

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

The Office of the Public Counsel,)
An agency of the State of Missouri,)
COMPLAINANT)

v.)

Case No. SC-2015-0152

Central Rivers Wastewater Utility, Inc.,)
A Missouri regulated sewer corporation,)
RESPONDENT)

THE OFFICE OF THE PUBLIC COUNSEL’S AMENDED COMPLAINT

COMES NOW the Office of the Public Counsel and for its Amended Complaint,
pursuant to Section 386.330.2, RSMo, states as follows:

INTRODUCTION AND STATEMENT OF JURISDICTION

1. Complainant, the Office of the Public Counsel, is an agency of the State of Missouri and pursuant to the statutory authority in Sections 386.700 and 386.710, RSMo, represents the public in all proceedings before the Missouri Public Service Commission and on appeal before the courts. The mailing and business address is the Office of the Public Counsel, PO Box 2230, Governor Office Building, 200 Madison Street, Suite 650, Jefferson City, Missouri, 65102. The Office of the Public Counsel is authorized to file complaints against regulated utilities for the violation, or claimed violation, of any provision of law, or of any rule or order or regulation, or decision of the Missouri Public Service Commission, including the reasonableness of any rates or charges of any sewer corporation and the collection and refunding of customer deposits by any sewer corporation as allowed and authorized by the Missouri Public Service Commission. Section 386.390, RSMo, and 4 CSR 240-2.070.

2. Respondent, Central Rivers Wastewater Utility, Inc., is a utility regulated by the Missouri Public Service Commission under Chapters 386 and 393, RSMo, to provide sewer service. The mailing address of Central Rivers Wastewater Utility, Inc. is P.O. Box 528, Kearney, Missouri, 64060. The President and sole shareholder of Central Rivers Wastewater Utility, Inc. is Mr. Mark E. Geisinger.

3. The Missouri Public Service Commission is a state administrative agency with the power and duty to regulate public utilities, including sewer corporations under Chapters 386 and 393, RSMo, and has jurisdiction in this complaint case to hear and decide the Office of the Public Counsel's allegations of unapproved fees and withholding customer deposits. Section 386.250, RSMo, relating to the jurisdiction of the Missouri Public Service Commission over sewer systems; Section 393.140, RSMo, relating to the general powers of the Missouri Public Service Commission with respect to sewer services; and Section 393.270, RSMo, providing for notice and hearing and the fixing of prices for sewer services and improvements. The mailing address of the Missouri Public Service Commission is PO Box 360, Governor Office Building, 200 Madison Street, Jefferson City, Missouri, 65102.

4. This Complaint is filed pursuant to Section 386.390, RSMo, and the Missouri Public Service Commission's rule regarding complaint cases, 4 CSR 240-2.070. Section 386.390.1, RSMo., authorizes the Missouri Public Service Commission to hear and determine this complaint:

Complaint may be made by the commission of its own motion, or by the public counsel or any corporation or person, chamber of commerce, board of trade, or any civic, commercial, mercantile, traffic, agricultural or manufacturing association or organization, or any body politic or municipal corporation, by petition or complaint in writing, setting forth any act or thing done or omitted to be done by any corporation, person or public utility, including any rule, regulation or charge heretofore established or fixed by or for any corporation, person or

public utility, in violation, or claimed to be in violation, of any provision of law, or of any rule or order or decision of the commission

Missouri Public Service Commission Rule 4 CSR 240-2.070 authorizes the Office of the Public Counsel to file this complaint:

(1) Any person or public utility who feels aggrieved by an alleged violation of any tariff, statute, rule, order, or decision within the commission's jurisdiction may file a complaint. A complaint may also be filed by the commission on its own motion, the commission staff through the staff counsel, or the Office of the Public Counsel.

5. Section 386.570.1, RSMo., provides for a penalty of no less than one hundred dollars (\$100.00) but no more than two thousand dollars (\$2,000.00), per offense, for "[a]ny corporation, person or public utility which violates or fails to comply with any provision of the constitution of this state or of this or any other law, or which fails, omits or neglects to obey, observe or comply with any order, decision, decree, rule, direction, demand or requirement, or any part or provision thereof, of the commission..." Each day that a continuing violation persists is to be counted as a separate offense.¹ In the case of a corporate respondent, the acts and omissions of its officers, agents and employees are deemed to be the acts and omissions of the corporation.² All penalties are cumulative.³

6. Any corporation, person or public utility which violates or fails to comply with any provision of the constitution of this state or of this or any other law, or which fails, omits or neglects to obey, observe or comply with any order, decision, decree, rule, direction, demand or requirement, or any part or provision thereof, of the Missouri Public Service Commission in a case in which a penalty has not herein been provided for such corporation, person or public utility, is subject to a penalty of for each offense.

¹ Section 386.570.2, RSMo.

² Section 386.570.3, RSMo.

³ Section 386.590, RSMo.

COUNT I

ALLEGATIONS OF OVER CHARGING IN VIOLATION OF APPROVED TARIFF

7. The Office of the Public Counsel restates the allegations set forth in paragraphs 1 through and including 6 of its Complaint.
8. Central Rivers Wastewater Utility, Inc.'s Missouri Public Service Commission-approved tariff states:

CONNECTION CHARGES:

All single family residential customers utilizing a STEP system that the company will maintain shall pay a onetime \$4,500.00 connection charge for three bedroom and smaller homes and \$4,800 for four bedroom and larger homes when making application for service. This charge is inclusive of all accessories and inspections as hereinafter referenced. All non-residential or multi-family service connection charges shall be at actual cost incurred by the Company in accordance with Rules 10 and 11. The Company shall have sole discretionary authority to decide who may install equipment and will provide a letter to any person, company, incorporation or other business entity that has the authority to install equipment that will ultimately be operated and maintained by Company. Upon request that person, company, incorporation or other business entity shall produce a letter stating in writing that they are so granted authority to install equipment that will ultimately be operated and maintained by Company and if so unable to produce said letter, that entity or person shall not install any equipment to be ultimately operated and maintained by company.

This charge does include: Cost for connecting the home to the sewer main. This includes any and all costs associated with the following: watertight septic tank, post construction testing of tank and system, pump or pumps, effluent filters, electrical control panel, splice box and wiring from control panel to septic tank, wiring from stubbed out electrical service at customer home to control panel (see Rule No. 6), **4" SCH 40 (or equal) piping from single family residence to septic tank up to 120 linear feet, 1" SCH 40 (or equal) piping from septic tank to main collection systems line up to 800 linear feet**, risers and lids, service connection valves and appurtenances, inspections.

This charge does not include: any surveying to determine actual location of easements or property lines for customer, any electrical service beyond connecting to a 30 amp dedicated circuit and another minimum 20 amp circuit that need not be a dedicated circuit (minimum two separate circuits, see Rule 6) single phase electrical connection stubbed by customer to exterior of house, any plumbing closer than 5' of customer's building or residence,

Connection charges for STEG and Gravity collection systems will be based on actual costs as allowed by the Missouri Public Service Commission. The cost for a connection charge to a STEG or Gravity flow collection system will be stated in the Company's Tariff when data is obtained to present a reasonably accurate cost.⁴

9. The Office of the Public Counsel has reviewed Central Rivers Wastewater Utility, Inc.'s books and records in connection with its most recent rate case, Missouri Public Service Commission Case No. SR-2014-0247. (Appendix A) Based on its information, knowledge and belief, the Office of the Public Counsel states that beginning in 2006,⁵ Central Rivers Wastewater Utility, Inc. charged amounts for STEP connections that were in excess of the charges included in its current Missouri Public Service Commission-approved tariff. Based on the Office of the Public Counsel's information and belief, the amount of these excess charges for STEP connections is at least \$57,477.⁶

10. Based on the Office of the Public Counsel's information and belief, Central Rivers Wastewater Utility, Inc. is and has been aware that the charged amounts for STEP connections are and were in excess of the charges included in its current Missouri Public Service Commission-approved tariff but has taken no active steps to refund the overcharged amounts to those that were unjustly and unreasonably overcharged.

11. As a result, the charged amounts for STEP connections are unjust and unreasonable, violate the Missouri Public Service Commission-approved tariff and are unlawful.

⁴ Central Rivers Wastewater Utility, Inc. Approved Tariff, First Revised Sheet No. 14, Effective March 24, 2000, emphasis added.

⁵ Based on information available to the Office of the Public Counsel at the time testimony was filed in SR-2014-0247. Updates will be necessary to account for any additional STEP overcharges to date.

⁶ Id.

WHEREFORE, the Office of the Public Counsel submits its Complaint, pursuant to Section 386.390, RSMo, and Missouri Public Service Commission Rule 4 CSR 240-2.070, and prays that:

12. the Missouri Public Service Commission issue an order to provide the statutory notice of the filing of this Complaint and, thereafter, hold an evidentiary hearing on this Complaint in accordance with Missouri statutes and Missouri Public Service Commission Rules, and;

13. the Missouri Public Service Commission issue an order in favor of the Office of the Public Counsel and against Central Rivers Wastewater Utility, Inc. on this Complaint, and;

14. the Missouri Public Service Commission make findings of fact accompanied by conclusions of law that Central Rivers Wastewater Utility, Inc.'s current charges for STEP connections are unjust and unreasonable in that these charges are in excess of the charges included in its current Missouri Public Service Commission-approved tariff, and;

15. the Missouri Public Service Commission issue an order directing Central Rivers Wastewater Utility, Inc. to refund any and all overcharges for STEP connections with interest, and;

16. the Missouri Public Service Commission issue an order authorizing its General Counsel to seek in Circuit Court any and all penalties allowed by law; and

17. the Missouri Public Service Commission grant such further and additional relief as it deems appropriate and necessary.

COUNT II

ALLEGATIONS OF FAILURE TO REFUND CUSTOMER DEPOSITS

18. The Office of the Public Counsel restates the allegations set forth in paragraphs 1 through and including 17 of its Complaint.

19. Missouri Public Service Commission Rule 4 CSR 240-13.030 provides for the collection of customer deposits or other guarantees as a condition of new residential service under certain conditions. Missouri Public Service Commission Rule 4 CSR 240-13.030 also requires the refund with interest of customer deposits or other guarantees collected as a condition of new residential service:

4) A deposit shall be subject to the following terms:

(A) It shall not exceed two (2) times the highest bill or four (4) times the average bill, whichever is stated in the utility's tariff for utility charges actually incurred or estimated to be incurred by the customer during the most proximate twelve (12)-month period at the service location or, in the case of a new customer, who is assessed a deposit under subsection (1)(C) of this rule, one-sixth (1/6) of the estimated annual bill for monthly billed customers or one-third (1/3) of the estimated annual bill for quarterly billed customers for utility charges at the requested service location;

(B) It shall bear interest at a rate specified in the utility's commission-approved tariffs, which shall be credited annually to the account of the customer or paid upon the return of the deposit to the customer, whichever occurs first. Interest shall not accrue on any deposit after the date on which a reasonable effort has been made to return it to the customer. **The utility shall make all reasonable efforts to return a deposit to its customer when the customer is entitled to the return of their deposit and shall keep records of efforts to return a deposit.** This rule shall not preclude a utility from crediting interest to each service account during one (1) billing cycle annually;

(C) Upon discontinuance or termination other than for a change of service address, it shall be credited, with accrued interest, to the utility charges stated on the final bill and the balance, if any, shall be returned to the customer within twenty-one (21) days of the rendition of the final bill;

(D) Upon satisfactory payment of all undisputed utility charges during the last twelve (12) billing months, it shall be promptly refunded or credited, with accrued interest, against charges stated on subsequent bills. Payment of a charge is satisfactory if received prior to the date upon which the charge becomes delinquent provided it is not in dispute. Payment of a disputed bill shall be satisfactory if made within ten (10) days of resolution or withdrawal of the dispute. A utility may withhold refund of a deposit pending the resolution of a dispute with respect to charges secured by the deposit;

E) A utility shall maintain records which show the name of each customer who has posted a deposit, the current address of the customer, the date and amount of deposit, the date and amount of interest paid and information to determine the earliest possible refund date; (F) Each customer posting a security deposit shall receive, in writing, at the time of tender of deposit or with the first bill a receipt as evidence of deposit, unless the utility shows the existence or nonexistence of a deposit on the customer's bill, in which event the receipt shall not be required unless requested by the customer. The receipt shall contain the following minimum information:

1. Name of customer;
2. Date of payment;
3. Amount of payment;
4. Identifiable name, signature, and title of the utility employee who received the payment; and
5. Statement of the terms and conditions governing the payment, retention, and return of deposits;

(G) A utility shall not deprive a customer of a deposit return within five (5) years following the date that the customer is due for a deposit return, even though the customer may be unable to produce the original receipt; provided that the customer can produce adequate identification;

(H) No deposit or guarantee or additional deposit or guarantee shall be required by a utility because of race, sex, creed, national origin, marital status, age, number of dependents, source of income, disability, or geographical area of residence; and

(I) A utility shall permit an applicant or customer required to make a deposit to pay the deposit in installments unless the utility can show—

1. Applicant has in an unauthorized manner, interfered with, or diverted the same type of service within the last five (5) years; or
2. If a customer has in an unauthorized manner interfered with, diverted, or used the service of the utility situated on or about or delivered to the customer's premises; or
3. A likelihood that the customer does not intend to pay for the service.
[Emphasis Added]

20. Central Rivers Wastewater Utility, Inc.'s Missouri Public Service Commission-approved tariff also states:

(C) A deposit or suitable guarantee to cover the payment of bills may be required from all new Customers or those who are disconnected for violation of rules or non-payment equal to estimated service bills for a period of one billing period plus thirty (30) days. The Company shall pay six percent (6%) interest per annum on deposits provided the deposit remains in the possession of the Company for a period of six (6) months or more.⁷

21. The Office of the Public Counsel has reviewed Central Rivers Wastewater Utility, Inc.'s books and records in connection with its most recent rate case, Missouri Public Service Commission Case No. SR-2014-0247. (Appendix A) Based on its information, knowledge and belief, the Office of the Public Counsel states that beginning in the year 2000,⁸ Central Rivers Wastewater Utility, Inc. has consistently and blatantly failed to refund customer deposits as required by Missouri Public Service Commission Rule 4 CSR 240-13.030 and its Missouri Public Service Commission-approved tariff. Based on the Office of the Public Counsel's information and belief, has failed to refund customer deposits and related interest in the amount of at least \$23,208.⁹

22. Based on the Office of the Public Counsel's information and belief, Central Rivers Wastewater Utility, Inc. is and has been aware of its ability to collect customer deposits per Missouri Public Service Commission Rule 4 CSR 240-13.030 and in its current Missouri Public Service Commission-approved tariff, and has consistently and systematically done so.

23. Based on the Office of the Public Counsel's information and belief, Central Rivers Wastewater Utility, Inc. is and has been aware of the requirement to return customer deposits

⁷ Central Rivers Wastewater Utility, Inc. Approved Tariff, Original Sheet 38, Effective August 30, 1999.

⁸ Based on information available to the Office of the Public Counsel at the time testimony was filed in SR-2014-0247. Updates will be necessary account for any additional customer deposits due to be returned and for additional interest to date.

⁹ Id.

with interest per Missouri Public Service Commission Rule 4 CSR 240-13.030 and in its current Missouri Public Service Commission-approved tariff, but has taken no active steps to do so.

24. As a result, the actions of Central Rivers Wastewater Utility, Inc. are unjust and unreasonable, violate the Missouri Public Service Commission rules and are unlawful.

WHEREFORE, the Office of the Public Counsel submits its Complaint, pursuant to Section 386.390, RSMo, and Missouri Public Service Commission Rule 4 CSR 240-2.070, and prays that:

25. the Missouri Public Service Commission issue an order to provide the statutory notice of the filing of this Complaint and, thereafter, hold an evidentiary hearing on this Complaint in accordance with Missouri statutes and Missouri Public Service Commission Rules, and;

26. the Missouri Public Service Commission issue an order in favor of the Office of the Public Counsel and against Central Rivers Wastewater Utility, Inc. on this Complaint, and;

27. the Missouri Public Service Commission make findings of fact accompanied by conclusions of law that Central Rivers Wastewater Utility, Inc. has unjustly and unreasonably withheld refunds of customer deposits in violation of Missouri Public Service Commission Rules, and;

28. the Missouri Public Service Commission issue an order directing Central Rivers Wastewater Utility, Inc. to refund any and all customer deposits with interest as required by Missouri Public Service Commission Rules, and;

29. the Missouri Public Service Commission issue an order authorizing its General Counsel to seek in Circuit Court any and all penalties allowed by law; and

30. the Missouri Public Service Commission grant such further and additional relief as it deems appropriate and necessary.

COUNT III

ALLEGATIONS OF OPERATING AS A PUBLIC UTILITY WITHOUT A CERTIFICATE OF CONVENIENCE AND NECESSITY

31. The Office of the Public Counsel restates the allegations set forth in paragraphs 1 through and including 30 of its Complaint.

32. Based on its information, knowledge and belief, the Office of the Public Counsel states that Central Rivers Wastewater Utility, Inc. is providing sewer services to customers located outside the approved service area as noted in Central Rivers Wastewater Utility, Inc.'s Certificate of Convenience and Necessity granted by the Missouri Public Service Commission and as listed in its tariff approved by the Missouri Public Service Commission. (Appendix B)

33. Section 386.020(50), RSMo., defines "sewer system" to include "all pipes, pumps, canals, lagoons, plants, structures and appliances, and all other real estate, fixtures and personal property, owned, operated, controlled or managed in connection with or to facilitate the collection, carriage, treatment and disposal of sewage for municipal, domestic or other beneficial or necessary purpose[.]"

34. Section 386.020(49), RSMo., defines "sewer corporation" to include "every corporation, company, association, joint stock company or association, partnership or person, their lessees, trustees or receivers appointed by any court, owning, operating, controlling or managing any sewer system, plant or property, for the collection, carriage, treatment, or disposal of sewage anywhere within the state for gain, except that the term shall not include sewer systems with fewer than twenty-five outlets[.]"

35. Pursuant to Section 386.250, RSMo., a sewer corporation is a public utility and is subject to the jurisdiction, control and regulation of the Missouri Public Service Commission.

36. Missouri courts have held that entities act as public utilities when they sell sewer services to the public for compensation and have undertaken the responsibility to provide sewer services to all members of the public within their capability. *Hurricane Deck Holding Co. v. Public Service Commission*, 289 S.W.3d 260, 264-5 (Mo. App., W.D. 2009); *Osage Water Co. v. Miller County Water Authority, Inc.*, 950 S.W.2d 569, 573-5 (Mo. App., S.D. 1997). To do so means the entity has acted as a sewer corporation and a public utility, as provided by Section 386.020, RSMo.

37. Section 393.170.2, RSMo., forbids any sewer corporation from acting as a public utility without prior authorization from the Commission in the form of a Certificate of Convenience and Necessity.

38. As a result, Central Rivers Wastewater Utility, Inc. has violated, and currently is violating, Missouri statute.

WHEREFORE, the Office of the Public Counsel submits its Complaint, pursuant to Section 386.390, RSMo, and Missouri Public Service Commission Rule 4 CSR 240-2.070, and prays that:

39. the Missouri Public Service Commission issue an order to provide the statutory notice of the filing of this Complaint and, thereafter, hold an evidentiary hearing on this Complaint in accordance with Missouri statutes and Missouri Public Service Commission Rules, and;

40. the Missouri Public Service Commission issue an order in favor of the Office of the Public Counsel and against Central Rivers Wastewater Utility, Inc. on this Complaint, and;

41. the Missouri Public Service Commission make findings of fact accompanied by conclusions of law that Central Rivers Wastewater Utility Inc.'s provision of sewer service

without a Certificate of Convenience and Necessity is unjust and unreasonable in that it is prohibited by Missouri statute, and;

42. the Missouri Public Service Commission issue an order authorizing its General Counsel to seek in Circuit Court any and all penalties allowed by law; and;

43. the Missouri Public Service Commission grant such further and additional relief as it deems appropriate and necessary.

COUNT IV

ALLEGATIONS OF CHARGING FOR SEWER SERVICES WITHOUT AN APPROVED TARIFF

44. The Office of the Public Counsel restates the allegations set forth in paragraphs 1 through and including 43 of its Complaint.

45. Based on its information, knowledge and belief, the Office of the Public Counsel states that Central Rivers Wastewater Utility, Inc. has charged and currently charges for sewer services to customers that are located outside the approved service area as noted in Central Rivers Wastewater Utility, Inc.'s Certificate of Convenience and Necessity granted by the Missouri Public Service Commission and as listed in its tariff approved by the Missouri Public Service Commission. (Appendix B) Therefore, such charges are not approved by the Missouri Public Service Commission.

46. Section 386.020(50), RSMo., defines "sewer system" to include "all pipes, pumps, canals, lagoons, plants, structures and appliances, and all other real estate, fixtures and personal property, owned, operated, controlled or managed in connection with or to facilitate the collection, carriage, treatment and disposal of sewage for municipal, domestic or other beneficial or necessary purpose[.]"

47. Section 386.020(49), RSMo., defines “sewer corporation” to include “every corporation, company, association, joint stock company or association, partnership or person, their lessees, trustees or receivers appointed by any court, owning, operating, controlling or managing any sewer system, plant or property, for the collection, carriage, treatment, or disposal of sewage anywhere within the state for gain, except that the term shall not include sewer systems with fewer than twenty-five outlets[.]”

48. Pursuant to Section 386.250, RSMo., a sewer corporation is a public utility and is subject to the jurisdiction, control and regulation of the Missouri Public Service Commission.

49. Missouri courts have held that entities act as public utilities when they sell water and/or sewer services to the public for compensation and have undertaken the responsibility to provide water and/or sewer services to all members of the public within their capability. *Hurricane Deck Holding Co. v. Public Service Commission*, 289 S.W.3d 260, 264-5 (Mo. App., W.D. 2009); *Osage Water Co. v. Miller County Water Authority, Inc.*, 950 S.W.2d 569, 573-5 (Mo. App., S.D. 1997). To do so means the entity has acted as a water corporation and/or a sewer corporation and a public utility, as provided by Section 386.020, RSMo.

50. Section 393.130.1, RSMo., states “Every unjust or unreasonable charge made or demanded for gas, electricity, water, sewer or any such service, or in connection therewith, or in excess of that allowed by law or by order or decision of the commission is prohibited.”

51. Section 393.140(11), RSMo., also states “No corporation shall charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges applicable to such services as specified in its schedules filed and in effect at the time.”

52. The filed rate doctrine precludes a public utility from collecting any rates other than those properly filed with the appropriate regulatory agency. *State ex rel. Associated Natural Gas Co. v. PSC*, 954 S.W.2d 520, 531 (Mo. Ct. App. 1997).

53. Missouri Public Service Commission Rule, 4 CSR 240-3.010 (28) states specifically:

Tariff means a document published by a public utility, and approved by the commission, that sets forth the services offered by that utility and the rates, terms and conditions for the use of those services.

54. Therefore, only a tariff which is approved by the Missouri Public Service Commission may set out the lawful rates for a public utility. Any charge made or demanded by a public utility for gas, electricity, water, sewer or any such service, without a Missouri Public Service Commission approved tariff is statutorily prohibited.

55. As a result, Central Rivers Wastewater Utility, Inc. has violated, and currently is violating, Missouri statute.

WHEREFORE, the Office of the Public Counsel submits its Complaint, pursuant to Section 386.390, RSMo, and Missouri Public Service Commission Rule 4 CSR 240-2.070, and prays that:

56. the Missouri Public Service Commission issue an order to provide the statutory notice of the filing of this Complaint and, thereafter, hold an evidentiary hearing on this Complaint in accordance with Missouri statutes and Missouri Public Service Commission Rules, and;

57. the Missouri Public Service Commission issue an order in favor of the Office of the Public Counsel and against Central Rivers Wastewater Utility, Inc. on this Complaint, and;

58. the Missouri Public Service Commission make findings of fact accompanied by conclusions of law that the current charges for sewer service of are unjust and unreasonable in that these charges are prohibited by Missouri statute, and;

59. the Missouri Public Service Commission issue an order directing Central Rivers Wastewater, Inc. to refund any and all unlawful charges for water service and sewer service, and;
60. the Missouri Public Service Commission issue an order authorizing its General Counsel to seek in Circuit Court any and all penalties allowed by law; and;
61. the Missouri Public Service Commission grant such further and additional relief as it deems appropriate and necessary.

Respectfully submitted,

THE OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

By: _____

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Deputy Public Counsel
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(573) 751-5565
(573) 751-5562 FAX
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 15th day of May 2015:

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/s/ Christina L. Baker

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

The Office of the Public Counsel,
an agency of the State of Missouri,
COMPLAINANT,

v.

Central Rivers Wastewater Utility, Inc.,
a Missouri regulated sewer corporation,
RESPONDENT.

Case No. SC-2015-0152

AFFIDAVIT OF WILLIAM ADDO

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

William Addo, of lawful age and being first duly sworn, deposed and states:

1. My name is William Addo. I am a Public Utility Accountant II for the Office of the Public Counsel.
2. I hereby swear and affirm that the statements contained in the attached amended complaint are true and correct to the best of my knowledge and belief.


William Addo
Public Utility Accountant II

Subscribed and sworn to me this 15th day of May 2015.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2017
Cole County
Commission #13754037


Jerene A. Buckman
Notary Public

My Commission expires August 23, 2017.

Appendix A

Testimony and Work Papers

of William Addo

Case No. SR-2014-0247

Exhibit No.:

Issue(s):

STEP Connection Charge/
Rate Case Expense/
Customer Deposits/
Capital Structure/
Return on Equity/
Non-STEP Depreciation

Witness/Type of Exhibit:

Addo/Rebuttal

Sponsoring Party:

Public Counsel

Case No.:

SR-2014-0247

REBUTTAL TESTIMONY

OF

WILLIAM ADDO

Submitted on Behalf of the Office of the Public Counsel

Central Rivers Wastewater Utility, Inc.

CASE NO. SR-2014-0247

December 5, 2014

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

In the Matter of Central Rivers Utility,
Inc.'s Small Company Rate
Increase Request.

)
)
)

File No. SR-2014-0247

AFFIDAVIT OF WILLIAM ADDO

STATE OF MISSOURI)

) ss

COUNTY OF COLE)

William Addo, of lawful age and being first duly sworn, deposes and states:

1. My name is William Addo. I am a Public Utility Accountant I for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my rebuttal testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.



William Addo
Public Utility Accountant I

Subscribed and sworn to me this 5th day of December, 2014.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2017
Cole County
Commission #13754037



Jerene A. Buckman
Notary Public

My Commission expires August 23, 2017.

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**REBUTTAL TESTIMONY
OF
WILLIAM ADDO**

CENTRAL RIVERS WASTEWATER UTILITY, INC.

CASE NO. SR-2014-0247

I. INTRODUCTION.

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. William Addo, P.O. Box 2230, Jefferson City, Missouri 65102-2230.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by the Missouri Office of the Public Counsel (“OPC” or “Public Counsel”) as a Public Utility Accountant 1.

Q. WHAT IS THE NATURE OF YOUR CURRENT DUTIES AT THE OPC?

A. My duties include performing audits and examinations of the books and records of public utility companies operating within the State of Missouri under the supervision of the Chief Public Utility Accountant, Mr. Ted Robertson.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND OTHER QUALIFICATIONS.

A. I graduated in May, 2004, from the University of Ghana with a Diploma in Accounting. In May 2007, I received a Bachelor of Science Degree in Business Administration (Accounting Major) from the same institution. In May 2010, I received a Masters Degree

1 in Business Administration (Accounting Major) from Lincoln University in Jefferson
2 City, Missouri.

3
4 Q. HAVE YOU RECEIVED SPECIALIZED TRAINING RELATED TO PUBLIC
5 UTILITY ACCOUNTING?

6 A. Yes. I have attended the National Association of Regulatory Utility Commissioners
7 (“NARUC”) Annual Regulatory Studies Program.

8
9 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE MISSOURI PUBLIC
10 SERVICE COMMISSION (“COMMISSION” OR “MPSC”)?

11 A. Yes. Please refer to Schedule WA-1, which is attached to this Testimony, for a list of
12 cases in which I have previously filed testimony.

13
14 **II. PURPOSE OF TESTIMONY.**

15 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

16 A. The purpose of my Rebuttal Testimony is to respond to the Direct Testimonies of the
17 MPSC Staff witness, Mr. James A. Merciel, Jr., and Central Rivers Wastewater Utility,
18 Inc.’s (“Central Rivers” or “Company”) witness, Mr. Mark E. Geisinger, regarding Septic
19 Tank Effluent Pump (“STEP”) “Connection Charges”. This Testimony will further
20 address Mr. Mark E. Geisinger’s position regarding rate case expense. I will also address

1 the Direct Testimony of the MPSC Staff witness, Mr. Matthew R. Young, as it relates to
2 customer deposits and the MPSC Staff's overall rate increase recommendation in this
3 case.
4

5 **III. SEPTIC TANK EFFLUENT PUMP CONNECTION CHARGES.**

6 Q. WHAT IS THE ISSUE?

7 A. This issue pertains to STEP Connection Charges that Central Rivers over-collected from
8 some of its customers, including whether the over-collections should be refunded to the
9 customers that paid a Connection Charge in excess of the Company's tariff rates; if a
10 refund is ordered by the Commission, what rate base treatment should be afforded to the
11 refund amounts; and, whether Central Rivers' request to increase its Connection Charges
12 be authorized by the Commission.
13

14 Q. PLEASE PROVIDE A BRIEF BACKGROUND TO THIS ISSUE.

15 A. Central Rivers' presently existing tariff provides, among other provisions, "All single
16 family residential customers utilizing a STEP system that the Company will maintain
17 shall pay a one-time \$4,500 connection charge for three bedroom and smaller homes and
18 \$4,800 for four bedroom and larger homes when making application for service. This
19 charge includes any and all costs associated with watertight septic tank, post construction
20 testing of tank and system, pump or pumps, effluent filters, electrical control panel, splice

1 box and wiring from control panel to septic tank, wiring from stubbed out electrical
2 service at customer home to control panel, 4" SCH 40 (or equal) piping from single
3 family residence to septic tank up to 120 linear feet, 1" SCH 40 (or equal) piping from
4 septic tank to main collection systems line up to 800 linear feet, risers and lids, service
5 connection valves and appurtenances, and inspections."

6
7 Q. HAS CENTRAL RIVERS ADHERED TO THIS PROVISION?

8 A. No. The Company engaged in improper conduct by arbitrarily charging and collecting
9 from some of its customers amounts that are above the Commission-authorized tariff. As
10 of March 31, 2014, the update period in this case, Public Counsel estimates that the
11 Company has over-collected \$44,920 from its customers. It must be noted that this
12 amount is Public Counsel's best estimate since the Company, in responses to different
13 data requests, provided inconsistent information. For example, the Company's response
14 to the MPSC Staff's "Follow-up Questions for Central Rivers" Data Request No. 14,
15 shows that the Company over-collected Connection Charges for 82 installations. The
16 Company's response to Public Counsel's Data Request No. 1236 (5), shows that the
17 Company over-collected Connection Charges for 78 installations. My analysis of the
18 Company's books and records indicates that the Company over-collected Connection
19 Charges for 76 installations. In addition, information made available by a customer at the
20 Company's local public hearing held on November 20, 2014 shows that Central Rivers

1 has self-servingly charged the customer an amount of \$1,200 over and above the already
2 inflated \$5,200 STEP Connection Charge billed to the customer. The Commission-
3 authorized cost buildup for STEP Connection Charge includes a cost for 1 inch piping
4 from customer's septic tank to the sewer main up to 800 linear feet; however, Central
5 Rivers, on its Application for Sewer Service, attached to this Testimony as Schedules
6 WA-2 and WA-3, reduced the included linear feet to 200 and charged the customer an
7 additional fee for footages over the 200 feet. Public Counsel was not privy to this
8 information during the initial audit and believes that further investigation is warranted to
9 unearth similar charges that might have been billed to other customers. Therefore, the
10 \$44,520 amount would have to be trued-up based on accurate information as this case
11 progress.

12
13 Q. WHAT IS THE MPSC STAFF'S POSITION REGARDING THIS ISSUE?

14 A. Mr. James A. Merciel, Jr., on page 15, lines 17 through 22, and continuing on page 16,
15 lines 1 through 21, of his Direct Testimony, among other recommendations, recommends
16 that all over-collected amounts should be refunded to the specific customers who paid the
17 incorrect Connection Charges, and Central River be allowed a 3-year time frame within
18 which to make the refunds available to the specific customers. On page 11, lines 11
19 through 22 of his Direct Testimony, Mr. Merciel contemplates the rate base treatment to
20 be afforded to the refund amounts, but he made no specific recommendation. Regarding

1 Central Rivers' request to increase its STEP Connection Charges, Mr. Merciel, on page
2 14, lines 19 and 20, of his Direct Testimony, states that "since Staff is not able, by choice
3 of CRW, to audit the expenses that comprise Connection Charges, Staff at this time takes
4 the position that no increase should be approved."

5
6 Q. WHAT IS THE COMPANY'S POSITION ON THIS ISSUE?

7 A. The Company has not offered any position on refunding the over-collected Connection
8 Charges nor on the rate base treatment to be afforded the refund amounts. However, on
9 page 7, lines 27 through 30, of his Direct Testimony, Company witness, Mr. Mark E.
10 Geisinger, formulates the following Q & A:

11
12 Q. DO YOU PROPOSE ANY CHANGES TO THE CONNECTION CHARGE
13 FOR THE STEP UNIT?

14 A. Yes. I propose that the connection charge be increased to a onetime \$6,000
15 connection charge for each home.
16
17
18

19 Q. WHAT IS THE PUBLIC COUNSEL'S POSITION ON THIS ISSUE?

20 A. First, Public Counsel's position is that the Commission should order Central Rivers to
21 refund all the over-collected amounts, with accrued interest, to the customers that paid a
22 Connection Charge in excess of the Company's tariff rates within 1-year of the effective
23 date of the Commission's Report and Order in this case. It is not just and reasonable for

1 any public utility – in this case Central Rivers – to arbitrarily charge its customers
2 unauthorized amounts that it so desires. The time-tested utility regulation in the State of
3 Missouri enjoins all public utility companies operating under the jurisdiction of the
4 Missouri Public Service Commission to follow the terms of their Commission-authorized
5 tariff. Central Rivers undoubtedly violated the terms of its tariff; therefore, the
6 Commission should order a refund of the over-collected amounts. Additionally, it is not
7 fair for the affected customers to be forced to provide their hard-earned money for the
8 utility’s use for an extended period of time without a finding by the Commission that it is
9 just and reasonable for Central Rivers to pay interest on the over-collected amounts.

10
11 Second, it is Public Counsel’s position that the total refund amount, if authorized by the
12 Commission, should be removed from Plant-in-Service and Contributions in Aid of
13 Construction (CIAC). This adjustment will ensure consistency so that Plant-in-Service
14 and CIAC will not be overstated.

15 Third, it is Public Counsel’s position that the Commission reject Central Rivers’ request
16 to increase Connection Charges to a one-time \$6,000 for each home. Central Rivers has
17 not justified the increase it is requesting. During the course of my audit, specifically on
18 July 9, 2014, Public Counsel issued Data Request No. 1235 to the Company to provide,
19 or make available for our review, detailed documentation that supports all costs incurred
20 by the Company in installing and connecting each STEP system. The response to this

1 Data Request is attached to this Testimony as Schedules WA-4, WA-5, and WA-6. A
2 follow-up request, Data Request No. 1236 (7), issued to the Company on November 5,
3 2014, requesting similar information, yielded no auditable information. The burden of proof
4 lies with Central Rivers to justify any cost it wants to include in its rates; I believe Central
5 Rivers has not met that burden. It is also important to note that Central Rivers, in an attempt
6 to justify the \$6,000 amount it wants to include in rates going forward, provided inconsistent
7 and conflicting support. This anomaly is summarized, and attached to this Testimony as
8 Schedule WA-7. The \$6,000 amount is excessive, unreasonable, and lacks support. At this
9 juncture, I will refer the Commission to a STEP connection price quote tendered in by a
10 customer at the Company's local public hearing which was admitted into the record as Local
11 Public Hearing Exhibit 1, and also attached to this Testimony as Schedule WA-8.

12
13 Q. YOU MENTIONED THAT IT IS PUBLIC COUNSEL'S POSITION THAT THE
14 COMMISSION SHOULD ORDER CENTRAL RIVERS TO PAY INTEREST ON THE
15 OVER-COLLECTED AMOUNTS; WHAT IS THE TOTAL INTEREST COMPONENT
16 THAT PUBLIC COUNSEL IS RECOMMENDING THE COMMISSION ORDER
17 CENTRAL RIVERS TO REFUND CUSTOMERS?

18 A. By my calculations, the total interest component of the over-collected amounts would
19 amount to \$8,524. Again, this amount is Public Counsel's best estimate. The
20 inconsistencies cited earlier in this Testimony regarding this issue also permeate the

1 calculation of this amount. This amount would have to be trued-up based on accurate
2 information as this case progress.

3
4 Q. HOW WAS THIS AMOUNT CALCULATED?

5 A. First, I utilized the Company's response to Public Counsel's Data Request No. 1236 (5)
6 to estimate a time frame that the Company collected the overcharged Connection Charges
7 from each customer.

8
9 Second, I subtracted each estimated time frame from the update period in this case,
10 March 31, 2014, to derive the number of days that the Company unlawfully held each
11 customer's money. The total number of days was then divided by 365 days to derive the
12 total number of years that the Company unlawfully held each customer's money.

13
14 Third, I multiplied each customer's allocable over-collected amount by a 6% interest rate
15 per annum (Commission-authorized customer deposit interest rate for the Company) to
16 derive the yearly accrued interest that is due each customer.

17
18 Fourth, I multiplied each customer's yearly accrued interest by the number of years that
19 the Company unlawfully held each customer's money to derive the total accrued interest
20 that is due each customer.

1
2 Fifth, I summed up the total accrued interest of each customer to derive the total interest
3 component.
4

5 Q. WHY DOES PUBLIC COUNSEL BELIEVE THAT THE COMMISSION-
6 AUTHORIZED 6% INTEREST RATE FOR CUSTOMER DEPOSITS IS THE
7 APPROPRIATE INTEREST RATE TO USE UNDER THIS CIRCUMSTANCE?

8 A. Public Counsel believes that both customer deposit amounts and the over-collected
9 amounts received from customers represent cost-free funds provided by certain customers
10 for taking sewer service from Central Rivers; therefore, in the absence of any definitive
11 determination on an applicable interest rate to be applied in the event of an overcharging,
12 the Commission-authorized 6% interest rate for customer deposits is an appropriate proxy
13 at this time. It is noteworthy for the Commission's consideration that Central Rivers'
14 current cost of debt (the interest rate that Central Rivers pays for borrowing money from
15 its bank) as determined by the MPSC Staff is 9.75%. This percentage is significantly
16 higher than the 6% that Public Counsel is recommending to the Commission. Public
17 Counsel is, however, considering the option of using a Company's cost of debt and
18 applicable compounding period in developing its position in future cases when similar
19 situations occur.
20

1 Q. DOES PUBLIC COUNSEL HAVE ANY OTHER CONCERNS REGARDING THIS
2 ISSUE?

3 A. Yes. On page 11, and continuing on page 12, of his Direct Testimony, Mr. Mark E.
4 Geisinger states that it is extremely important from an operational and environmental
5 view point to allow Central Rivers to have the sole discretion as to who may install STEP
6 or STEG units. Public Counsel is opposed to any such tariff language. Public Counsel
7 believes that customers, rather than the Company, deserve to be given the sole discretion
8 as to who installs their STEP or STEG. Public Counsel will support, however, a tariff
9 change that will allow the Company to recommend material specifications and inspection
10 prior to the installation and connection of STEP or STEG by any customer.
11

12 Q. PLEASE SUMMARIZE PUBLIC COUNSEL'S RECOMMENDATION REGARDING
13 THIS ISSUE.

14 A. Public Counsel recommends that the Commission should order Central Rivers to refund
15 all the over-collected Connection Charge amounts, with accrued interest, to the customers
16 that paid a Connection Charge in excess of the Company's tariff rates, and do so within
17 1-year of the effective date of the Commission's Report and Order in this case. The
18 MPSC Staff's recommendation of a 3-year period is too long for the "captive" customers
19 to receive monies that were illegitimately taken from them. Public Counsel also asks the
20 Commission to order Central Rivers to furnish Public Counsel and the MPSC Staff with

1 monthly reports detailing refund amounts paid to each customer, and the amounts
2 remaining to be paid to each customer.

3
4 Additionally, Public Counsel recommends that the refund amounts, once authorized by
5 the Commission, must be removed from Plant-in-Service and CIAC.

6
7 Public Counsel also recommends that the Commission deny Central Rivers' request to
8 increase STEP or STEG installation and connection charges, and the Company's request
9 that Central Rivers be given the sole discretion to install and connect the STEP or STEG
10 units.

11
12 **IV. RATE CASE EXPENSE.**

13 Q. WHAT IS THE ISSUE?

14 A. This issue concerns the amount of rate case expense to be included in the calculation of
15 Central Rivers' cost of service.

16
17 Q. WHAT IS THE MPSC STAFF'S POSITION REGARDING THIS ISSUE?

18 A. The MPSC Staff has not offered testimony regarding this issue.

19
20 Q. WHAT IS THE COMPANY'S POSITION?

1 A. The Company, in its Direct Testimony, attached certain invoices that it purports
2 constitute rate case expenses incurred by the Company.
3

4 Q. WHAT IS THE PUBLIC COUNSEL'S POSITION?

5 A. Public Counsel is still evaluating the prudence of the invoices that the Company purports
6 constitute rate case expenses; and, since this cost is an ongoing cost, Public Counsel will
7 update its position as this case progress.
8

9 **V. CUSTOMER DEPOSITS.**

10 Q. WHAT IS THE ISSUE?

11 A. This issue concerns the MPSC Staff's recommendation to the Commission that
12 Central Rivers should be authorized to refund customer deposits to its customers
13 over a 2-year period.
14

15 Q. WHAT ARE CUSTOMER DEPOSITS?

16 A. Customer deposits are funds required to be provided by certain customers of a utility
17 company as a security deposit against potential non-payment for utility service.
18
19

1 Q. WHAT IS THE RATEMAKING TREATMENT THAT IS AFFORDED TO CUSTOMER
2 DEPOSITS?

3 A. Traditionally, until refunded, customer deposits represent a source of funds available to a
4 utility company, and are included as an offset to the rate base investment. Generally,
5 interest is calculated on customer deposits and paid to customers for the use of their
6 money.

7
8 Q. IS CENTRAL RIVERS REQUIRED TO PAY INTEREST ON CUSTOMER DEPOSITS
9 TO ITS CUSTOMERS?

10 A. Yes. The Company's Tariff, Rule 10 (Bill for Service), stipulates, among other
11 requirements, that "the Company **shall** pay six percent (6%) interest per annum
12 on deposits provided the deposit remains in the possession of the Company for a
13 period of six (6) months or more." Emphasis added.

14
15 Q. HAS THE COMPANY ADHERED TO ITS TARIFF REGARDING INTEREST ON
16 CUSTOMER DEPOSITS?

17 A. No. The Company has ignored the Commission's Rule that obliges the payment
18 of interest on customer deposits to its customers. In response to Public Counsel's
19 Date Request No. 1237, the Company states, among other responses provided,
20 that "there has been no interest calculated on the customer deposits."

1 Q. WHAT IS THE COMPANY' POSITION ON THIS ISSUE?

2 A. Even though the Company has not offered testimony on this issue, it has expressed
3 the willingness, in meetings, to refund all current customer deposits, with accrued
4 interest, and to cease collecting customer deposits in the future.

5
6 Q. WHAT IS THE PUBLIC COUNSEL'S CONCERN REGARDING THE MPSC STAFF'S
7 RECOMMENDATION?

8 A. Public Counsel is opposed to the MPSC Staff's recommendation to the Commission to
9 authorize Central Rivers to refund customer deposits to customers over a 2-year time
10 frame. Public Counsel's position is that the Commission should order Central Rivers to
11 refund all customer deposit amounts, with accrued interest, to customers within 1-year of
12 the effective date of the Commission's Report and Order in this case. Commission Rule
13 4 CSR 240-13.030(4) (D) states:

14
15 Upon satisfactory payment of all undisputed utility charges during the last
16 twelve (12) billing months, it shall be promptly refunded or credited, with
17 accrued interest, against charges stated on subsequent bills. Payment of a
18 charge is satisfactory if received prior to the date upon which the charge
19 becomes delinquent provided it is not in dispute. Payment of a disputed
20 bill shall be satisfactory if made within ten (10) days of resolution or
21 withdrawal of the dispute. A utility may withhold refund of a deposit
22 pending the resolution of a dispute with respect to charges secured by the
23 deposit.

1 According to Public Counsel's audit, it seems some customers established a satisfactory
2 payment history to warrant a refund of their customer deposit as far back as the year
3 2000. Therefore, Public Counsel believes that a two-year time frame is too long for
4 customers to wait in addition to the ample time that they have already waited.

5
6 Q. DOES PUBLIC COUNSEL HAVE ANY OTHER CONCERNS REGARDING THIS
7 ISSUE?

8 A. Yes. The MPSC Staff in its recommendation to the Commission did not provide
9 for any reporting mechanism by Central Rivers that would ensure that customers
10 receive the exact refund that is due them. The MPSC Staff also did not make any
11 recommendation to the Commission regarding the total dollar amount to be
12 refunded by Central Rivers.

13
14 Q. HAVE YOU CALCULATED THE TOTAL DOLLAR AMOUNT OF CUSTOMER
15 DEPOSITS THAT CENTRAL RIVERS WOULD HAVE TO REFUND TO ITS
16 CUSTOMERS?

17 A. Yes. I utilized the Company's response to Public Counsel's Data Request No.
18 1237 through 1239 to determine this amount. By my calculations, customer
19 deposits would amount to \$16,022 and the accrued interest on the deposits would
20 amount to \$7,186; resulting in the total dollar amount of \$23,208. A detailed

workpaper that shows step by step calculation of these amounts will be provided to all the parties in this case in accordance with the terms of the Procedural Schedule established in this case.

Q. PLEASE SUMMARIZE PUBLIC COUNSEL’S RECOMMENDATION REGARDING THIS ISSUE.

A. Public Counsel recommends that the Commission order Central Rivers to refund all customer deposit amounts, with accrued interest, to the customers within 1-year of the effective date of the Commission’s Report and Order in this case. Public Counsel also asks the Commission to order Central Rivers to furnish Public Counsel and the MPSC Staff with monthly reports detailing customer deposit refund amounts paid to each customer, and the amounts remaining to be paid to each customer.

VI. STAFF’S OVERALL RATE INCREASE RECOMMENDATION.

Q. WHAT IS THE MPSC STAFF’S OVERALL RATE INCREASE RECOMMENDATION IN THIS CASE?

A. In his conclusion and recommendation segment, page 40, lines 6 through 8, of his Direct Testimony, Mr. Matthew R. Young states “Staff is recommending that no rate or fee increase be authorized by the Commission because Central Rivers is unable to support its rate increase request with actual cost information in support of its cost of service.”

1 Q. HAS CENTRAL RIVERS PROVIDED YOU WITH ADEQUATE ACTUAL COST
2 INFORMATION THROUGHOUT THE COURSE OF YOUR AUDIT?

3 A. No. As Mr. Matthew R. Young correctly represented throughout his Direct Testimony,
4 Central Rivers did not provide adequate actual cost information to support the rate increase
5 it requested. A greater proportion of the cost information provided by the Company was
6 based on estimates, and in some instances, inconsistent information as I have pointed out
7 earlier on in this Testimony. For example, approximately \$126,000 of the amount Central
8 Rivers requested to be included in its cost of service is based on estimated contract amounts
9 billed by its affiliate – Construction Services and Management, LLC (“CSM”). This
10 \$126,000 amount, even after the MPSC Staff disallowed about \$26,000, represents
11 approximately 76% of the Company’s claimed total cost of service as determined by the
12 MPSC Staff. The Company could not substantiate any of the contracted amounts in terms
13 of actual costs that CSM incurred in providing the alleged services stated in the contract
14 document. Unsubstantiated costs originating from an affiliate deserve a great deal of
15 scrutiny, especially when a clear distinction cannot be drawn between Central Rivers and
16 CSM. There were also instances during my audit when I came across multiple invoices that
17 were billed by CSM directly to Central Rivers’ customers for STEP connections - this raises
18 suspicion concerning the justness and reasonableness of the STEP Connection Charges and
19 under what authority CSM is billing utility customers.
20

1 Q. IS IT YOUR UNDERSTANDING THAT THE MPSC STAFF AND CENTRAL RIVERS
2 REACHED AN AGREEMENT REGARDING A PARTIAL DISPOSITION OF THIS
3 SMALL COMPANY RATE INCREASE REQUEST?

4 A. Yes. On October 7, 2014, the MPSC Staff and the Company filed a Notice of
5 Company/Staff Agreement Regarding Partial Disposition of Small Company Rate Increase
6 Request.

7
8 Q. IS THE MPSC STAFF'S ACCOUNTING SCHEDULE FILED WITH THE PARTIAL
9 DISPOSITION THE SAME AS THE "ESTIMATED" ACCOUNTING SCHEDULE
10 FILED CONCURRENTLY WITH THE MPSC STAFF'S DIRECT TESTIMONY?

11 A. Yes.

12
13 Q. DOES THE PUBLIC COUNSEL HAVE CONCERNS WITH THE ACCOUNTING
14 SCHEDULE FILED WITH THE PARTIAL DISPOSITION AND WITH STAFF'S
15 DIRECT TESTIMONY?

16 A. Yes. In addition to the concerns I have stated earlier in this Testimony, Public Counsel had,
17 and still has, concerns with the MPSC Staff's calculation of capital structure and return on
18 equity, and non-STEP CIAC depreciation offset.

1 Q. PLEASE EXPLAIN.

2 A. The MPSC Staff calculated an amount of \$110,300 as Central Rivers' total capitalization
3 (rate base); however, it appears the MPSC Staff erroneously used an amount of \$95,601 as
4 the Company's total capitalization when calculating the Company's capital structure and
5 return on equity. Public Counsel believes that the \$110,300 amount should be correctly
6 applied in determining the Company's capital structure and return on equity.

7
8 Regarding the non-STEP depreciation offset, the MPSC Staff trued-up Plant-in-Service and
9 CIAC balances through March 31, 2014, but has not trued-up non-STEP depreciation offset
10 to reflect the matching principle. The MPSC Staff instead utilized December 31, 2013 non-
11 STEP depreciation offset amount (\$32,187) in its Accounting Schedule. Public Counsel
12 recommends that an adjustment be made to reflect the trued-up amount. By my
13 calculations, non-STEP depreciation offset would amount to \$(34,171).

14
15 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

16 A. Yes, it does.

WILLIAM ADDO

COMPANY	CASE NO.
Empire District Electric Company.	ER-2012-0345
Lincoln County Sewer and Water Company, LLC.	SR-2013-0321 WR-2013-0322
Kansas City Power & Light Company and Kansas City Power & Light Greater Missouri Operations Company.	EU-2014-0077
Lake Region Water and Sewer Company.	WR-2013-0461
Liberty Utilities (Midstates Natural Gas) Corporation d/b/a Liberty Utilities.	GR-2014-0152

Central Rivers Wastewater Utility, Inc.

Application For Sewer Service

Exhibit No. 2Date 11-29-14 Reporter File No. 521-2014-0247

Country Hill Estates

Billing Name:

B.A.M.S. Gen. Cont. LLC.
☒ Builder ☐ Resident

Phone #:

Site Address:

9266 NE Country Hill
Parkway
Cameron MO 64429

Fax #:

FILED³

DEC 1 2014

Lot Number:

Lot #3Billing Address:
(if different)E-mail **Missouri Public
Service Commission**☒ Residential System☐ Commercial SystemWaste Strength _____ lbs BOD₅/Day
Flow _____ Daily Average

Cost of Service Connection \$5,200.00

This is a one time fee to install a STEP or STEG unit and connection to Wastewater Collection System and all applicable appurtenances for this service area. The Service Connection Cost must be paid in full before any installation will begin.

Monthly Rate

Customer agrees to pay a monthly rate of \$32.00 per month for sewer service. This charge shall begin upon installation of tank.

Deposit

A deposit equal to \$64.00 shall be made for all new customers.

Payment is due by the 1st (first) of the following month. If payment has not been received by the 15th of the month the company reserves the right to discontinue service. A late payment charge of \$6.50 will apply per each delinquent month. If delinquency of payment results in discontinuation of service there will be a charge to disconnect and reconnect service.

This Agreement between the customer

Billy D. Spencer
Signature

and Central Rivers Wastewater Utility, Inc. is made this date _____

P.O. Box 528 Kearney, MO 64060

Phone: (816) 366-0520

Fax: (816) 366-0521

Schedule WA-2

LPH
B42

Central Rivers Wastewater Utility, Inc.

Invoice

BILL TO

Spencer Investments, LLC
9266 NE Country Hill Parkway
Cameron, MO 64429

DATE

2/8/2009

INVOICE #

2028

DESCRIPTION**AMOUNT**

360 ft of 1 inch pipe from main to tank. 200 ft of 1 inch pipe included in installation of Collection Equipment. Charge for extra 160 ft of 1 inch pipe. Labor, Material & Machine-Cost is \$7.50 per foot. 160 ft X \$7.50

1,200.00

*Sever
(Mail)
To: F.S.B.
OK'd 2/10/09
Rick Spencer*

Total

\$1,200.00

P.O. Box 528 Kearney, MO 64060

Phone: (816) 366-0520

Fax: (816) 366-0521

10040 Rock Falls Rd
Orrick, MO 64077

2000

Name / Address

CRWW STEP System Install

Total	\$4,800.00
--------------	-------------------

10040 Rock Falls Rd
Orrick, MO 64077

Estimate #
2011
Date 11/1/2011

Name / Address
CRWW STEP System Install

[illegible]

10040 Rock Falls Rd
Orrick, MO 64077

Estimate #	216
Date	1/1/2014

Name / Address
CRWW STEP System Install

[illegible]

STEP System Installation & Connection to Sewer Main – Price Breakdown

Cost Item	Response to Staff's Data Request No. 0013.1 7/28/2014	Response to Staff's Data Request No. 0013.1 9/23/2014
Material	\$2844.42	\$3083.25
Labor	\$2925.00	\$2246.36
Gravel for Bedding	-	\$399.50
Fuel Surcharge	-	\$25
Insurance & Fuel Surcharge	\$230.58	-
Tax	-	\$245.89
Total	\$6000	\$6000

FILED³

DEC 1 2014

Missouri Public
Service Commission

POTTS DOZING

CALL ME FOR ALL YOUR COMMERCIAL FARM OR RESIDENTIAL
EXCAVATING NEEDS

1707 Prairie Circle • Cameron, MO 64429

PH: 816-284-0127

Customer's
Order No. _____ DATE 11-19-14SOLD TO Spencer Inv.ADDRESS Cameron Mo 64429

SALESMAN _____ TERMS _____

CASH	CHARGE	C. O. D.	PAID OUT	RETD. MDSE.	RECD. ON ACCT.
QUAN.	DESCRIPTION			PRICE	AMOUNT
200'	2" pressure Line			3 ⁰⁰	600 00
40'	4" gravity			10 ⁰⁰	400 00
1	tank + pump				3000 00
1	tank installation				500 00
current estimate					
EXHIBIT					
11/20/14					
total					\$ 4500 00
Exhibit No. 1					
Date 11-20-14 Reporter					
All Claims and Returned Goods MUST Be Accompanied By This Bill					
File No. SR-2014-0247					
SIGNATURE <u>SR-2014-0247</u>					

LPM - 5-X

Exhibit No.: _____
Issue(s): Contract for Services Between
Central Rivers and CSM/
Rate Case Expense/
Discovery Issues/
Septic Tank Effluent Pump
Connection Charges/
Public Counsel's Overall Rate
Increase Recommendation
Witness/Type of Exhibit: Addo/Surrebuttal/
Rebuttal of Supplemental Direct
Sponsoring Party: Public Counsel
Case No.: SR-2014-0247

**SURREBUTTAL/REBUTTAL OF SUPPLEMENT
DIRECT TESTIMONY**

OF

WILLIAM ADDO

Submitted on Behalf of the Office of the Public Counsel

Central Rivers Wastewater Utility, Inc.

CASE NO. SR-2014-0247

December 15, 2014

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

In the Matter of Central Rivers Utility,)
Inc.'s Small Company Rate)
Increase Request.)

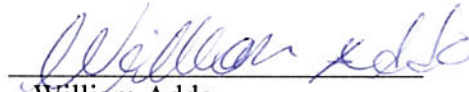
File No. SR-2014-0247

AFFIDAVIT OF WILLIAM ADDO

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

William Addo, of lawful age and being first duly sworn, deposes and states:

1. My name is William Addo. I am a Public Utility Accountant I for the Office of the Public Counsel.
2. Attached hereto and made a part hereof for all purposes is my surrebuttal/rebuttal of supplemental direct testimony.
3. I hereby swear and affirm that my statements contained in the attached testimony are true and correct to the best of my knowledge and belief.

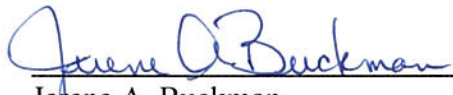


William Addo
Public Utility Accountant I

Subscribed and sworn to me this 15th day of December, 2014.



JERENE A. BUCKMAN
My Commission Expires
August 23, 2017
Cole County
Commission #13754037



Jerene A. Buckman
Notary Public

My Commission expires August 23, 2017.

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**SURREBUTTAL/REBUTTAL OF SUPPLEMENTAL DIRECT TESTIMONY
OF
WILLIAM ADDO**

CENTRAL RIVERS WASTEWATER UTILITY, INC.

CASE NO. SR-2014-0247

I. INTRODUCTION.

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. William Addo, P.O. Box 2230, Jefferson City, Missouri 65102-2230.

Q. ARE YOU THE SAME WILLIAM ADDO THAT HAS PREVIOUSLY FILED
REBUTTAL TESTIMONY IN THIS CASE?

A. Yes.

II. PURPOSE OF TESTIMONY.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL/REBUTTAL OF
SUPPLEMENTAL DIRECT TESTIMONY?

A. The purpose of this testimony is to respond to the Supplemental Direct and Rebuttal
Testimony of Central Rivers Wastewater Utility, Inc.'s ("Central Rivers" or "Company")
witness, Mr. Dale W. Johansen, regarding the contract for services between Central
Rivers and Construction Services and Management, LLC ("CSM"); rate case expense; and
discovery issues. This testimony will also respond to the issue of Septic Tank Effluent
Pump ("STEP") "Connection Charges" as addressed in the Supplemental Direct and
Rebuttal Testimonies of Company witnesses, Mr. Johansen and Mr. Mark E. Geisinger.

III. CONTRACT FOR SERVICES BETWEEN CENTRAL RIVERS AND CSM.

Q. WHAT IS THE ISSUE?

A. This issue pertains to the reasonableness of the contracted amounts charged to Central Rivers by its affiliate, CSM, for the provision of certain alleged services.

Q. ON PAGE 7, LINES 5 AND 6, OF HIS SUPPLEMENTAL DIRECT AND REBUTTAL TESTIMONY, MR. JOHANSEN STATES THAT BASED ON BIDS THE COMPANY RECEIVED FROM THREE OTHER COMPANIES, HE BELIEVES THE CHARGES SET FORTH IN THE CONTRACT BETWEEN CENTRAL RIVERS AND CSM ARE REASONABLE. DO YOU AGREE?

A. No. Bids, like estimated costs, are not necessarily appropriate cost information to utilize in the determination of a utility company's cost of service. Bids are usually based on subjective assumptions and calculations. More often than not, bids only consider the financial piece of a project. Intangible facets such as the qualification of the bidder, scheduling and reliability, opportunities for value engineering, etc. are not easily attainable simply by looking at a bid only. Similar sentiments addressing the inadequacy of bids are equally expressed by Mr. Geisinger on page 15, lines 12 through 14, of his Supplemental Direct and Rebuttal Testimony where he attempts to discredit a bid tendered in by a customer at the Company's local public hearing. I believe that Mr. Johansen, with his vast knowledge of utility regulation in the State of Missouri, is also

1 well aware that the historical test year model utilized in the State does not usually rely on
2 estimated costs in the development of rates.

3
4 Q. ON PAGE 7, LINES 5 AND 6, OF HIS SUPPLEMENTAL DIRECT AND REBUTTAL
5 TESTIMONY, MR. JOHANSEN ALSO STATES THAT BASED ON HIS REVIEW OF
6 THE MISSOURI PUBLIC SERVICE COMMISSION ("MPSC" OR "COMMISSION")
7 STAFF'S AUDIT MEMORANDUM, HE BELIEVES THAT THE CHARGES SET
8 FORTH IN THE CONTRACT BETWEEN CENTRAL RIVERS AND CSM ARE
9 REASONABLE. DO YOU AGREE?

10 A. No. Mr. Johansen's attempt to use a segment of the MPSC Staff's Auditing Unit
11 Recommendation Memorandum to justify the reasonableness of the contracted amounts
12 charged by CSM is short-sighted. The segment of the MPSC Staff's Memorandum Mr.
13 Johansen may have referenced, I believe, reads:

14
15 Staff found that the rates charged to non-affiliated entities under
16 negotiated arms-length transactions are equivalent, and in some cases
17 slightly higher, than the rates the Construction Company is currently
18 charging its regulated affiliate Central Rivers. This comparison addressed
19 the concern that the contract between the Construction Company and
20 Central Rivers could be potentially detrimental to the utility company and
21 its customers and beneficial to the Construction Company.
22

1 The MPSC Staff only made reference to the contract rates charged by CSM, not the
2 contract amounts. To derive the contract amounts, one needs to multiply the contract
3 rates charged by CSM by the actual time spent by CSM in performing the alleged
4 services. However, CSM does not have records that reflect the actual time spent on
5 performing services for Central Rivers. The fact that the contract rates charged by CMS
6 may be reasonable does not necessarily mean that the total contract amounts would also
7 be reasonable.

8
9 Q. MR. JOHANSEN, AGAIN IN AN ATTEMPT TO JUSTIFY THE
10 REASONABLENESS OF THE CHARGES SET FORTH IN THE CONTRACT
11 BETWEEN CENTRAL RIVERS AND CSM, ON PAGE 7, LINES 8 THROUGH 11,
12 OF HIS SUPPLEMENTAL DIRECT AND REBUTTAL TESTIMONY ALLEGES
13 THAT CSM'S CHARGES ARE COMPARABLE TO THE CHARGES HE PAYS FOR
14 LIKE SERVICES AS THE COURT-APPOINTED RECEIVER OF SOME UTILITIES.
15 WHAT IS YOUR POSITION?

16 A. Mr. Johansen is comparing "apples and oranges." The sewer systems being compared by
17 Mr. Johansen have different mode of operations. While M.P.B., Inc., P.C.B., Inc., and
18 Rogue Creek Utilities sewer systems are either facultative lagoon and/or extended
19 aeration, Central Rivers' sewer systems on the other hand are STEP systems. Customer
20 numbers, for example, also vary significantly among these companies. An attempt to

1 analyze and compare costs in terms of maintenance, monitoring, billing, service call, etc,
2 for these systems, is misleading.

3
4 **IV. RATE CASE EXPENSE.**

5 Q. WHAT IS THE ISSUE?

6 A. This issue concerns the amount of rate case expense to be included in the calculation of
7 Central Rivers' cost of service; the time frame over which recovery should occur; and the
8 mechanism for recovery—whether recovery should occur through amortization or
9 normalization.

10
11 Q. WHAT IS THE COMPANY'S POSITION ON THIS ISSUE?

12 A. Company witness, Mr. Johansen, on page 7, lines 15 through 22, of his Supplemental
13 Direct and Rebuttal Testimony states, "First, the following rate case expenses should be
14 recovered through the Company's new customer rates: (a) the fees incurred for time spent
15 by construction company personnel working on the rate case on behalf of the Company,
16 which are being tracked separately; (b) the fees incurred for legal representation related
17 directly to the rate case; and (c) the fees incurred for consulting services related directly
18 to the rate case. Second, the rate case expense "recovery period" should extend to at least
19 the filing date of the reply briefs for the case. And, third, the rate case expense to be

1 recovered should be amortized over a three-year period, rather than being treated as a
2 normalized expense.”

3
4 Q. WHAT IS THE OFFICE OF THE PUBLIC COUNSEL’S (“PUBLIC COUNSEL” OR
5 “OPC”) POSITION?

6 A. Public Counsel is opposed to the Company’s three-year “amortization” recovery
7 period recommendation. Public Counsel’s position is that Central Rivers should
8 be authorized by the Commission to recover rate case expense over a period of
9 five (5) years based on a normalization mechanism.

10
11 Q. WHAT IS THE DIFFERENCE BETWEEN NORMALIZATION AND
12 AMORTIZATION?

13 A. Normalization is a ratemaking mechanism of spreading a reasonable allowable
14 cost over a period of time whereas amortization is the repayment of a mortgage,
15 debt, or other obligation over a period of time. For accounting and tax purposes,
16 amortization can also be defined as spreading out the cost of an intangible asset
17 over the asset’s useful life.

1 Q. HAS THE COMPANY IDENTIFIED THE RATE CASE EXPENSE AMOUNT IT
2 PROPOSES TO INCLUDE IN ITS COST OF SERVICE?

3 A. No.
4

5 Q. DOES PUBLIC COUNSEL HAVE A RECOMMENDATION FOR THE NORMALIZED
6 RATE CASE EXPENSE AMOUNT TO BE INCLUDED IN THE COMPANY'S COST
7 OF SERVICE?

8 A. Yes. By my calculations, the normalized annual rate case expense I recommend
9 to be included in Central Rivers' cost of service would amount to \$3,279. This
10 amount translates into approximately a \$13.60 annual charge or \$1.13 monthly
11 charge per customer (utilizing 241 customers) just for rate case expense. A
12 detailed workpaper that shows the calculation of the \$3,279 amount will be
13 provided to all the parties in this case.
14

15 Q. WHAT DOES YOUR RATE CASE EXPENSE AMOUNT INCLUDE?

16 A. My rate case expense amount includes: (a) a reasonable amount of fees incurred
17 for time spent by CSM personnel working on the rate case on behalf of the
18 Company; (b) the fees incurred for legal representation related directly to the rate
19 case as of November 26, 2014; (c) the fees incurred for consulting services related

1 directly to the rate case as of December 4, 2014; and (d) office supplies and
2 postage costs related directly to this case.
3

4 Q. WHAT IS PUBLIC COUNSEL'S POSITION REGARDING THE COMPANY'S
5 RECOMMENDATION TO RECOVER RATE CASE EXPENSES THROUGH THE
6 FILING DATE OF REPLY BRIEFS IN THIS CASE?

7 A. Public Counsel has no concerns with the Company's recommendation.
8

9 **V. DISCOVERY ISSUES.**

10 Q. WHAT IS THE ISSUE?

11 A. This issue concerns discovery information that Central Rivers provided during the course
12 of this rate case.
13

1 Q. MR JOHANSEN STATES IN HIS SUPPLEMENTAL DIRECT AND REBUTTAL
2 TESTIMONY, PAGE 8, LINES 17 THROUGH 19, THAT "IT SEEMS TO ME THE
3 BASIC ISSUE IS THAT THE STAFF IS NOT SEEING THE INFORMATION IT
4 THINKS IT SHOULD SEE BECAUSE OF A LACK OF UNDERSTANDING OF HOW
5 SERVICES ARE INVOICED UNDER THE TERMS OF WHAT IS LARGELY A
6 FIXED PRICE CONTRACT." DO YOU AGREE?

7 A. No. If I understand Mr. Johansen correctly, he seems to be suggesting that whether CSM
8 expends the required hours in providing services to Central Rivers or not, CSM has the
9 contractual right to bill Central Rivers, and ultimately Central Rivers' customers, a "fixed
10 price contract" amount. Ample evidence exists to show that CSM does not keep work
11 orders or timesheets to justify that it indeed expended a stated number of hours in proving
12 services for Central Rivers. The Company's claim that the contract amounts were fixed
13 based on experience it has regarding the time it takes to accomplish a task, is not
14 auditable documentation. Mr. Johansen's suggested approach to ratemaking does not
15 validate the appropriateness, prudence, or reasonableness of the alleged contract and is
16 not sufficient evidence to support the annual level of costs to be included in rates charged
17 to ratepayers.
18

VI. SEPTIC TANK EFFLUENT PUMP CONNECTION CHARGES.

Q. DO YOU AGREE WITH MR. JOHANSEN'S ASSERTION IN HIS SUPPLEMENTAL DIRECT AND REBUTTAL TESTIMONY THAT THE STEP CONNECTION CHARGES COLLECTED BY CENTRAL RIVERS, WHETHER THE CHARGES SET OUT IN THE TARIFF OR THE EXCESS CHARGES, SHOULD BE TREATED AS BOTH PLANT-IN-SERVICE AND CONTRIBUTIONS IN AID OF CONSTRUCTION ("CIAC")?

A. No. As I indicated in my Rebuttal Testimony in this case, I believe that the total over-collected amounts, if authorized by the Commission to be refunded by the Company, should be removed from both Plant-in-Service and CIAC. This adjustment will ensure that the refund amounts, which represent unsupported charges in violation of the Company's tariff, do not continue to be included on the Company's books.

Q. COMPANY WITNESS, MR. GEISINGER, IN HIS SUPPLEMENTAL DIRECT AND REBUTTAL TESTIMONY, ASSERTS THAT HE DOES NOT AGREE WITH THE MPSC STAFF'S RECOMMENDATION THAT THE OVER-COLLECTED STEP AMOUNTS BE REFUNDED TO CUSTOMERS. WHAT IS PUBLIC COUNSEL'S POSITION?

A. As stated in Public Counsel's Rebuttal Testimony, it is Public Counsel's recommendation that the Commission order Central Rivers to refund all the over-collected Connection

1 Charge amounts, with accrued interest, to the customers that paid a Connection Charge in
2 excess of the Company's tariff rates, and do so within one (1) year of the effective date of
3 the Commission's Report and Order in this case. Mr. Geisinger's rationale on page 17,
4 lines 20 and 21, of his Supplemental Direct and Rebuttal Testimony that "I believe the
5 amounts charged were always equal to the actual cost of such installations", is
6 unreasonable. The bottom line is that the Company charged more for the installations
7 than was allowed in its Commission- approved tariff. All amounts charged in violation
8 of the tariff should be refunded back to the customers who were erroneously charged.
9

10 Q. MR.GEISINGER STATES IN HIS SUPPLEMENTAL DIRECT AND REBUTTAL
11 TESTIMONY THAT HE IS NOT OPPOSED TO PERMITTING CUSTOMERS
12 CHOOSING OTHER PARTIES TO PERFORM STEP INSTALLATIONS. WHAT IS
13 PUBLIC COUNSEL'S POSITION?

14 A. Public Counsel believes it is appropriate to allow customers to choose other parties to
15 perform STEP installations. Public Counsel agrees that some additional charges may
16 need to be added to the Company's tariff to accomplish this change. Public Counsel,
17 however, is opposed to the additional charges that Mr. Geisinger alleges it would cost
18 Central Rivers to "maintain the integrity of the system." These proposed charges are not
19 based on actual costs so there is no evidence that these proposed charges are reasonable.

1 Q. DO YOU HAVE ANY OTHER ISSUES REGARDING STEP CONNECTION
2 CHARGES THAT YOU WANT TO BRING TO THE ATTENTION OF THE
3 COMMISSION?

4 A. Yes. I would like to provide an update to the total over-collected STEP Connection
5 Charges and the accrued interest amounts that I recommended in my Rebuttal Testimony.
6

7 Q. PLEASE CONTINUE.

8 A. My updated calculations show that Central Rivers has over-collected an additional
9 amount of \$12,557 in STEP Connection Charges for what the Company refers to as
10 “charges for extra feet above 200 feet.” The Company’s Commission-authorized tariff
11 for STEP Connection Charge includes a cost for 1 inch piping from customer’s septic
12 tank to the sewer main up to 800 linear feet; however, it appears Central Rivers, on its
13 Application for Sewer Service, attached to this Testimony as Schedules WA-9, reduced
14 the included linear feet to 200 and charged the customers an additional fee for footages
15 over the 200 feet. Public Counsel recommends that the Commission should order Central
16 River to refund the \$12,557 additional STEP Connection Charge amount, with accrued
17 interest, to customers who paid these extra charges in addition to the \$53,444 (\$44,920
18 over-collected STEP Connection Charges + \$8,524 interest) amount identified in Public
19 Counsel’s Rebuttal Testimony. It is, however, not clear at this point whether Central
20 Rivers booked this \$12,557 amount as a plant item or as a revenue stream. If Central

1 Rivers booked this amount as a plant item, then, consistent with Public Counsel's
2 recommendation as stated in my Rebuttal Testimony, Plant-in-Service and CIAC should
3 also be reduced by the \$12,557 amount.
4

5 Q. WHAT IS THE INTEREST COMPONENT?

6 A. By my calculations, the total interest component of these additional charges would
7 amount to \$2,781. A detailed workpaper will be provided to all the parties in this case.
8

9 **VII. PUBLIC COUNSEL'S OVERALL RATE INCREASE RECOMMENDATION.**

10 Q. WHAT IS PUBLIC COUNSEL'S RECOMMENDATION REGARDING A RATE
11 INCREASE FOR CENTRAL RIVERS?

12 A. Even though Public Counsel has numerous concerns regarding the conduct of Central
13 Rivers, as is well documented in this testimony and my Rebuttal Testimony, Public
14 Counsel will not oppose a reasonable rate increase for Central Rivers. Public Counsel
15 believes that the revenue requirement agreed upon by the MPSC Staff and Central Rivers
16 in the October 7, 2014 Notice of Company/Staff Agreement Regarding Partial Disposition
17 of Small Company Rate Increase Request, as adjusted by Public Counsel's calculations for
18 non-STEP CIAC depreciation offset as presented in my Rebuttal Testimony, and rate case
19 expense as discussed above, is reasonable. Below is a table showing a summary of Public
20 Counsel's revenue requirement recommendation.

Surrebuttal/Rebuttal of Supplemental Direct Testimony of William Addo
Case No. SR-2014-0247

MPSC Staff's October 7, 2014 Revenue Requirement	\$34,461
<u>Add:</u> OPC's Recommended Rate Case Expense	\$ 3,279
<u>Less:</u> Non-STEP CIAC Depreciation Offset: MPSC Staff's Non-STEP CIAC Dep. Offset Recommendation \$32,187 Minus OPC's Non-STEP CIAC Dep. Offset Recommendation \$34,171	\$(1,984)
OPC's Recommended Revenue Requirement	\$35,756

Public Counsel also recommends that the adjustment to the Company's capital structure and return equity calculation as presented in my Rebuttal Testimony should be effected. Finally, Public Counsel recommends that the Commission order Central Rivers to refund all customer deposits and over-collected STEP Connection Charges, with accrued interest, to customers in accordance with Public Counsel's recommendation as stated in my Rebuttal Testimony, and in this testimony.

Q. DOES THIS CONCLUDE YOUR SURREBUTTAL/ REBUTTAL OF
SUPPLEMENTAL DIRECT TESTIMONY?

A. Yes, it does.

Please Note:

- Installation costs do not include, nor is Central Rivers Wastewater Utility, Inc. responsible for final grade and seed which may be needed if ground settlement occurs.
- Final invoice may vary due to unknown variables at time of installation (rock, high water table, excavation depth greater than 8 feet, etc.). Tank installation must be within 40 feet of house. Service connection must be within 200 feet of tank. If the distance is greater there will be an additional charge for the pipe.
- Installation cost includes running electrical wire up to house and mounting service panel, but does not include any in-home wiring.
- Homeowners to provide dedicated 30 amp service to control panel outside of home. Panel will be installed near sewer outlet location.
- Installation costs do not include repairs to system if damaged by anyone other than Central Rivers Wastewater Utility, Inc.
- Sewer outlet shall extend a minimum of 6" past the footing and be clearly marked.
- Verification letter of sewer hook-up will be issued to Clay County Planning & Zoning once system has been installed and a start up performed by Central Rivers Wastewater Utility, Inc..
- Verification of where sewer should be stubbed out of house must be confirmed by Central Rivers Wastewater Utility, Inc. before footings are poured to be able to have a bathroom in the basement and to ensure the elevations required for the tank.
- Sewer service connection fee must be paid in full along with deposit before installation will be scheduled.
- Developer pays a monthly fee for each lot to maintain line work and operate sewer treatment plant. This monthly fee is passed on to new lot owner until hook up to central sewer system, and then monthly sewer fee applies.

This Agreement between the customer_____

and Central Rivers Wastewater Utility, Inc. is made this date_____.

Page 2 of 2

Appendix B

Approved Tariff of

Central Rivers Wastewater Utility, Inc.

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of **Sewer** Service

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- 3 Map of Countryside Meadows Service Area
- 4 Map of Fox Run Subdivision and Wil Mar Estates Service Area
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- 6A Map of Country Hills Service Area *
- 7 Description of Service Area: Sewer -Countryside Meadows and Berkshire Glen Sub.
- 8 Description of Service Area: Sewer - Wil Mar Estates
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- 10 Description of Service Area: Sewer – Bar B Acres
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- 11A Description of Service Area: Sewer - Country Hills *
- 12 Schedule of Rates
- 13 Intentionally left blank for future Schedule of Rates
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Rule No.

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Missouri Public
Service Commission
YS-2014-0238

*indicates new rate or text

+indicates change

DATE OF ISSUE: November 27, 2013

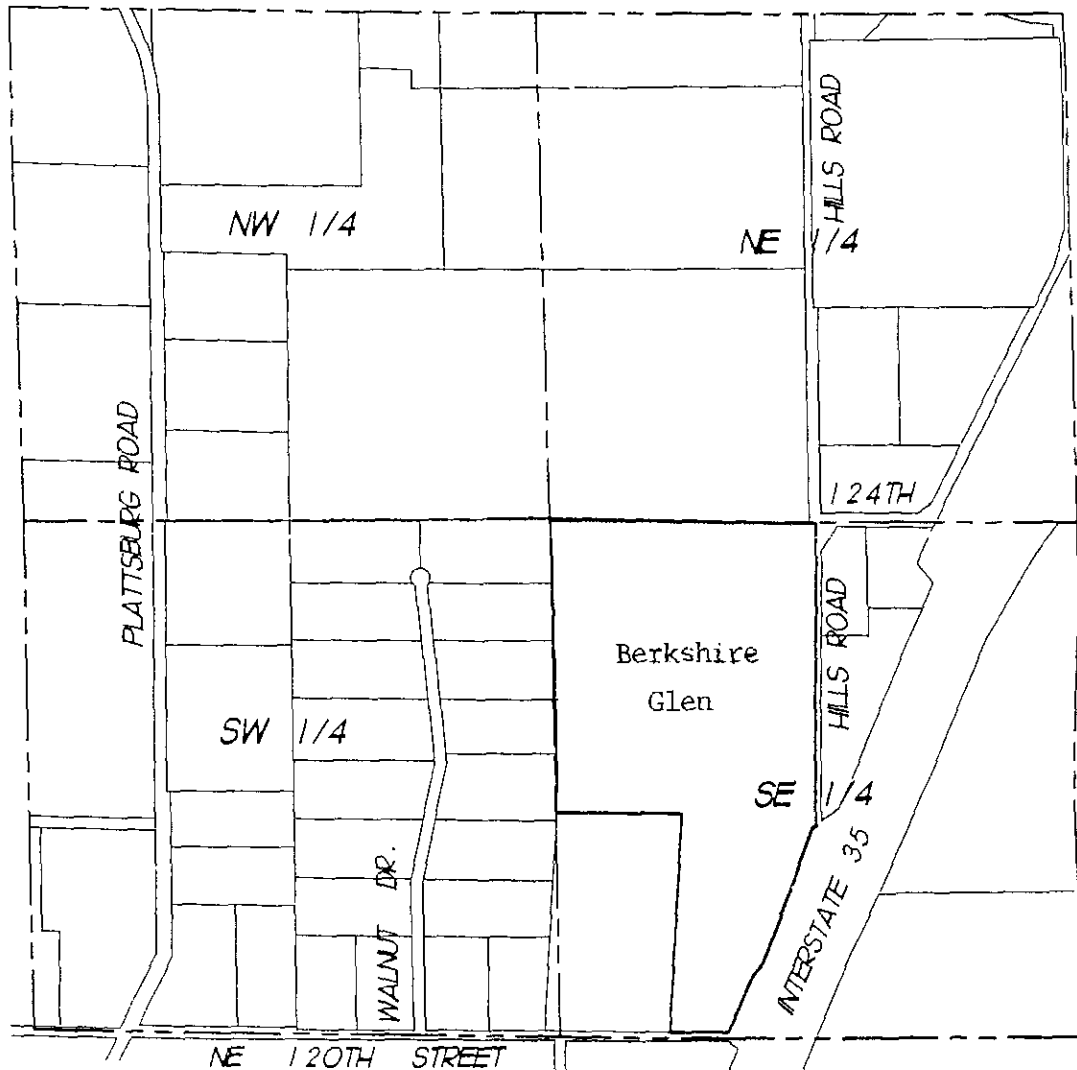
DATE EFFECTIVE: December 31, 2013

ISSUED BY: Mark Geisinger: President: P.O. Box 528, Kearney, MO 64060

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of **Sewer Service**

Map of **BERKSHIRE GLEN** service area



Location Map
SEC. 17-52-31

*indicates new rate or text

+indicates change

DATE OF ISSUE 12 30 2005 DATE EFFECTIVE 2 1 2006
Month Day Year Month Day Year

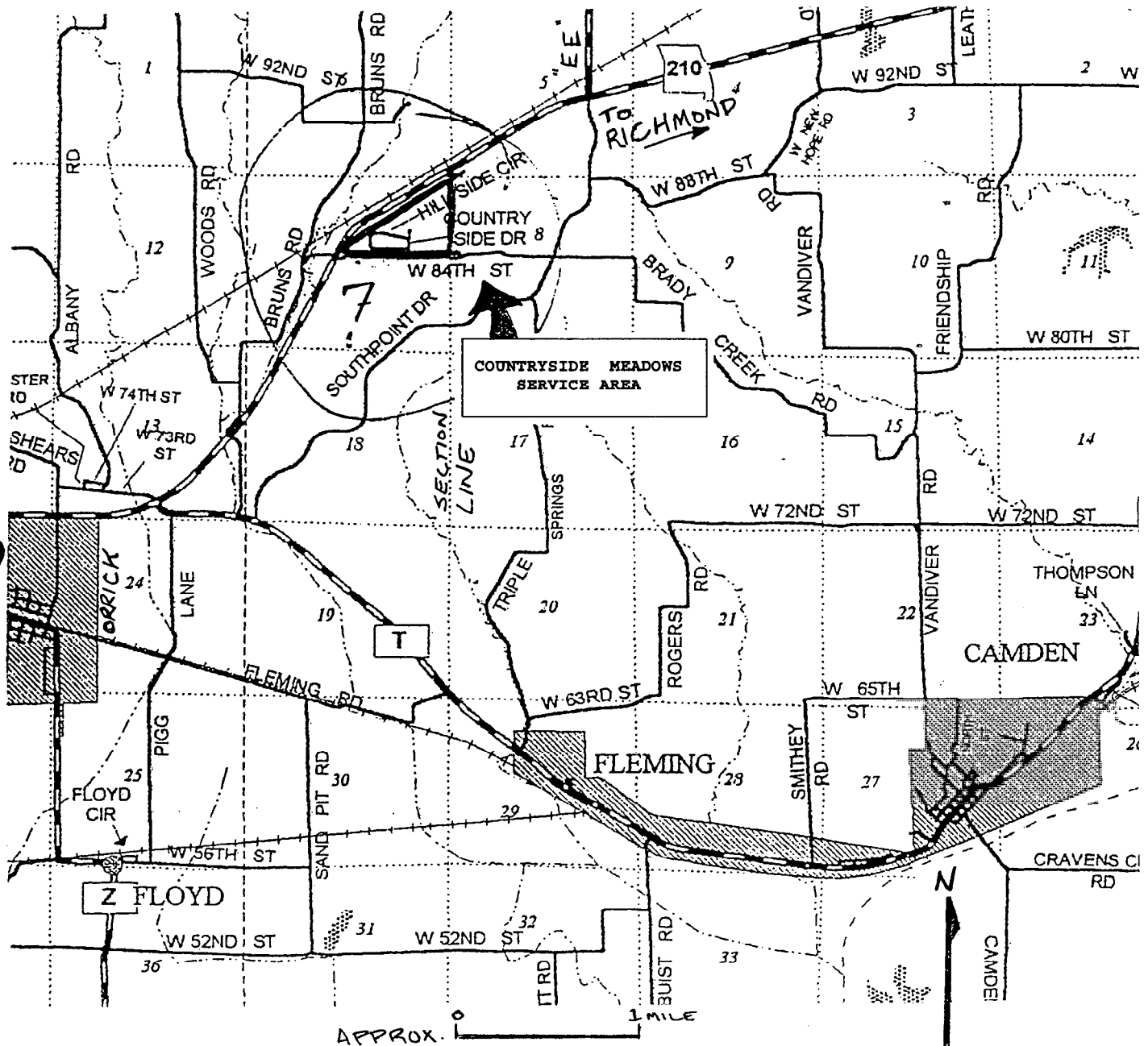
ISSUED BY: Mark Geisinger President P.O. Box 528, Kearney, MO 64060
Name of Officer Title Address

FILED

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

Map of Countryside Meadows Subdivision Service Area



*indicates new rate or text

+indicates change

DATE OF ISSUE July 23, 1999
Month Day Year

DATE EFFECTIVE August 30, 1999
Month Day Year

ISSUED BY Mark Geisinger President 205 S. Spartan Dr. Richmond, MO 64085
Name of Officer Title Address

98-530
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MO PSC

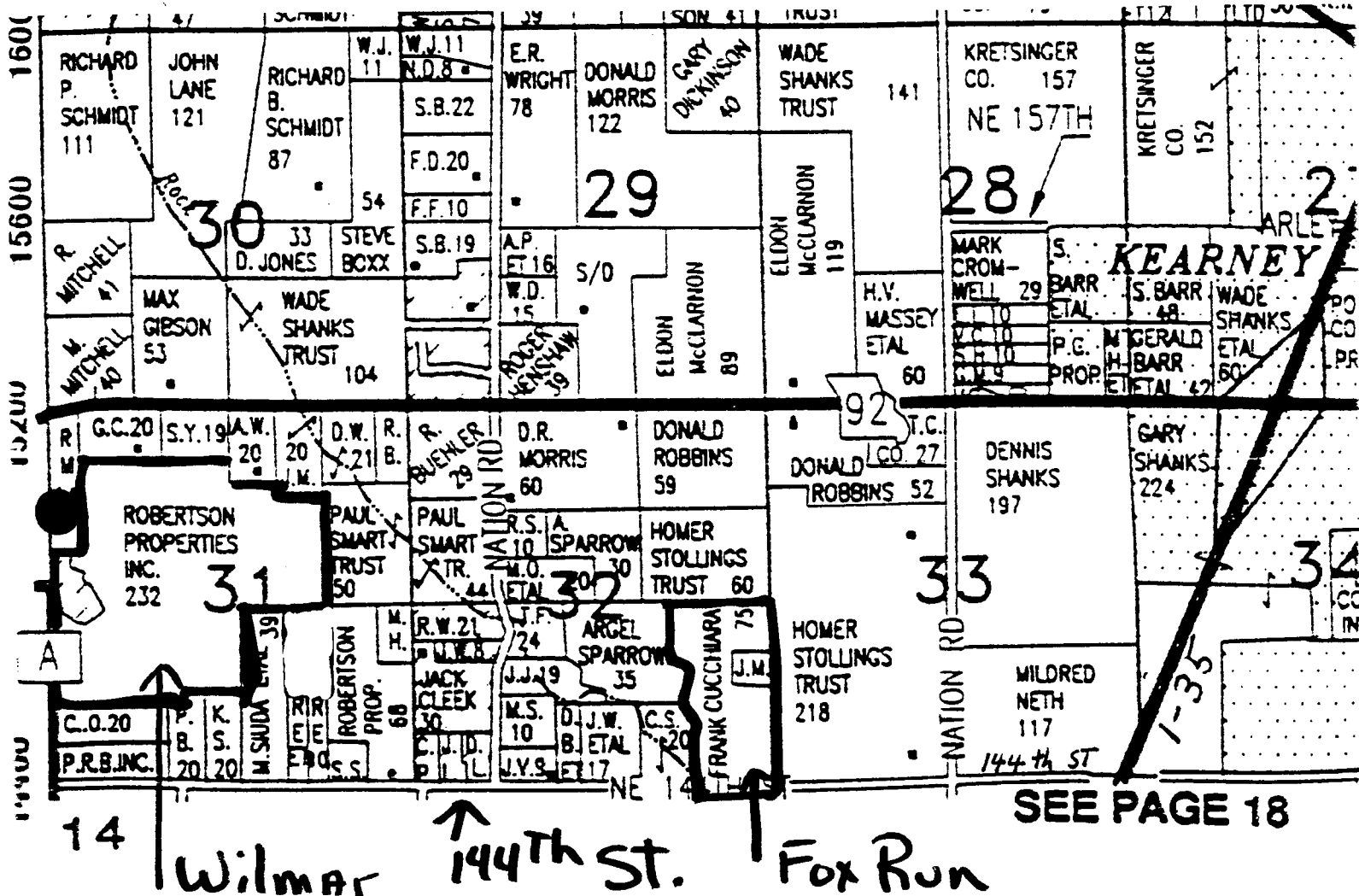
Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Missouri Public

Rules Governing Rendering of Sewer Service

REC'D DEC 03 2001

Map of WIL-MAR ESTATES and FOX RUN Subdivision Service Area
Service Commission



Missouri Public

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01-304

Service Commission

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DATE OF ISSUE 11 26 2001 DATE EFFECTIVE 12

Month

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JAN 04 2002

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President

P.O. Box 459, Kearney, MO 64060

Name of Officer

Title

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P.S.C. MO No. 1

2nd Revised Sheet No. 5

Canceling 1st Revised Sheet No. 5

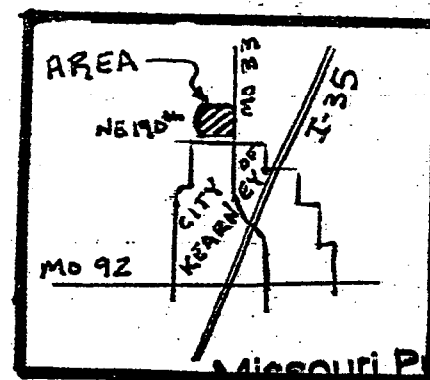
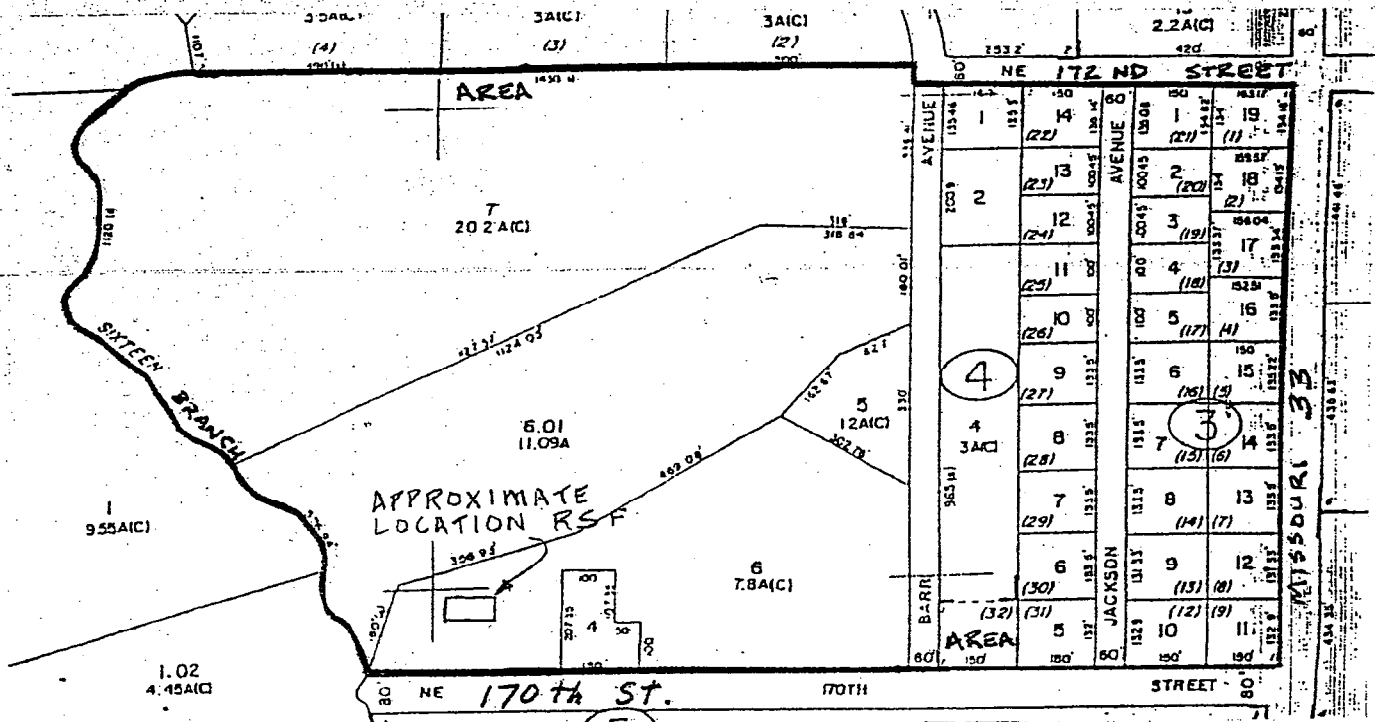
Name of Utility: Central Rivers Wastewater Utility, Inc.
for Service Areas in the State of Missouri

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Rules Governing Rendering of Sewer Service

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Map of BAR-B Acres Service Area Service Commission



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01-304

Service Commission

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DATE OF ISSUE 11 26 2001 DATE EFFECTIVE 12

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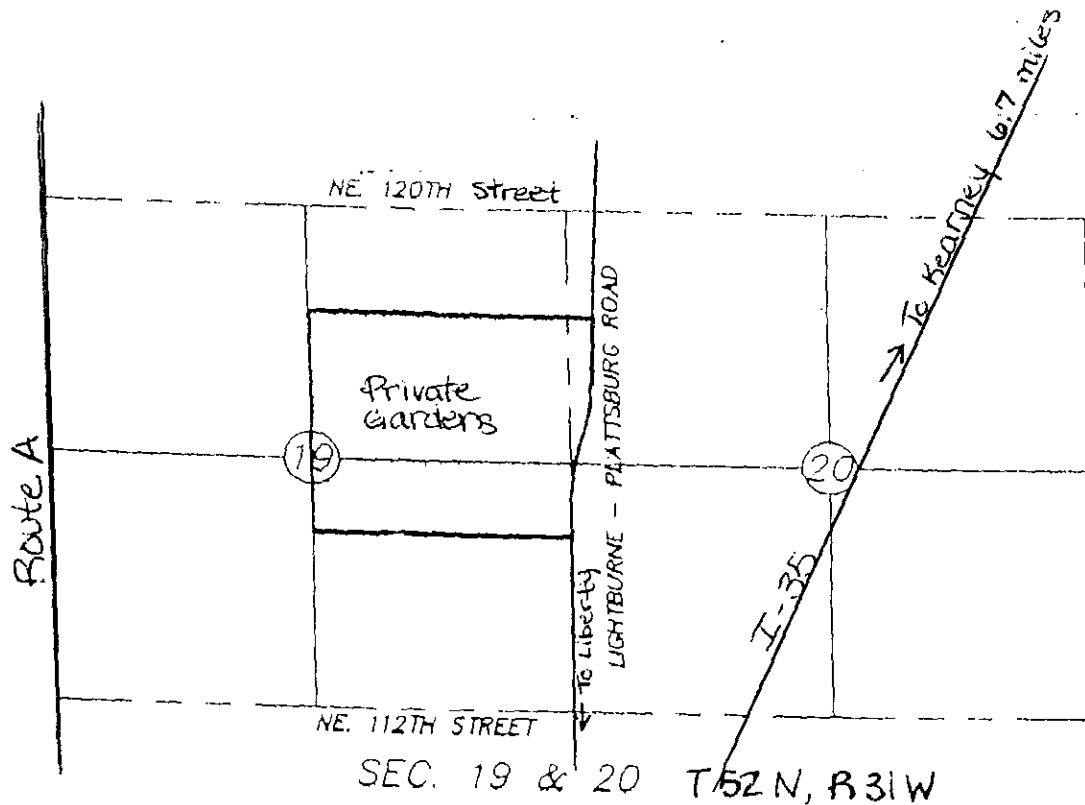
ISSUED BY: Mark Geisinger
Name of Officer

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Title

P.O. Box 459, Kearney, MO 64060
Address

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Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service**Map of PRIVATE GARDENS service area**

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+indicates change

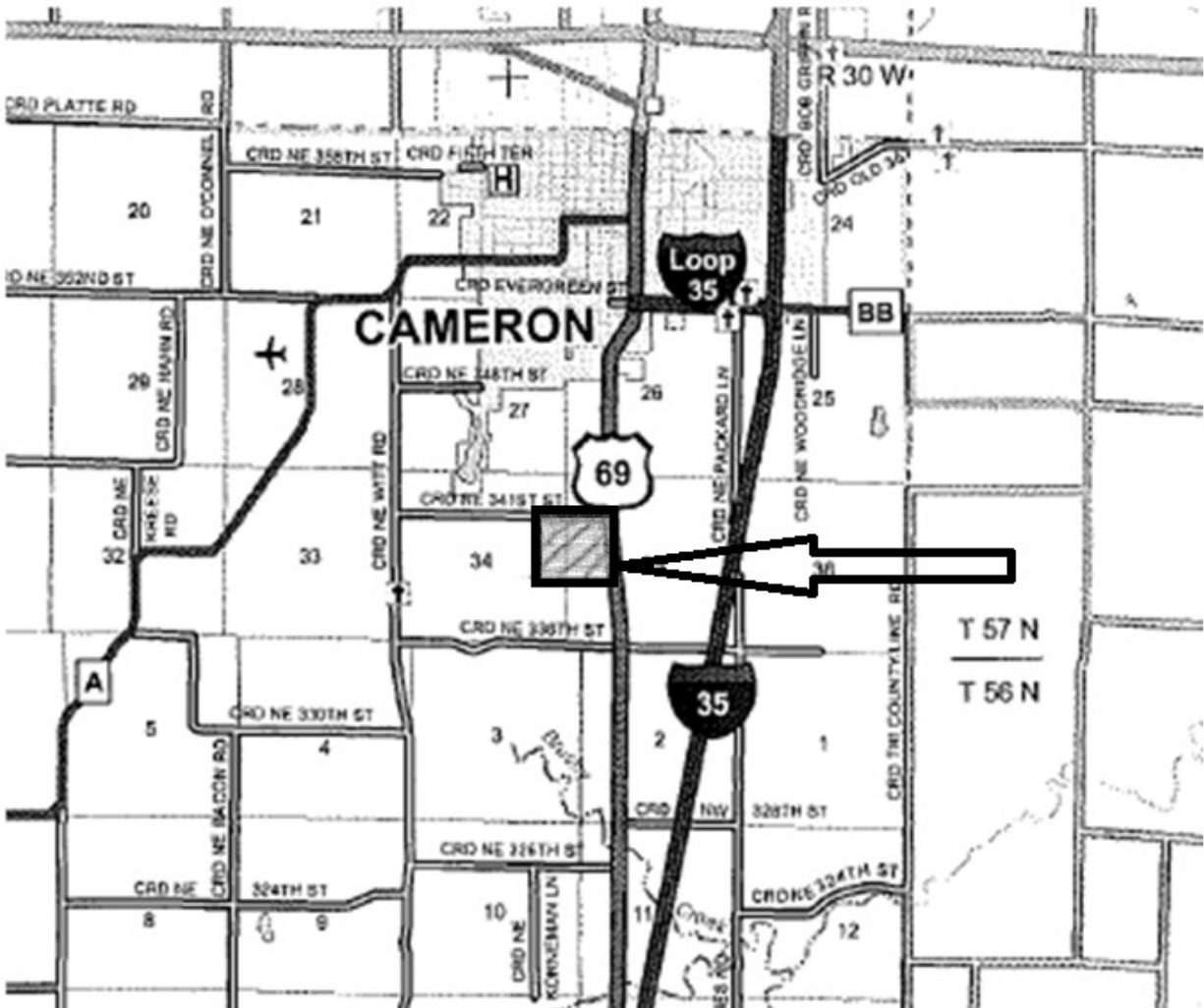
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Month Day YearISSUED BY: Mark Geisinger
Name of OfficerPresident
TitleP.O. Box 528, Kearney, MO 64060
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Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of **Sewer** Service

*

Map of Country Hills service area



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Missouri Public
Service Commission
YS-2014-0238

*indicates new rate or text

+indicates change

DATE OF ISSUE: November 27, 2013

DATE EFFECTIVE: December 31, 2013

ISSUED BY: Mark Geisinger: President: P.O. Box 528, Kearney, MO 64060

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

DESCRIPTION OF SERVICE AREA: COUNTRYSIDE MEADOWS SUBDIVISION
RAY COUNTY, MISSOURI

Sewer Company general description for sewer service area in Countryside Meadows Subdivision, Ray County, Missouri.

Generally includes all of the area south of Missouri State Route 210 and north of West 84th street and west of the eastern section line of Section 7, Township 51N, Range28W, Ray County, Missouri.

All that portion of the N1/2 NE ¼, of Section 7, Township 51 North, Range 28 west, 5th Principal Meridian, Ray County, Missouri, lying Southeasterly of a line drawn parallel with and distant 150.0 feet Southeasterly of Burlington Northern Railroad Company's Main Track Centerline, as now located and constructed.

BERKSHIRE GLEN service area *
Description *

Generally includes all of the NW ¼ of the SE ¼ of section 17, and, the East ½ of the SW ¼ of the SE ¼ of Section 17, T52N, R31W, Clay County, Missouri, lying west of Interstate I-35 highway and North of 120th Street, containing about 58 acres. This service area is about 1.5 miles North of Liberty, MO.

More particularly described as: Beginning at the Northwest corner of the Southeast Quarter of said Section 17, thence North 89°31'56" East 1303.1 feet; thence South 0° 08'01"West 1626 feet; thence South 22°West 1107 feet (generally along the I-35 Right-of-Way); thence South 89°33'47"West 318 feet; thence North 3°5'31"East 1147.3 feet; thence South 89°35'12"West 635.19 feet; thence North 0°15'35"East 1503 feet to the Point of Beginning.

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+indicates change

DATE OF ISSUE 12 30 2005 DATE EFFECTIVE 2 1 2006
Month Day Year Month Day Year

ISSUED BY: Mark Geisinger President P.O. Box 528, Kearney, MO 64060
Name of Officer Title Address

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

**Missouri Public
Service Commission**

Rules Governing Rendering of Sewer Service

REC'D FEB 10 2000

Description of Service Area: Sewer – **Wil Mar Estates** Subdivision +

Sewer Company general description for sewer service area in Fox Run Subdivision, Clay County.

General Description:

A subdivision located approximately three miles West of Kearney Missouri, South ½ mile on Missouri State Highway A to the entrance of subdivision. This service area includes platted lots of Wil Mar Estates EXCEPT all the portions platted as WIL MAR ESTATES FIRST PLAT.

Legal Description:

Those portions of Section 36 T53N, R32W and Section 31, T53N, R31W of the 5th P.M., Clay County, Missouri, described as follows: Beginning at the E ¼ corner of said Section 36 (also the W ¼ corner of said Section 31), thence N00-23-23E, 406.78 feet along the East line of said Section 36 (also the West line of said Section 31), thence N47-57-00W, 620.51 feet; thence S89-55-28W, 810.59 feet to the Easterly right of way line of Missouri Highway "A"; thence N00-02-35E, 614.49 feet along said r.o.w. line; thence N00-03-00E, 174.61 feet along said r.o.w. line; thence N89-55-28E, 1106.74 feet; thence S00-23-23W, 496.42 feet; thence N89-55-01E, 550.00 feet; thence N00-23-23E, 791-44 feet; thence S89-00-27E, 2096.26 feet; thence South 285.56 feet; thence East 783.20 feet; thence S00-04-00W, 49.11 feet; thence S89-05-15E, 764.29 feet to the East line of the W ½ of the NE ¼ of said Section 31; thence S00-04-00W, 1517.95 feet along said East line to the SE corner of said W ½ NE ¼; thence S89-54-12W, 1317.50 feet to the center of said Section 31; thence S00-00-10W, 1281.28 feet along the East line of the SW ¼ of said Section 31; thence N89-46-58W, 1060.40 feet; thence South 100.00 feet; thence N89-46-58W, 1615.01 feet to the Easterly right of way line of Missouri Highway "A"; thence N00-06-49W, 793.93 feet along said r.o.w. line; thence along a curve to the left having a radius of 607.96 feet, through a central angle of 70-27-13, an arc distance of 747.58 feet along said r.o.w. line to the North line of the SE ¼ of said Section 36; thence N89-55-28E, 367.91 feet along said North line to the point of beginning, EXCEPT all that portion platted as WIL MAR ESTATES FIRST PLAT, a subdivision of land in Clay County, Missouri, according to the recorded plat thereof, said plat having been filed August 23, 1994 and recorded in Plat Cabinet D, at Sleeve 57.

**Missouri Public
Service Commission**

FILED MAR 24 2000

*indicates new rate or text

+indicates change

DATE OF ISSUE February 7, 2000

Month Day Year

DATE EFFECTIVE

Month Day Year

ISSUED BY : Mark Geisinger President P. O. V Box 459, Kearney, MO 64060

Name of Officer

Title

Address

MAR 24 2000 +

**FILED
MO PSC**

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

**Missouri Public
Service Commission**

Description of Service Area: Sewer – **Fox Run Subdivision**

REC'D FEB 10 2000 +

Sewer Company general description for sewer service area in Fox Run Subdivision, Clay County.

General Description:

A subdivision located approximately ½ Mile West of Kearney Missouri on Missouri Highway 92, south on Nations Road 1 Mile, East on 144th street to the entrance of a 40 lot subdivision. This area generally includes the East ½ of the S.E. Quarter of Section 32, township 53N, Range 31W in Clay County Missouri.

Legal Description:

All that part of the Southeast Quarter of Section 32, Township 53, Range 31 in Clay County, Missouri described as follows: Beginning at the Southeast corner of the Southeast Quarter of said Section 32; thence North 89 degrees 45 minutes 16 seconds West along the South line of the Southeast Quarter of said Section 32, a distance of 50.00 feet; thence North 00 degrees 08 minutes 21 seconds West, a distance of 208.71 feet; thence North 89 degrees 45 minutes 18 seconds West, a distance of 208.71 feet; thence South 00 degrees 08 minutes 21 seconds East, a distance of 208.71 feet to a point on the South line of the Southeast Quarter of said Section 32; thence North 80 degrees 45 minutes 16 seconds West along the South line of the Southeast Quarter of said Section 32, a distance of 1024.48 feet; thence North 00 degrees 57 minutes 15 seconds West, a distance of 944.34 feet; thence North 50 degrees 12 minutes 27 seconds West, a distance of 180.72 feet; thence North 26 degrees 06 minutes 49 seconds West, a distance of 115.00 feet; thence North 21 degrees 34 minutes 02 seconds East, a distance of 196.46 feet; thence North 13 degrees 11 minutes 28 seconds East, a distance of 88.35 feet; thence North 78 degrees 19 minutes 20 seconds East, a distance of 287.04 feet; thence Northwesterly along a curve to the right, having an initial tangent bearing of North 12 degrees 15 minutes 28 seconds West and a radius of 480.00 feet, an arc distance of 4.86 feet; thence North 11 degrees 40 minutes 40 seconds West, a distance of 87.22 feet; thence North 78 degrees 19 minutes 20 seconds East, a distance of 285.00 feet; thence North 57 degrees 31 minutes 40 seconds East, a distance of 195.14 feet; thence South 11 degrees 40 minutes 40 seconds East, a distance of 331.84 feet; thence North 64 degrees 48 minutes 34 seconds East, a distance of 213.17 feet; thence North 00 degrees 09 minutes 34 seconds West, a distance of 133.92 feet; thence South 80 degrees 28 minutes 55 seconds East, a distance of 416.71 feet to a point on the East line of the Southeast Quarter of said Section 32; thence South 00 degrees 08 minutes 21 seconds East along the East line of the Southeast Quarter of said Section 32, a distance of 1566.06 feet to the Point of Beginning. Said tract of land contains 46.71 acres more or less.

**Missouri Public
Service Commission**

FILED MAR 24 2000

*indicates new rate or text

+indicates change

DATE OF ISSUE February 7, 2000

Month Day Year

DATE EFFECTIVE

Month Day Year

ISSUED BY : Mark Geisinger President P. O. V Box 459, Kearney, MO 64060

Name of Officer

Title

Address

MAR 24 2000 +

**FILED
MO PSC**

P.S.C. MO No. 1

1st Revised Sheet No. 10
Canceling Original Sheet No. 10

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

Missouri Public

REC'D DEC 03 2001

BAR-B-ACRES Service Area. *
Legal Description

Service Commission

An area located approximately 2.5 miles north of Kearney, Missouri, in Clay County, generally described as that portion of the north half of the southwest quarter of Section 15, Township 53 North, Range 31 West, which is north of 170th Street, west of State Route 33, south of 172nd Street, and east of Sixteen Branch tributary to Clear Creek.

More specifically described as follows: Beginning at the northeast corner of the Southwest Quarter of Section 15, Township 53 North, Range 31 West, thence due west (in line with 172nd Street) approximately 2400 feet to the center of Sixteen Branch tributary to Clear Creek, thence meandering south and east along said Sixteen Branch to 170th Street, thence due east approximately 1800 feet to State Route 33, thence due north along State Route 33 to the Point-of-Beginning (also the junction of State Route 33 and 172nd Street), encompassing approximately 63 acres in Clay County, Missouri.

Missouri Public

FILED JAN 04 2002
01-304

Service Commission

*indicates new rate or text

+indicates change

DATE OF ISSUE 11 26 2001 DATE EFFECTIVE 12 [REDACTED]
Month Day Year Month Day Year

JAN 04 2002

ISSUED BY: Mark Geisinger President P.O. Box 459, Kearney, MO 64060
Name of Officer Title Address

FILED
MO PSC

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of **Sewer** Service

PRIVATE GARDENS service area

Description

An area generally located in the East Half of Section 19, Township 52 North, Range 31 West, south of NE 120th Street, west of Piattsburg Road, north of NE 112th Street, and platted as Private Gardens in Clay County, Missouri.

More specifically described as follows: All that part of the East one half of Section 19 and a part of the Northeast Quarter of Section 20, both in Township 52, Range 31, Clay County, Missouri described as follows: Commencing at the Southeast corner of said Section 19; thence North 0 degrees, 01 minutes, 51 seconds West along the East line of said Section 19, also being the East Line of SHAVERS HEAVEN CREST, a subdivision of land in Clay County, Missouri, a distance of 1814.97 feet to the Point of Beginning of the tract herein to be described; thence North 89 degrees, 41 minutes, 46 seconds West along the North line of said SHAVERS HEAVEN CREST and its Westerly prolongation thereof, a distance of 2624.80 feet to the West Line of the Southeast Quarter of said Section 19; thence North 0 degrees, 25 minutes, 41 seconds East along said West line, a distance of 828.16 feet to the center of said Section 19; thence North 0 degrees, 24 minutes, 01 seconds East along the West line of the Northeast Quarter of said Section 19, a distance of 1493.20 feet; thence South 89 degrees, 37 minutes, 34 seconds East a distance of 2858.21 feet to a point on the centerline of Lightburne-Piattsburg Road, (the following 5 courses are along said road centerline); thence South 2 degrees, 51 minutes, 39 seconds West, a distance 782.98 feet; thence Southwesterly along a curve to the right being tangent to the last described course, and having a radius of 1300.00 feet, an arc distance of 310.33 feet; thence South 16 degrees, 32 minutes, 18 seconds West, a distance of 339.19 feet; thence Southerly along a curve to the left being tangent to the last described course, and having a radius of 1510.00 feet, an arc distance of 436.57 feet; thence South 0 degrees, 01 minutes, 51 seconds East, a distance of 473.59 feet to the Point of Beginning. Said tract of land contains 145.84 Acres more or less.

*indicates new rate or text

+indicates change

DATE OF ISSUE 11/29/04 DATE EFFECTIVE 1 / 105-

January 1, 2005

Month Day Year

ISSUED BY: Mark Geisiniger
Name of Officer

President
Title

P.O. Box 528, Kearney, MO 64060
Address

FILED
MO PSC

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of **Sewer** Service

Description of Service Area: Sewer — **Country Hills** Subdivision *

This service area in Clinton County, Missouri approximately a mile south of Cameron, Missouri, is Located in Sections 34 and 35 Township 57 North, Range 30 West and contains approximately 180 acres.

Generally described as:

Having a North boundary of the NE 341 Street, an East boundary of Missouri Highway 69, a South boundary of the south line(extended) of the north half of the southwest quarter of Section 35, and a West boundary of west line(extended) of northeast quarter of the southeast quarter of Section 34.

Specifically described as:

The Point of Beginning is the intersection of the centerline of U.S. Highway 69 and the south line of the north half of the southwest quarter of section 35, township 57 north, range 30 west; thence west along the south line of said north half of the southwest quarter of section 35 and continuing along the south line of the north half of the southeast quarter of section 34, township 57 north, range 30 west approximately 2,940 feet to the southwest corner of the northeast quarter of the southeast quarter of Section 34, township 57 north, range 30 west; thence north along the quarter quarter section line approximately 2,700 feet to the centerline of NE 341 Street; thence east along the centerline of said NE 341 Street approximately 2,800 feet to centerline of U.S. Highway 69; thence South along the centerline of U.S. Highway 69 approximately 2,700 feet to the south line of the north half of the southwest quarter of Section 35 and the point of beginning.

FILED
Missouri Public
Service Commission
YS-2014-0238

*indicates new rate or text

+indicates change

DATE OF ISSUE: November 27, 2013

DATE EFFECTIVE: December 31, 2013

ISSUED BY: Mark Geisinger: President: P.O. Box 528, Kearney, MO 64060

Name of Utility: Central Rivers Wastewater Utility, Inc.
Service Areas in the State of Missouri

Rules Governing Rendering of
Sewer Service

SCHEDULE OF RATES

AVAILABILITY:

Any Customer adjacent to the Company's sewer collection main or other Customer who can deliver sewage to a collection point within the Company's certified area in a manner compatible with the company's sewage collection and treatment system.

SEWER SERVICE RATES FOR SERVICE AREAS:

Countryside Meadows Subdivision, Ray County
Fox Run Subdivision, Clay County
Wil Mar Estates Subdivision, Clay County
Bar B Acres Area, Clay County
Private Gardens
Berkshire Glen
Country Hills

Residential:

Single Family Rate: \$44.81 per month
Single family, duplex unit or unit of a multi-unit building where water utility service is or is not provided through individual water meters.

+

Commercial:

Minimum \$44.81/month plus \$2.50 per thousand gallons used over 6500 gallons/month

+

Sales, Gross Receipts, Occupation or Franchise Taxes:
SEE PROVISION ON SHEET 15.

* Indicates new rate or text

+ Indicates change

DATE OF ISSUE: January 19, 2015

DATE EFFECTIVE: February 18, 2015

ISSUED BY: Mark Geisinger: President: P.O. Box 528, Kearney, MO 64060

FILED
Missouri Public
Service Commission
SR-2014-0247, YS-2015-0246

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

Intentionally Left Blank for Future Schedules of Rates

*indicates new rate or text

+indicates change

DATE OF ISSUE July 23, 1999 DATE EFFECTIVE August 30, 1999
Month Day Year Month Day Year

ISSUED BY : Mark Geisinger President 205 S. Spartan Drive, Richmond, MO 64085
Name of Officer Title Address

FILED
MO PSC

98-530

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

SCHEDULE OF SERVICE CHARGES**Missouri Public
Service Commission****CONNECTION CHARGES:**

REC'D FEB 10 2000

All single family residential customers utilizing a STEP system that the company will maintain shall pay a one-time \$4,500.00 connection charge for three bedroom and smaller homes and \$4,800 for four bedroom and larger homes when making application for service. This charge is inclusive of all accessories and inspections as hereinafter referenced. All non-residential or multi-family service connection charges shall be at actual cost incurred by the Company in accordance with Rules 10 and 11. The Company shall have sole discretionary authority to decide who may install equipment and will provide a letter to any person, company, incorporation or other business entity that has the authority to install equipment that will ultimately be operated and maintained by Company. Upon request that person, company, incorporation or other business entity shall produce a letter stating in writing that they are so granted authority to install equipment that will ultimately be operated and maintained by Company and if so unable to produce said letter, that entity or person shall not install any equipment to be ultimately operated and maintained by company. *

This charge does include: Cost for connecting the home to the sewer main. This includes any and all costs associated with the following: watertight septic tank, post construction testing of tank and system, pump or pumps, effluent filters, electrical control panel, splice box and wiring from control panel to septic tank, wiring from stubbed out electrical service at customer home to control panel (see Rule No. 6), 4" SCH 40 (or equal) piping from single family residence to septic tank up to 120 linear feet, 1" SCH 40 (or equal) piping from septic tank to main collection systems line up to 800 linear feet, risers and lids, service connection valves and appurtenances, inspections.

This charge does not include: any surveying to determine actual location of easements or property lines for customer, any electrical service beyond connecting to a 30 amp dedicated circuit and another minimum 20 amp circuit that need not be a dedicated circuit (minimum two separate circuits, see Rule 6) single phase electrical connection stubbed by customer to exterior of house, any plumbing closer than 5' of customer's building or residence,

Connection charges for STEG and Gravity collection systems will be based on actual costs as allowed by the Missouri Public Service Commission. The cost for a connection charge to a STEG or Gravity flow collection system will be stated in the Company's Tariff when data is obtained to present a reasonably accurate cost.

**Missouri Public
Service Commission**

*indicates new rate or text

+indicates change

FILED MAR 24 2000

DATE OF ISSUE February 7, 2000

DATE EFFECTIVE

Month Day Year

Month Day Year

ISSUED BY : Mark Geisinger President P. O. Box 459, Kearney, MO 64060

Name of Officer

Title

Address

MAR 24 2000

**FILED
MO PSC**

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
 For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

SCHEDULE OF SERVICE CHARGES (Continued)

TAXES:

Sales, Gross Receipts, Occupation or Franchise Taxes:

There shall be added to the customer's bill as a separate item an amount equal to the proportionate part of any sales, license, occupation, franchise or other similar fee or tax now or hereafter imposed upon the Company by any municipality or any other governmental authority, whether imposed by statute, ordinance, franchise or otherwise, in which the fee or tax is based upon a percentage of gross receipts, net receipts, revenue or income from the provision of service by the Company. When such tax or fee is a stated amount, a pro rata portion of such tax or fee shall be included as a separate item on the customer's bill and shall be calculated by applying thereto the same percentage factor as the total annual amount of that tax bears to the gross receipts of the Company from the provision of service during the preceding calendar year to customers located within the boundaries of the taxing entity. These tax or fee amounts shall be added to the customer's bill only within the boundaries of the entity imposing the tax or fee. This provision does not apply to the "assessment" rendered by the Missouri Public Service Commission to the Company.

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

LATE PAYMENT CHARGE: \$6.50 per notice per month

Applies only when the disconnect notice is mailed.

Only one charge applies to a customer that is billed for water and sewer service on the same bill.

RETURN CHECK CHARGE: \$15.00

Only one charge per returned check.

*indicates new rate or text

+indicates change

DATE OF ISSUE July 23, 1999 DATE EFFECTIVE August 30, 1999
 Month Day Year Month Day Year

ISSUED BY : Mark Geisinger President 205 S. Spartan Drive, Richmond, MO 64085
 Name of Officer Title Address

FILED
MO PSC

98-530

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

Intentionally Left Blank for Future Schedules of Charges

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DATE OF ISSUE July 23, 1999 DATE EFFECTIVE August 30, 1999
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For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

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DATE OF ISSUE July 23, 1999 DATE EFFECTIVE August 30, 1999
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FILED

MO PSC

98-530

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

Missouri Public
Service Commission
H(1) 111 23 1999

Rule 1. DEFINITIONS

- (A) "B.O.D." denotes biochemical oxygen demand. It is the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory conditions expressed in milligrams per liter.
- (B) A "COLLECTING SEWER" is a pipeline, including force lines, gravity sewers, interceptors, laterals, trunk sewers, manholes, lampholes and necessary appurtenances, including service wyes, which is owned and maintained by the Company, located on public property or on private easements, and used to transport sewage waste from the Customer's service connection to the point of disposal.
- (C) "COLLECTION TANK" is a tank that serves as a reservoir for wastewater.
- (D) The "COMPANY" is Central Rivers Wastewater Utility, Inc. acting through its officers, managers, or other duly authorized employees or agents.
- (E) The "CUSTOMER" is any person, individual partnership, association, corporation or governmental body which has contracted with the Company for sewer service or is receiving sewer service from the Company, or whose facilities are connected for utilizing sewer services.
- (F) INTENTIONALLY LEFT BLANK

*indicates new rate or text

+indicates change

DATE OF ISSUE July 23, 1999 DATE EFFECTIVE August 30, 1999
Month Day Year Month Day Year

ISSUED BY : Mark Geisinger President 205 S. Spartan Drive, Richmond, MO 64085
Name of Officer Title Address

FILED

MO PSC

98-530

FILED AUG 30 1999

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Missouri Public
Service Commission

Rules Governing Rendering of Sewer Service

9/10/99 2:37PM

Rule 1. DEFINITIONS (continued)

- (G) The "DATE OF CONNECTION" shall be the date the permit for a service connection is issued by the Company. In the event no permit is taken and a service connection is made, the date of connection shall be determined based on available information, such as construction/occupancy permits, or water or electric service turn-on dates.
- (H) A "DEVELOPER" is any person, firm, corporation, partnership or any entity that, directly or indirectly, holds title to, or sells or leases, or offers to sell or lease, or advertises for sale or lease, any two or more lots or two or more residences in a subdivision. The term "DEVELOPER" does not include a homeowner selling a single residence located on one or more lots in which said homeowner has occupied said residence a minimum of 60 calendar days.
- (I) "DISCONTINUANCE OF SERVICE" is intentional cessation of the use of sewer service by action of the Company not at the request of the Customer. Such DISCONTINUANCE OF SERVICE may be accomplished by methods including physical disconnection of service sewer, or disconnection of water service by the water utility at the request of the Company.
- (J) "DOMESTIC SEWAGE" is sewage, excluding storm and surface water, resulting from normal household activities.
- (K) "EFFLUENT PUMP" is a device, which pumps liquid waste, under pressure to the collecting sewer. The device also includes appropriate malfunction alarms, pressure controls and check valves to insure cooperative operation with similar units.
- (L) A "FOUNDATION DRAIN" is a pipe installed inside or outside the foundation of a structure for the purpose of draining ground or subsurface water away from the foundation.
- (M) "INSIDE PIPING or HOUSE PIPING" is all internal plumbing in a residence and 4" sewer pipe connected to the interior plumbing and extending away from the house a minimum of 5' from the exterior face of the foundation of the house. There shall be a wye cleanout installed within 5' of the foundation of the house.

*indicates new rate or text

+indicates change

DATE OF ISSUE July 23, 1999 DATE EFFECTIVE August 30, 1999
Month Day Year Month Day Year

ISSUED BY : Mark Geisinger President 205 S. Spartan Drive, Richmond, MO 64085
Name of Officer Title Address

FILED

MO PSC

98-530

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Missouri Public
Utility Commission
AUG 29 1999

Rules Governing Rendering of Sewer Service

Rule 1. DEFINITIONS (continued)

- (N) "NON-DOMESTIC SEWAGE" is all sewage other than domestic sewage including, but not limited to, commercial or industrial wastes. (See Rule 6 pertaining to Improper Waste or Excessive Use.)
- (O) "pH" is the relative degree of acidity or alkalinity of water as indicated by the hydrogen ion concentration. pH is indicated on a scale reading from 1-14, with 7 being neutral, below 7 acid, and above 7 alkaline; more technically defined as the logarithm of the reciprocal of the hydrogen ion concentration.
- (P) "REPAIRABLE PARTS" are pump motor, effluent pump, liquid level control, and heater, if applicable. This does not include the collection tank and piping from the dwelling structure to the collection sewer.
- (Q) A "SERVICE CONNECTION" is the connection of a service sewer to the Company collecting sewer either at the bell of a "Y" branch or the bell of a saddle placed on the barrel of the collecting sewer or at the check valve of a pressure service connection.
- (R) A "SERVICE SEWER" is a pipe with appurtenances owned and maintained by the Customer, used to conduct sewage from the Customer's premises to the collecting sewer excluding service wyes or saddles or to a septic tank that is part of a STEP or STEG collection system. Company shall install this service line unless Company grants permission in writing to Customer to install this service line. Customer shall abide by all details, restrictions and requirements provided to Customer if permission is granted to Customer to install this service.
- (S) "STEG Tank" is a septic tank effluent gravity tank consisting of a watertight septic tank, control panel (optional), and effluent filter. Individual STEG tanks may serve one, two or multiple combinations of residences or commercial facilities when appropriately sized.

*indicates new rate or text

+indicates change

DATE OF ISSUE July 23, 1999 DATE EFFECTIVE August 30, 1999
Month Day Year Month Day Year

ISSUED BY : Mark Geisinger President 205 S. Spartan Drive, Richmond, MO 64085
Name of Officer Title Address

FILED
MO PSC

98-530

FILED AUG 30 1999

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Missouri Public
Utility Commission

Rules Governing Rendering of Sewer Service

11/1/99 2:23 PM

Rule 1. DEFINITIONS (continued)

- (T) "STEP Tank" is a septic tank effluent pumping tank consisting of a watertight septic tank, control panel, pump and effluent filter. Individual STEP tanks may serve one, two or multiple combinations of residences or commercial facilities when appropriately sized.
- (U) A "SUBDIVISION" is any land in the State of Missouri which is divided or proposed to be divided into two or more lots or other divisions of land, whether contiguous or not, or uniform in size or not, for the purpose of sale or lease, and includes resubdivision thereof.
- (V) "SUSPENDED SOLIDS" are the concentration of insoluble materials suspended or dispersed waste expressed in milligrams per liter on a dry weight basis as determined by standard procedures.
- (W) "TERMINATION OF SERVICE" is the cessation of the use of sewer service requested by the customer. Such TERMINATION OF SERVICE shall be accomplished by a method verified and recognized by the company, and may include physical disconnection of the service sewer, termination or disconnection of water service by the water utility, or the company's observation of non-occupancy of the unit served.
- (X) The word "UNIT or BUILDING UNIT" shall be used herein to define the standard user or property served. Each mobile home in a mobile home park and each residential dwelling unit in a multi-unit building is a separate unit whether owned or leased or residential or commercial.

*indicates new rate or text

+indicates change

DATE OF ISSUE July 23, 1999 DATE EFFECTIVE August 30, 1999
Month Day Year Month Day Year

ISSUED BY : Mark Geisinger President 205 S. Spartan Drive, Richmond, MO 64085
Name of Officer Title Address

FILED

MO PSC

98-530

11/1/99 2:23 PM

Admission Public
Library Commission

100-443886-100

Rule 2. GENERAL

- (A) Every Customer, upon signing an application for service or accepting service rendered by the Company, shall be considered to have expressed consent to be bound by these rates and rules.
- (B) The Company's rules governing rendering of service are set forth in these numbered sheets. The rates applicable to appropriate class of service are set forth in rate schedules and constitute a part of these rules.
- (C) The Company reserves the right, subject to the authority of the Missouri Public Service Commission to prescribe additional rates or rules and to alter existing rates or rules as it may deem necessary or proper.
- (D) All facilities, construction contracts, and written agreements shall conform to these rules in accordance with the statutes of the State of Missouri and authority of the Missouri Public Service Commission.
- (E) The Company shall have the right to enter upon the Customer's premises for the purpose of inspecting for compliance with these rules. Company personnel shall identify themselves and such inspections shall be conducted during reasonable business hours.

+indicates change

DATE OF ISSUE	July 23, 1999	DATE EFFECTIVE	August 30, 1999
	Month Day Year		Month Day Year

ISSUED BY : Mark Geisinger President 205 S. Spartan Drive, Richmond, MO 64085

FILED
MO PSC

98-530

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

Rule 3. LIMITED AUTHORITY OF COMPANY EMPLOYEES

- (A) Employees or agents of the Company are expressly forbidden to demand or accept any compensation for any service rendered to its Customers except as covered in the Company's rules.
- (B) No employee or agent of the Company shall have the right or authority to bind it by any promise, agreement or representation contrary to the letter or intent of these rules.

*indicates new rate or text

+indicates change

DATE OF ISSUE July 23, 1999 DATE EFFECTIVE August 30, 1999
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ISSUED BY : Mark Geisinger President 205 S. Spartan Drive, Richmond, MO 64085
Name of Officer Title Address

FILED
MO PSC

98-530

Name of Utility: **Central Rivers Wastewater Utility, Inc.**
For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

Rule 4. APPLICATION FOR SEWER SERVICE

- (A) A written application for service, signed by the Customer and accompanied by the appropriate fees and other information required by these rules, must be received from each Customer before service is provided to any premises. Said application must state the name of the owner of said premises and, in the case of a commercial or industrial Customer, must also state the quantity and strength of effluent to be discharged from said premises into the Company's sewer system. Every Applicant, upon signing an application for any service rendered by the Company or upon taking of service, shall be considered to have expressed consent to the Company's rates and rules. The Company shall have the right to refuse services for failure to comply with the rules herein, or if the Customer owes a past due bill not in dispute. In any case, where unusual construction or equipment expense is necessary to furnish the service, the Company may require a contract specifying a reasonable period of time for the Company to provide the service.
- (B) A prospective commercial or industrial Customer shall, upon request of the Company, present in writing to the Company a list of the devices which are to be attached to the Company's lines, giving the location of any buildings. The Company will then advise the Customer of the form and the character of the wastewater collection facilities available.
- (C) No substantial addition to the water using equipment or appliances connected to the sewer system of the Company for commercial or industrial Customers shall be made except upon written notice to and with the written consent of the Company.
- (D) Any change in the location of an existing service connection requested by the Customer shall be made at his expense and subject to Company approval.
- (E) Customer service sewers will not be extended along public streets or roadways or through property of others in connecting with collecting sewers. If a service connection is requested at a point not already served by a collecting sewer of adequate capacity, the collecting sewer shall be extended in accordance with Rule 11. The Company shall approve the location of service connection.
- (F) New service connections shall be authorized when a service connection fee is paid to the Company based on the schedule of rates and charges and the provisions of these rules are met.

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For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

Rule 4. APPLICATION FOR SEWER SERVICE (continued)

- (G) The Company will make all sewer service taps and connections to mains upon payment by the Customer of all fees required for connection. In the case of a single family residence to be connected to a STEG or STEP system, Customer or Customer's plumber shall provide all house piping. Company will install sewer piping from the house piping to STEP or STEG tank and shall install the STEP or STEG tank and all related equipment as described under the Schedule of Charges for the particular service area, unless Company grants written approval to have Customer or Customer's plumber to provide the installation. Details of inspection procedures will be provided to the Customer or Customer's plumber if permission is so granted for the Customer to install any part of the system beyond house piping. Customer shall provide electrical service to the exterior of the house in the form of one dedicated 30 amp circuit and one separate 20 amp minimum circuit that need not be a dedicated circuit. The Customer or Customer's plumber shall advise the Company during normal business hours and a minimum of six working days in advance of when the customer expects to have service installed.
- (H) When sewer charges are based on water usage, the Company reserves the right to refuse sewer service to any applicant unless said Applicant agrees to install a water meter accessible to the Company, so that there will be a basis for sewer charges. The Company and Customer may agree to an estimated water use amount, on an interim basis for a period not to exceed six (6) months, to allow time to install suitable metering equipment.
- (I) When service is requested for a multi-unit building, there shall be one party responsible as the customer unless either:
- 1) each unit has an individual service sewer, or,
 - 2) each unit is provided water utility service through an individual water meter by the company or by another water utility with which the company has an approved agreement for discontinuance of water service for non-payment of a sewer bill, and there exists one responsible party for maintenance of sewer facilities common to all customers within the building.
- (J) The Company will provide to the Customer an Application for Sewer Service. This Application will clearly state who is to install and maintain each part of the service connection, whether it be the Customer or the Company.

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Rules Governing Rendering of Sewer Service

Rule 5. INSIDE PIPING AND CUSTOMER SERVICE SEWER

- (A) The Customer shall maintain the service sewer at his expense and risk. As a condition of the company's sewer service, inside requirements of all governmental bodies or units having jurisdiction and the Company's rules must be met at the time of connection to the system. The Company may deny sewer service or may discontinue sewer service where footing drains, downspouts, or other sources of surface or storm water are permitted to enter the sewer system through either the inside piping or through the building sewer.
- (B) In order for the Customer or Customer's plumber to install the Customer's service sewer, the Customer shall have in his or her possession specific written permission from the Company to perform this installation. The service sewer shall be subject to the approval of the Company and all aspects of the service sewer shall be adhered to as described in these rules.
- (C) A separate and independent Customer service sewer shall be required for every building, except
- (a) when one building stands at the rear of another building on an interior lot where no private service sewer is available and cannot be constructed to the rear building through an adjoining alley, courtyard, or driveway; in that situation, the Customer's service sewer from the front building may be extended to the rear building and it will be considered as one Customer's service sewer.
 - (b) when two or more buildings are part of a complex and cannot be subdivided.
- (D) Existing service sewers may be used in connection with new buildings only when they are found on examination and test to meet all requirements of the Company.
- (E) The Customer's service sewer shall be one of the following: ductile iron pipe, PVC, or other suitable material approved by the Company. Pressure pipe shall be PVC or polyethylene ASTM rated for a minimum pressure of 160 psi. Joints shall be tight and waterproof. Any part of the Customer's service sewer that is located within ten (10) feet of a water service pipe shall be constructed of slip on or mechanical joint ductile iron pipe or PVC 160 psi ASTM pipe, or better.
- (F) If the Customer's service sewer has gravity flow, then the diameter shall be four (4) inches or greater. The slope of such four (4) inch pipe shall not be less than one-eighth (1/8) inch per foot.

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Rule 5. INSIDE PIPING AND CUSTOMER SERVICE SEWER (continued)

- (G) Whenever possible the Customer's service sewer shall be brought to the building at an elevation below the basement floor. No building sewer shall be laid parallel to and within three (3) feet of any bearing wall. The depth shall be sufficient to afford protection from frost. The Customer's service sewer shall be laid at a uniform grade and in straight alignment insofar as possible. Changes in direction shall be made only with properly curved pipes and fittings. If the Customer is connected to a pressurized collection system see Rule 6.
- (H) In all buildings connected to a gravity collection system, and in which any building drain is too low to permit adequate gravity flow to the collecting sewer, sanitary sewage carried by such drains shall be lifted by Company approved artificial means and discharged to the building sewer. No water operated sewage ejector shall be used. The customer shall be responsible for installation and all maintenance of any such artificial lifting means. The type of device used and the installation shall be subject to inspection and approval of the Company.
- (I) All excavations required for the installation of a Customer's service sewer shall be open trench work unless otherwise approved by the Company. Pipe laying and backfill shall be performed in accordance with the latest published engineering specifications of the manufacturer of the materials used and all applicable local plumbing codes, except that no backfill shall be placed until the work has been inspected and approved by the Company.
- (J) The connection of the Customer's service sewer into the collecting sewer shall be made at the "Y" branch, if such branch is available at a suitable location. If the Company's collecting sewer is PVC of any size, a neat hole may be cut at a location specified by the Company, to receive a saddle specified and approved by the Company to which the Customer's service sewer will be connected. The invert of the Customer's service sewer at the point of connection shall be at or above the centerline of the Company's collecting sewer. A smooth neat joint shall be made, and the connection made secure and watertight by methods approved by the Company.

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Rules Governing Rendering of Sewer Service

Rule 5. INSIDE PIPING AND CUSTOMER SERVICE SEWER (continued)

- (K) Customer is obligated to maintain the service sewer from the Customer's residence or building to the inlet of the STEP or STEG tank if a STEP or STEG tank system is to be used. Maintenance by the Customer shall be subject to the approval of an authorized inspector of the Company and shall be in accordance with these rules as well as construction information of the Company in force at that time. If a gravity flow collection system is to be used Customer is obligated to maintain the service sewer from property line to the building of the Customer and maintenance by the Customer shall be subject to the approval of an authorized inspector of the Company. Customer shall allow Company entrance to property to maintain pressure line or gravity line from a STEP or STEG unit to the Company's main. If Customer chooses not to allow Company to maintain pressure line or gravity line from the STEP or STEG unit to the Company's main, Company may discontinue service.
- (L) In the case of a conventional gravity sewer collection system where the Customer has been granted specific permission in writing to install the service line, the Company will locate the point to which service sewer connection will be made and the Company will furnish a "Y" branch, when a "Y" branch has not previously been installed, or other outlet at the collecting sewer which shall be located in the public right-of-way or Company easement. All connections are subject to inspection and approval by the Company. An application for new construction must be filed in writing a minimum of 48 hours in advance during normal business hours stating the lot number, name of subdivision, street and mailing address, name of applicant, name of the property owner, and the time at which connection is to be made. The Company will not be required to supply sewer service until each such connection has been inspected and approved by it. In the event the Customer or the Customer's agent shall damage a "Y" branch or go onto the public right-of-way or Company easement and cause damage to the collecting sewer, then the Customer shall be responsible for the cost of repair or replacing any such damage. The "Y" branch is considered part of the collecting sewer.
- (M) Company personnel may not work on piping or facilities not owned by the Company unless authorized by the Company.

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Rules Governing Rendering of Sewer Service

Rule 6. STEP or STEG Systems

- (A) This rule applies to customers on either a STEP or STEG collection system and is not applicable to customers on a conventional gravity collection system.
- (B) The Company will install the STEP or STEG unit required for the service area at a cost as established under the Schedule of Charges for that service area. Prior to connection the Customer shall be required to meet certain obligations as detailed in these rules. Electricity costs for pump operation shall be the responsibility of the Customer.
- (C) For a single family residence with three bedrooms or fewer the Company will install a minimum 1,000 gallon watertight tank, pump or pumps, effluent filters, electrical control panel, splice box and wiring from control panel to septic tank, wiring from stubbed out electrical service at customer home to control panel (as detailed under Part E of this Rule 6), 4" SCH 40 (or equal) piping from single family residence to septic tank up to a specified linear feet as described under Schedule of Charges for the service area, 1" SCH 40 (or equal) piping from septic tank to main collection systems line up to a specified linear feet as described under Schedule of Charges for the service area, risers and lids, service connection valves and appurtenances, inspections. For a single family residence with four or five bedrooms the Company will install a minimum 1,500 gallon watertight tank and other equipment as noted above. Sizing of tanks and equipment for homes with more than five bedrooms will be handled on a case by case basis. The connection charge listed under Schedule of Charges covers all the above mentioned items in Part C of this Rule 6. The connection charge listed under Schedule of Charges does not include: any surveying to determine actual location of easements or property lines for customer, any electrical service beyond connecting to electrical service connection supplied to the outside of the outside wall of the house in the form of one 30 amp dedicated circuit and one minimum 20 amp circuit that need not be a dedicated circuit (minimum two separate circuits), any plumbing closer than 5' of customer's building.
- (D) Customer shall furnish to the exterior of the house wiring for one 30 amp dedicated circuit and one 20 amp circuit that need not be a dedicated circuit.

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Rules Governing Rendering of Sewer Service

Rule 6. STEP or STEG Systems (Continued)

- (E) The Customer shall furnish a written sketch that approximates the location where the Customer wishes the STEP or STEG tank to be located. Company will endeavor to locate tank in a location as close as practical to the requested location, however, actual final location of the STEP or STEG tank is the sole and exclusive responsibility of the Company. Company shall then install STEP or STEG tank and all related equipment as stated in this rule and shall connect the STEG or STEP tank to the main collection system as applicable and detailed under Schedule of Charges for a particular service area. Application, accompanied by any authorized service line tap fee, must be filed in writing at the Company's business office during normal business hours, six days in advance, stating the street, house number, name of applicant, name of property owner and time at which tap is to be made, and the Company shall not be required to supply sewer service unless these condition are met. One connection shall not service more than one property unless specifically granted by the Company in writing.
- (F) A service connection unit shall be furnished and installed by the Company prior to the connection of the pressure line from a STEP tank to the main collection system. The service connection unit shall include of a check valve and shut off valve.
- (G) In cases of discontinuance of sewer service pursuant to the Company's approved rules, sewer service may be disconnected by the Company by locking the shut off valve in the closed position. Service shall not be resumed again except upon payment of all delinquent charges, plus any applicable approved service charge to cover the costs of effectuating resumption of service.
- (H) The gravity service sewer from the building to the effluent pump unit, the tank, and the pressure service sewer from the pump unit to the collecting sewer shall be owned by the Customer.
- (I) The STEP unit and pressure effluent line from the STEP tank to the main collection line will be maintained by the Company provided Customer allows access to Customer's property for such maintenance. Company may discontinue service to Customer if Customer fails to allow Company access to property for the purposes of performing maintenance on the STEP unit, pressure line from the STEP unit to the main collection line or other general maintenance necessary to provide a safe and efficient collection system.

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Rules Governing Rendering of Sewer Service

Rule 6. STEP or STEG Systems (Continued)

- (J) The STEG unit and effluent gravity line from the STEG tank to the main collection line will be maintained by the Company provided Customer allows access to Customer's property for such maintenance. Company may discontinue service to Customer if Customer fails to allow Company access to property for the purposes of performing maintenance on the STEG unit, effluent line from the STEG unit to the main collection line or other general maintenance necessary to provide a safe and efficient collection system.
- (K) The Company shall perform two preventive maintenance calls per year on each effluent pump unit in service. Normally, these will be made in the spring and fall seasons. Preventive maintenance shall consist of the following work:
1. Pull and clean liquid level control device,
 2. Run controls, including alarm system, through one complete cycle,
 3. Check the check valves for proper operation. Clean or replace as necessary,
 4. Check, and if necessary, remove solid waste from tank.
- (L) For every 100 pump units in service, the Company shall have on hand two effluent pumps, two effluent pump repair kits, two motors, five liquid level control units, and an adequate supply of check valves. The Company shall have at least one of each of the above items for each brand or type of pump in use.
- (M) The Company shall be responsible for maintenance of the repairable parts, and shall perform emergency repairs on said parts. At the Company's option, an emergency service call may constitute a preventive maintenance call if a reasonable amount of time has elapsed since the last preventive maintenance call, and if all other maintenance checks are performed.
- (N) Preventive maintenance calls, service calls for repairable parts, and repairable parts shall be provided at no extra charge to the Customer for replacement of defective parts or parts of the effluent pump damaged by lightning. The Company, however, shall not be liable for parts or labor necessary due to damage caused by misuse of the pump unit.

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Rule 6. STEP or STEG Systems (Continued)

- (O) The Company shall present to the Customer, at the time of application for service, information regarding what services are available from the Company, and what will be provided free of charge.
- (P) Components of a STEP or STEG unit will meet certain specifications which shall be on file at the Company's office. Company will periodically update these specifications as technology improves.
- (Q) STEG tanks serving a residence or commercial facility that are located on private property must have an easement that allows easy access for the Company to maintain and operate equipment located in the tank. Customer maintains ownership of the STEG tank, however, Company has sole and exclusive rights for maintaining any equipment at, in or related to the STEG tank. Replacement of control panel equipment, effluent filters or other associated parts will be provided by, and only by, the Company.
- (R) STEP tanks serving a residence or commercial facility that are located on private property must have an easement that allows easy access for the Company to maintain and operate equipment located in the tank. Customer maintains ownership of the STEP tank, however, Company has sole and exclusive rights for maintaining any pumps or equipment at, in or related to the STEP tank. Replacement of pumps, control panel equipment, effluent filters or other associated parts will be provided by, and only by, the Company.
- (S) Company may discontinue service to Customer if Customer fails to allow Company access to property for the purposes of performing maintenance on the STEP unit, STEG unit, control panel or other general maintenance necessary to provide a safe and efficient collection system.

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Rules Governing Rendering of Sewer Service

Rule 7. IMPROPER OR EXCESSIVE USE

- (A) The following requirements for the use of sewer service provided by the Company shall be observed. Violation of the requirements will result in the discontinuance of services to the Customer or an additional charge for excess load, or the requirement of the Customer to install facilities to prevent excessive loads and other adverse impacts upon the Company's system.
- (B) No person shall discharge or cause to be discharged any of the following described waste waters into the Company's collecting sewers:
- (1) Any liquid or vapor having a temperature higher than 150 degrees Fahrenheit.
 - (2) Any wastewater which may contain more than 100 parts per million, by weight, of fat, oil or grease.
 - (3) Any wastewater which may contain more than 25 parts per million, by weight, of soluble oils.
 - (4) Any gasoline, Benzene, naphtha, fuel oil or other flammable or explosive liquid, solid, gas or antifreeze.
 - (5) Any garbage that has not been properly shredded.
 - (6) Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood or any other solid or viscous substance capable of causing obstruction to the flow in sewers or interference with the proper operation of the sewage works.
 - (7) Any waste waters having a pH lower than 5.0 or higher than 9.0, or having any other corrosive property capable of causing damage or hazard to structures, equipment and personnel of the sewage works.
 - (8) Any wastewater in excess of maximum strength of 400 parts per million B.O.D.
 - (9) Any wastewater containing heavy metals, toxic material, or Chemical Oxygen Demand (C.O.D.), in sufficient quantity to disrupt the operation of treatment facilities, or exceeding any limits which may be specified in a service contract for any such substance.
 - (10) Any storm water, surface water, ground water, swimming pool water, roof runoff, sub-surface drainage, or cooling water into Company's collecting sewers.

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Rules Governing Rendering of Sewer Service

Rule 7. IMPROPER OR EXCESSIVE USE (continued)

- (C) The Company may require a Customer discharging non-domestic sewage to install a pretreatment facility, grease trap or other device on the premises, to prevent exceedence of discharge limits or other adverse impacts upon the Company's system. The installation of any such device as well as its operation and maintenance shall be the responsibility of the Customer, and subject to approval and inspection by the Company.

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Rules Governing Rendering of Sewer Service

Rule 8. DISCONTINUANCE OF SERVICE BY COMPANY

- (A) The Company reserves the right to discontinue services for any of the following reasons:
- (1) For failure to comply with these rules.
 - (2) For non-payment of utility bill (See Rule 9).
 - (3) For resale of sewer services.
 - (4) For an unauthorized sewer connection to the Company sewers.
 - (5) For not providing electricity to the effluent pump.
 - (6) For any action or inaction which allows wastewater to discharge in an unauthorized manner.
- (B) Discontinuance of service to a premises for violation of these rules shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of monies due from the Customer.
- (C) If the Company discontinues its service for any violation of these rules and regulations, then any monies due the Company shall become immediately due and payable.
- (D) The Company has the right to refuse or to discontinue service to any premises to protect itself against fraud or abuse.
- (E) At least thirty (30) days prior to physical discontinuance of service, the Company will mail a written notice to the Customer and to the property owner, if different than the Customer, by registered or certified mail, return receipt requested, with a copy thereof forwarded to the Missouri Public Service Commission. Said notice shall state the violation and service may be discontinued at any time after the expiration of the notice period, provided satisfactory arrangements for continuance of the service have not been made between the Customer and the Company. This thirty (30) day notice may be waived where discharge of materials is discovered which might be detrimental to the health and safety of the public or cause damage to the sewer system of the Company. In the event of discontinuance of service to protect health and safety as above provided, the Customer and the Commission shall be notified immediately thereof with a statement concerning the reasons for such discontinuance.
- (F) Reconnection of any Customer disconnected by authority of this Rule will be made subject to payment of the cost of discontinuance of service and reconnection.

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Rules Governing Rendering of Sewer Service

Rule 8. DISCONTINUANCE OF SERVICE BY COMPANY (continued)

- (G) (1) Tenants of rental property shall be given the opportunity to pay delinquent bills in lieu of disconnection of service. This is in addition to any other options, such as becoming the customer.
- (2) The owner shall be responsible for bill payment and be the customer on any short term rental property. (short term being 92 days occupancy or less)
- (3) Any notice of discontinuance shall be sent to the Customer of record and to the premises being served if different from the Customer's address.
- (H) Termination of service at the Customer's request may be accomplished at the expense of the Customer, as provided in Rule 10(B). The method used for termination of service shall be determined by the company.
- (E) Company may discontinue service to Customer if Customer fails to allow Company access to property for the purposes of performing maintenance on the STEP unit or other general maintenance necessary to provide a safe and efficient collection system.
- (F) The Company may use disconnection of water service for discontinuance of sewer service to Customer for failure to meet obligations for sewer service pursuant to agreements with the water provider and as allowed by Missouri law and regulations.

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Rules Governing Rendering of Sewer Service

Rule 9. INTERRUPTIONS IN SERVICE

- (A) The Company reserves the right to limit sewer service in its collecting sewers at any time for the purpose of making repairs to the sewer system.
- (B) Whenever service is limited for repairs, all Customers affected by such limitation will be notified in advance whenever it is possible to do so. Every effort will be made to minimize limitation of service.
- (C) No refunds for charges for sewer service will be made for limitations of service unless due to willful misconduct of the Company.
- (D) In order to avoid overloading the capacities of the Company's collecting sewers and treatment facilities, the Company reserves the right at all times to determine and regulate, in a reasonable and non-discriminatory manner, the maximum amounts of wastes discharged into the Company's collecting sewers when they are greater than normal domestic sewage.

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Rules Governing Rendering of Sewer Service

Rule 10. BILLS FOR SERVICE

- (A) The charges for sewer service shall be at the rates specified in the applicable tariffs on file with the Missouri Public Service Commission. The point of assumption of sewer service shall be at the service connection for conventional gravity collection systems and at the inlet of the STEG or STEP unit for STEG or STEP collection systems provided easements have been granted to Company to allow reasonable access to STEG or STEP units. Service charges for connection or disconnection are set forth in the Schedule of Charges.
- (B) A Customer who has made application for service to a premises shall be held liable for all service furnished to such premises until the Customer notifies the Company in writing to terminate service. If termination of service must be accomplished by physical disconnection, the Customer shall notify the Company of the date and time of the disconnect in writing at least five days prior to the termination. If termination is accomplished by discontinuance or termination of water service, such notice of disconnection shall be at least one day before the date of the water turnoff. Service may not be terminated for one unit of a multi-unit building which is served by one service sewer, unless accomplished by shut off of water service.
- (C) A deposit or suitable guarantee to cover the payment of bills may be required from all new Customers or those who are disconnected for violation of rules or non-payment equal to estimated service bills for a period of one billing period plus thirty (30) days. The Company shall pay six percent (6%) interest per annum on deposits provided the deposit remains in the possession of the Company for a period of six (6) months or more.
- (D) Bills for sewer service will be mailed or delivered to the Customer's last address as shown by the records of the Company, but failure to receive the bill will not relieve the Customer from the obligation to pay the same.
- (E) Payments shall be made at the office of the Company or at an equally convenient location designated by the Company.
- (F) A separate bill shall be rendered for each unit receiving sewer service, however a combined bill may be rendered to customers that receive both water and sewer service.

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Rules Governing Rendering of Sewer Service

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Rule 10. BILLS FOR SERVICE (continued)

- (G) The Company shall render bills monthly in arrears and such bills shall be due and payable when received. Payment for residential service is delinquent if not received by the Company twenty-one (21) days after the date of rendition, as shown on the bill unless such date falls on a weekend, a legal holiday, or other day when the office is closed, in which case the due date shall be extended to the next business day.
- (H) Neither the Company nor the Customer will be bound by bills rendered under mistake of fact as to the quantity of service rendered or as a result of clerical error.
- (I) The Company shall have the right to discontinue service to any premises where the bill has become delinquent. In addition, the Company shall have the right to add late charges to bills which become delinquent. Such late charges shall be assessed at the rate shown in the Schedule of Charges. The Company shall not be required to restore or connect any new service for such delinquent customers until the unpaid account due the Company under these Rules has been paid in full or arrangements satisfactory to the Company have been made to pay said account.
- (J) If a Customer tenders a check to the Company for payment of sewer service and such check is returned unpaid by the Company's bank, the Company may require payment for that bill to be made in the form of a cashier's check, money order, or cash; with the addition of a returned check charge as shown in the Schedules of Charges.
- (K) When bills are rendered for a period of less than a complete billing period due to the connection or termination of service, the billing shall be for the proportionate part of the monthly charge, or where water usage is the basis for the charge, at the appropriate rate for water used, or a proportionate part of the residential rate, whichever is applicable. Customers terminating with less than one month's service shall pay not less than the monthly minimum.
- (L) A Customer is liable for payment of all monthly service charges for sewer service to a premises from the date of connection until the date of discontinuance.

*indicates new rate or text

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For Service Areas in the State of Missouri

Rules Governing Rendering of Sewer Service

Missouri Public
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Rule 11. SPECIAL CONTRACT FOR EXCESSIVE CAPACITY

- (A) In the event that the Customer to be served proposes to discharge into the Company's system an abnormally high volume or strength of waste as to require an enlargement of the Company's existing sewage treatment plant or the construction of a temporary sewage treatment plant, and/or the construction or reconstruction of sewer lines, service shall be provided to such Customer under the terms and conditions of a mutually satisfactory contract, in form approved by the Missouri Public Service Commission, pursuant to which the cost of such improvements will be financed in such a manner as to be fair and reasonable to both parties and so as not to constitute a burden upon the Company or the existing Customers of the Company.

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Rule 12. EXTENSION OF COLLECTING SEWERS

- (A) This Rule shall govern the extension of collecting sewers by the Company in areas where there are no collecting sewers. The Company will extend its collecting sewers within dedicated or recorded easements within its certificated area to serve new customers. When the applicant's property is too far from existing facilities and it is more economical to construct a treatment facility to be used on an interim basis, the extension shall include subsidization of the cost of constructing such interim treatment facility. Such subsidization shall be based on a limit of capital investment by the Company of \$500 per Customer connected to the interim treatment facility. The Company will extend its collecting sewers under the following terms and conditions:
- (1) Upon receipt of written application for service in compliance with Rule 4, the Company will provide the Applicant(s) an itemized estimate of the cost of the proposed extension. Said estimate shall include the cost of all labor and materials required, including manholes, cleanouts, lift stations, reconstruction of existing sewers (if necessary), and the direct costs associated with supervision, engineering, permits, and bookkeeping and administration.
 - (2) Applicant(s) shall enter into a contract with the company for the installation of said extension and shall tender to the Company a contribution in-aid-of construction equal to the amount determined in (A)(1), plus the appropriate customer connection fee(s). Applicant(s) shall have the option of installing the main extension under the provisions of Rule 12.(B) in lieu of entering into said contract.
 - (3) If as a result of reasonably unforeseeable circumstances, the actual cost of the extension exceeds the estimated cost of the extension, the Applicant(s) shall pay the added cost. The Applicant(s) shall pay within thirty (30) days of billing for same by the Company.
 - (4) The cost to an Applicant(s) connecting to a sewer that was contributed by other Applicant(s) shall be as follows:
 - (a) For single-family residential Applicants that are applying for service in a platted subdivision, the company shall divide the actual cost of the extension by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots which abut existing mains shall be excluded.

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(b) For single-family residential Applicants that are applying for service in areas that are unplatted in subdivision lots, the Applicants' cost shall be equal to the total cost of the extension divided by the total length of the extension in feet times 100 feet.

(c) For industrial, commercial, or multi-family residential Applicant(s), the cost will be equal to the amount calculated for a single-family residence in Paragraphs 4(a) or 4(b) above multiplied times a water usage factor. The water usage factor shall be determined by dividing the average monthly usage in gallons by 7,000 gallons, but shall not be less than 1 or by dividing the average monthly BOD₅ in pounds by 18.8 lbs.

(d) The cost for each contract will be collected by the Company for ten years only.

(5) Refunds of contributions shall be made to Applicant(s) as follows:

(a) Should the actual cost of extension be less than the estimated cost, the Company shall refund the difference as soon as the actual cost has been ascertained. Said refund to be made within thirty (30) days of final cost determination by the Company.

(b) During the first ten years after the extension is completed, the Company will refund to the Applicant(s) who paid for the extension monies collected from Applicant(s) in accordance with Rule 12(A)(4), above.

(c) The sum of all refunds to any Applicant shall not exceed the total contribution which the Applicant has paid.

(d) Each refund shall be distributed to initial Applicant(s) based upon the percentage of the actual extension cost contributed by each Applicant.

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Rules Governing Rendering of Sewer Service

Rule 12. EXTENSION OF COLLECTING SEWERS (continued)

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- (6) Extensions made under this Rule shall be and remain the property of the Company in consideration of its perpetual upkeep and maintenance.
- (7) The Company reserves the right to connect future extensions to this collecting sewer and the attaching of Customers to such further extensions shall not entitle Applicant(s) contracting for the original extension to additional refund.
- (8) The pipe used in making extensions under this Rule shall be of a type and size which will be reasonably adequate to supply the area to be served. Such determination as to size and type of pipe shall be left solely to the judgment of the Company. If the Company desires a pipe size or lift station larger than reasonably required to provide service to the lots abutting said extension, the additional cost due to larger size shall be borne by the Company.
- (B) When the applicant elects to construct an extension, the Company will connect said extension to its existing collecting sewers under the following terms and conditions:
- (1) Applicant shall enter into a contract with the Company which provides that the Applicant construct said collecting sewers and/or other facilities to meet the requirements of all governmental agencies and the Company's rules. Plans for the extension shall be submitted to the Company for approval prior to construction. Applicant's choice of construction contractor is subject to approval by the Company. Applicant shall contribute said facilities to the Company with a detailed accounting of the actual cost of construction, and contribute to the Company the Company's estimated cost of the inspection.
- (2) Same as Rule 12(A)(8).
- (3) The Company, or its representative, shall have the right to inspect, test and approve the extension prior to connecting it to the Company's collecting sewers.
- (4) Connection of the extension to existing Company collecting sewers shall be made only by representatives of the Company.

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Rule 12. EXTENSION OF COLLECTING SEWERS (continued)

- (5) The Company shall have the right to refuse ownership and responsibility for the sewers until Applicant(s) has met the contractual obligation as provided for in Rule 12(B)(1).
- (6) Same as Rule 12(A)(4) above.
- (7) Same as Rule 12(A)(5) above.
 - (a) Same as Rule 12(A)(5)(b).
 - (b) Same as Rule 12 (A)(5)(c).
 - (c) Same as Rule 12 (A)(5)(d).
 - (d) Same as Rule 12 (A)(5)(e).
- (8) Same as Rule 12(A)(6).
- (9) Same as Rule 12(A)(7).

- (C) When a developer requests an extension, the developer must agree to record with the County Recorder of Deeds a restriction which states that the lot owners sewer connection charge and/or cost for the installation of a septic tank, pump, and required equipment is specified in the Missouri Public Service Commission approved tariff for Central Rivers Wastewater Utility, Inc. Such restriction must be recorded prior to the Company incurring any cost, providing service, or accepting any portion of the extension.

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