-8398 Fax 417-546-5772

RECEIVED

AUG 16 1999

MISSOURI PUBLIC SERVICE COMMISSION

August 13, 1999

Dear Customer,

On May 20, 1999 Emerald Pointe Utility Company submitted a request for permanent increases in its current water and sewer rates and an implementation of a late payment charge, under the Missouri Public Service Commission (Commission) small rat increase procedure.

By its request, the Company is seeking an increase in its customer water rates intended to increase its annual operating water service revenues of \$ 2,500.00. It is also requesting an increase in its customer sewer rates intended to generate an increase in its annual operating sewer service revenues of \$ 2,500.00. The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments.

Set out below is a comparison of the Company's current customer rates and the customer rates it has requested, and the requested addition of a late payment charge. A monthly bill comparison, which is based upon an assumed water usage of 6,000 gallons, is also shown.

	Current Rates	Requested Rates
<b>Water Rates</b>		
Monthly Charge (includes up to 2,000 gallons)	\$ 8.93	\$ 9.82
Water Usage over 2,000 gallons ( per 1,000 gallons )	\$ 2.92	\$ 3.21
Total Montly Water Bill ( at 6,000 gallons usage )	\$ 20.61	\$22.66
<b>Sewer Rates</b>		
Monthly Charge ( based on up to 2,000 gallons of water )	\$16.59	\$18.25

Usage over 2,000 gallons ( per 1,000 gallons ) ( The maximum sewer bill for a residential customer will be for monthly water use representing 8,000 gallons )	\$ 5.83	\$ 6.41
Total Monthly Sewer Bill ( at 6,000 gallons usage)	\$ 39.91	\$43.89
	Current rates requested rates	
Late Payment Fees	n/a	10% per month

Beginning sometime soon, The Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records, and operations of the Company. Based upon that investigation, the Commission Staff will then make its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public Counsel will then make its own recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Any customer who has questions or comments regarding the Company's rate increase requests, or who has experienced recent service problems, should contact the Commission Staff and the Public Counsel within 30 days of the date of this notice. To do so, please use the addresses, telephone numbers, or fax numbers shown below. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations.

Missouri Public Service Commission Office of the Public Counsel  
Water and Sewer Department  
P.O. Box 360  
Jefferson City, Mo. 65102  
Phone: 573/751-3437 or 1-800/392-4211  
Fax: 573/751-1847

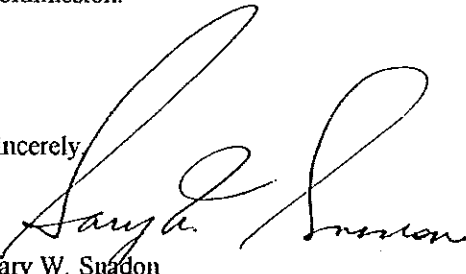
Attn: Shannon Cook  
P.O. Box 7800  
Jefferson City, Mo. 65102  
Phone: 573/751-1304  
Fax: 573/751-5562

Upon completion of the Commission Staff's and the Public Counsel's investigations, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission hold a local public hearing.

However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time now to express your views about the Company's rate increase requests, and the operation of its system, to the Commission Staff and the Public Counsel.

Regardless of whether the Company sends out a second notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the approval of the Public Service Commission.

Sincerely



Gary W. Spadon  
President  
Emerald Pointe Utility Company

**Emerald Pointe Utility Company**

Corporate Offices  
111 East Main  
Branson, Missouri 65616

March 20, 2000

Mr. Dale Hardy Roberts  
Secretary to the Commission  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

RE: **Emerald Pointe Utility Company**  
Small Company Rate Increase Request  
Mo. PSC Tariff File No. 9900916 (Sewer)

**FILED<sup>2</sup>**  
MAR 23 2000  
Missouri Public  
Service Commission  
~~RECEIVED<sup>2</sup>~~  
MAR 23 2000  
Records  
Public Service Commission

SR-2000-595

Dear Mr. Roberts:

I am enclosing for filing with the Commission an original and three copies of a revised tariff sheet that includes rate and language changes reflecting an agreement between the Emerald Pointe Utility Company (Company) and the Commission Staff (Staff) on the above subject. The Company initiated the subject rate increase request in May 1999, under the Commission's small company rate increase procedure, and the request was assigned the above-referenced file number.

Additionally, consistent with the Commission's small company rate increase procedure, I am enclosing an Agreement Regarding Disposition of Small Company Rate Increase Request (Agreement). This Agreement reflects a "settlement" between the Company and the Staff regarding all matters related to the Company's sewer service rate increase request.

The Agreement calls for, and the revised tariff sheet contains, customer rates intended to produce an increase of \$2,500 (an approximate 8.7% increase) in the Company's annual operating revenues for its sewer operations. The Agreement also calls for the implementation of a "late payment charge" and of a "bad check charge" of \$15 per insufficient funds check. The Agreement is between the Company and the Staff; therefore, the enclosed tariff sheets bear an effective date that is greater than 45 days from the issue date.

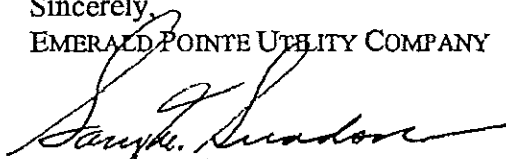
Also, please note that the Company has consented to the extension of the time period beyond 150 days from the date the letter initiation the procedure was filed with the Commission.

199900916

It is my understanding that the Staff will be providing additional information about the Company's rate increase request and the related Staff audit and investigation, for filing in the case papers following the creation of a formal docket.

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

Sincerely,  
EMERALD POINTE UTILITY COMPANY



Gary W. Snadon  
President

enclosures

copies (w/enclosures):  
Wendell R. Hubbs - PSC Staff  
Office of the Public Counsel - Shannon Cook

Agreement Regarding Disposition of  
Small Company Rate Increase Request

**Emerald Pointe Utility Company**

Tariff File No. 9900916 (Sewer)

Emerald Pointe Utility Company (Company) initiated the small company rate increase request (Request) for sewer service that is the subject of the above-referenced Commission "file" through its submittal of letters to the Commission's Executive Secretary. The Company submitted its Request under the provisions of Commission rule 4 CSR 240-2.200, Small Company Rate Increase Procedure (the informal rate case procedure). The dates the Company's letters were received at the Commission's offices were May 24, 1999 and May 25, 1999. In its Request, the Company represented that it was asking for Commission approval of customer rates intended to generate an increase of \$2,500 in its total annual sewer service operating revenues. The Company provides sewer service to approximately 124 customers.

Upon review and acceptance of the Company's Request, the Commission's Records Department assigned Tariff File No. 9900916 to the Request for purposes of identification and tracking. The Records Department then forwarded the Request to the Commission's Water & Sewer Department for processing under the informal rate case procedure.

Pursuant to the provisions of the informal rate case procedure, the Staff of the Commission (Staff) initiated an audit of the Company's books and records and an inspection of the Company's system and the operation thereof.

Based upon the results of the Staff's audit, the Company and the Staff hereby state their agreement that: (1) an increase of \$2,500 (approximately 7.5%) in the Company's annual sewer revenues is reasonable; (2) the implementation of a "late payment charge" is reasonable; and (3) the implementation of a "bad check charge" of \$15 per insufficient fund check is reasonable.

The Company and Staff also agree that the Company will keep their books and records in accordance with the Uniform System of Accounts for



Emerald Pointe Utility Company - File No. 9900916 Sewer  
Small Company Rate Procedure "Agreement"

Class C and D Sewer Utilities as prescribed by the National Association of Regulatory Utility Commissioners (NARUC), this includes using the Staff's calculation of plant, depreciation reserve and contributions in aid of construction ending balances. The Company also agrees that it will maintain its books and records for their water operations and sewer operations separately.

Additionally, the Company acknowledges that the Staff will file additional information about the details of its audit with the Commission following the creation of a formal docket.

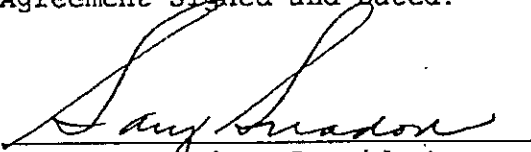
This Agreement is only between the Company and the Staff. However, the Office of the Public Counsel (OPC) has verbally notified the Staff that it does not oppose the increase.

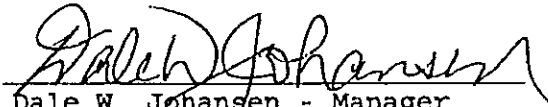
Lastly, the Company and the Staff ask the Commission to note that no action need be taken on the Company's tariff sheet until after the Staff files its formal recommendation for approval of the tariff sheet. That filing will take place soon after filing of this Agreement and the revised tariff sheet.

Other than the specific conditions agreed to by the Company, this agreement is a compromise that has resulted from extensive negotiations between Staff and the Company and no party has agreed to any particular ratemaking principal (except those items specifically stated in this agreement) in arriving at the dollar amount.

This Agreement is effective as of the 10<sup>th</sup> day of March, 2000.

Agreement Signed and Dated:

  
Mr. Gary Shadon, President  
Emerald Pointe Utility Company

  
Dale W. Johansen - Manager  
Water and Sewer Department  
Public Service Commission Staff

Emerald Point Utility Company For Missouri Service Area  
Name of Issuing Company Community, Town or City

RULES GOVERNING  
RENDERING OF SEWER SERVICE +

SCHEDULE OF SEWER RATES

Availability: \*

Available to any customer located in the Company's certificated service territory.

Sewer Service Rates:

Monthly Customer Charge (served by a 5/8" water meter)	\$13.63	per Month	+
Monthly Customer Charge (served by a 1" water meter)	\$34.08	per Month	+
Monthly Customer Charge (served by a 2" water meter)	\$109.06	per Month	+

Monthly Minimum Bill: \* Equals the applicable Monthly Customer Charge  
The minimum monthly billing shall be billed customers based on this Charge.

Taxes: \*

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

Late Payment Charge: \*

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which the payment is considered delinquent is 21 days after rendition of the bill. A charge of \$3.00 or two percent (2%) per month times the unpaid balance, whichever is greater, will be added to delinquent amounts.

Bad Check Charge: \*

A bad check charge of \$15 per check will be paid on all checks returned from the bank for insufficient funds.

\* Indicates new rate or text  
+ Indicates change

Date of Issue 3/23/00

Date Effective 5/10/00

Issued By: Gary W. Snadon, President  
Name of Officer Title

111 East Main, Branson, MO 65616  
Address

# Emerald Pointe Utility Corporation

Small Company Rate Filing - Sewer Service

**S-1 (A)**

File # 9900916

## Rate Making Income Statement

	As Adjusted		Cost of Service
<b>Revenue</b>	\$33,409		
<b>Expenses</b>			
Salaries & Wages	\$239		\$239
Rents	\$400		\$400
Purchased Power	\$6,519		\$6,519
Chemicals	\$1,364		\$1,364
Misc. Supplies & Expenses	\$16		\$16
Wastewater Testing (Sup. & Eng.)	\$360		\$360
Maint of Pumping Equip.	\$75		\$75
Maint of Treatment & Disposal	\$67		\$67
Maint of Other Plant	\$226		\$226
Outside Services	\$248		\$248
Insurance Expense	\$603		\$603
Regulatory Commission Expense	\$1,087		\$1,087
Transportation Expenses	\$867		\$867
Postage Expenses	\$234		\$234
Telephone Expenses	\$598		\$598
Salaries & Wages	\$8,574		\$8,574
Payroll Taxes	\$656		\$656
Office supplies & Exp.	\$468		\$468
<b>Operation &amp; Maintenance Expenses</b>	<b>\$22,601</b>		<b>\$22,601</b>
	\$0		
<b>Operation &amp; Maintenance Expenses</b>	<b>\$22,601</b>		<b>\$22,601</b>
<b>Earnings over O&amp;M Exp</b>	<b>\$10,808</b>		
<b>Total COS Allowed</b>	<b>\$35,909</b>		<b>\$35,909</b>
<b>Increase Allowed</b>	<b>\$2,500</b>	<b>7.5%</b>	

January 12, 2000  
Missouri Public Service Commission Staff

Page 1 of 5  
W. R. Hubbs

# Emerald Pointe Utility Corporation

Small Company Rate Filing - Sewer Service

**S-1 (A)**

File # 9900916

## Sewer Rate Development

### Sewer Rate

Total Sewer Cost of Service	\$35,909
Divided by Meter Equivalents	220
Equals: Cost per Meter Equivalent	\$163.59
Divided by 12 months/year	\$12.00
Equals: Monthly Cost per Equivalent	\$13.63

Meter Size	Customer	Flow Factor	Meter Equivalents
5/8"	108	1	108
1"	3	2.5	8
2"	13	8.0	104
<b>Totals</b>	<b>124</b>		<b>220</b>

Meter Size	Cost per Meter Equivalent	Flow Factor	Rate per Meter Size
5/8"	\$13.63	1	\$ 13.63
1"	\$13.63	2.5	\$ 34.08
2"	\$13.63	8.0	\$ 109.06
<b>Totals</b>			<b>157</b>

January 12, 2000  
Missouri Public Service Commission Staff

Page 2 of 5  
W. R. Hubbs

# Emerald Pointe Utility Corporation

Small Company Rate Filing - Sewer Service

File # 9900916

**S-1 (A)**

## Residential Sewer Customer Impact

	Monthly Charge
<b>Proposed Rates</b>	<b>\$13.63</b>
<b>Current Rates</b>	<b>\$39.91</b>
<b>Difference</b>	<b>-\$26.28</b>
<b>Percentage Difference from Current Rates</b>	<b>-65.84%</b>

*January 12, 2000*  
*Missouri Public Service Commission Staff*

*Page 3 of 5*  
*W. R. Hubbs*

# Emerald Pointe Utility Corporation

Small Company Rate Filing - Sewer Service

**S-1 (A)**

File # 9900916

## Proposed Charges Annualized & Normalized Revenues

### Sewer Revenues

Customer Numbers - 5/8" meter	108
Customer Bills	1296
Times:	
Proposed Monthly Sewer Charge	\$ 13.63
Equals:	
Revenues 5/8 " Meter Service	\$17,668.18
Customer Numbers - 1" meter	3
Customer Bills	36
Times:	
Proposed Monthly Sewer Charge	\$ 34.08
Equals:	
Revenues 1 " Meter Service	\$1,226.96
Customer Numbers - 2" meter	13
Customer Bills	156
Times:	
Proposed Monthly Sewer Charge	\$ 109.06
Equals:	
Revenues 2 " Meter Service	\$17,013.81

**Total Sewer Rate Revenues** **\$35,909**

January 12, 2000  
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# Emerald Pointe Utility Corporation

Small Company Rate Filing - Sewer Service

**S-1 (A)**

File # 9900916

## Accounting Department Test Year Annualized & Normalized Revenues

### Sewer Revenues

#### Minimum Bill Revenues

Customer Number	124
Customer Bills	1488
Times:	
Existing Minimum Monthly Charge	\$16.59
Equals:	
Annualized Minimum Bill Revenue	\$24,686

#### Commodity Charge Revenues

Total Gallons Used	6,737,784
Base Gallons Included in Minimum	1,629,723
Gallons over 8,000 per customer per month	3,611,830
Gallons Billed*	1,496,231 *
Times:	
Existing Commodity Charge	\$5.83
Equals:	
Annualized Commodity Charge Revenue	\$8,723

**Total Sewer Rate Revenues** **\$33,409**

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