

APPENDIX A

CASE No. SR-2013-0013

STAFF/COMPANY PARTIAL DISPOSITION AGREEMENT WITH ATTACHMENTS AND STAFF AFFIDAVITS

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Company/Staff Partial Disposition Agreement

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

EMERALD POINTE UTILITY COMPANY

MO PSC FILE NO. SR-2013-0016

BACKGROUND

Emerald Pointe Utility Company ("Company") initiated the small company revenue increase request ("Request") for sewer service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") File Number by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-3.050, Small Utility Rate Case Procedure ("Small Company Procedure"). In its request letter, which was received at the Commission's offices on July 16, 2012, the Company set forth its request for an increase of \$186,000 in its total annual sewer service operating revenues. The Company also acknowledged that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions would be reviewed during the Commission Staff's ("Staff") review of the revenue increase request, and could thus be the subject of Staff recommendations. The Company provides service to approximately 364 sewer customers, the vast majority of which are residential customers who are located in Taney County, Missouri.

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

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

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

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

- (1) The agreed upon revenue requirement increase of \$226,577 (283.32% increase) added to the level of previous revenues of \$79,971 results in overall revenues of \$306,548. This revenue requirement is just and reasonable and designed to recover the Company's cost of service. However, the revenue requirement may be impacted by the items identified for possible hearing in the Evidentiary Hearing paragraph below. The above amounts are shown on the ratemaking income statement found in Attachment A, incorporated by reference herein;
- (2) The Auditing Unit conducted a full and complete audit of the Company's books and records using the 12-month period ending June 30, 2012, updated to November 30, 2012, as the basis for the revenue requirement determined above. The audit findings can be found in Attachment B, incorporated by reference herein;
- (3) The agreed upon net rate base is \$1,329,831. The development of this amount is shown on the rate base worksheet that is found in Attachment C, incorporated by reference herein. This amount is included in the audit work papers in the ultimate determination of the revenue requirement shown in (1) above;
- (4) Included in Attachment B is the agreed upon capital structure which includes 25.00 % equity for the Company and a return on that equity of 13.26%;
- (5) The schedule of depreciation rates in Attachment D, incorporated by reference herein, includes the depreciation rates used by Staff in its revenue requirement analysis and shall be the prescribed schedule of sewer plant depreciation rates for the Company;
- (6) To allow the Company the opportunity to collect the revenue requirement agreed to in (1) above, the rates as shown on Attachment E, incorporated by reference herein, are just and reasonable rates that the Company will be allowed to charge its customers. The impact of these rates will be as shown on Attachment F, also attached and incorporated by reference herein;
- (7) For the purposes of implementing the agreements set out in this disposition agreement, the Company will file with the Commission proposed tariff revisions containing the rates, charges, and language set out in the example tariff sheet(s), attached as Attachment E. The proposed tariff revisions will bear an effective date of April 1, 2013;
- (8) The current PSC MO Number 1 tariff will be cancelled and replaced by PSC MO Number 2, which is included in the example tariff described above;

(9) Within thirty (30) days of the effective date of an order approving this Company/Staff Partial Disposition Agreement, the Company shall implement the recommendations contained in the Engineering & Management Services Unit (“EMSU”) Report, attached hereto as Attachment K and incorporated by reference herein, and provide proof of implementing the recommendation to the Manager of the Commission’s EMSU Unit:

- (a) The Company will develop and initiate a system for documenting customer contacts in compliance with Commission Rule 4 CSR 240-60.010(4);

(10) Within ninety (90) days of the effective date of an order approving this Company/Staff Partial Disposition Agreement, the Company shall implement the recommendations contained in the EMSU Report, attached hereto as Attachment K and incorporated by reference herein, and provide proof of implementing the recommendations to the Manager of the Commission’s EMSU Unit:

- (a) The Company will develop and utilize time sheets to record work assignments and the time associated with each work assignment;
- (b) The Company will develop and utilize a written vehicle log to maintain information regarding vehicle usage. The log should include information on activity, location and the miles driven; and
- (c) The Company will develop and make available to all current and future customers written information specifying the rights and responsibilities of the Company and its customers;

(11) Within ninety (90) days of the effective date of an order approving this Company/Staff Partial Disposition Agreement, the Company shall implement the recommendations contained in the Auditing Unit Report, attached hereto as Attachment H and incorporated by reference herein, and provide proof of implementing the recommendations to the Manager of the Commission’s Auditing Unit:

- (a) The Company will stop taking payments for other affiliated companies owned by the parent company and reimbursing these other affiliated companies. The Company will also stop paying bills owed by affiliated subsidiaries of the parent company and being reimbursed for such by the affiliate company;
- (b) The Company will maintain a record of all customer payments and late fees received as well as all customer deposits and reconnect fees received;
- (c) The Company will adjust its books and records regarding the plant-in-service, depreciation reserve, and contributions in aid of construction (CIAC) balances reflected in Staff Accounting Schedules, Appendix B attached herein; these attached Staff Accounting Schedules reflect transfers of depreciation reserves and CIAC reserves between plant accounts. An explanation of these transfers is contained in Attachment I attached herein;

- (d) The Company will maintain all of its financial records in accordance with the Commission's Uniform System of Accounts (USOA);
 - (e) The Company will develop Continuing Property Records (CPR) for all of its Missouri utility plant-in-service and maintain records regarding CIAC so that interested parties may determine who made such contributions and on what date the contributions were made or paid;
 - (f) The Company will develop, implement and maintain records of all new construction connections. These records will, at a minimum, include the customer name address, any applicable meter or pump serial number, date of connection, dollar amount of tap-on fees, CIAC charges, connection fees and inspection fees; and
 - (g) The Company will maintain a record of its appropriately obtained customer deposits in a manner that allows for the accurate calculation of the amount of deposit and interest the Company should return to each customer;
- (12) Within ninety (90) days of the effective date of an order approving this Company/Staff Partial Disposition Agreement, the Company shall implement the following recommendation contained in the Auditing Unit Report, titled Overcharges, attached hereto as Attachment J and incorporated by reference herein, and provide proof of implementing the recommendations to the Manager of the Commission's Auditing Unit:
- (a) The Company will refund all applicable customer deposits with the prescribed interest per the Company's currently filed tariff. However, the amount of such refunds may be resolved through evidentiary hearing, based on the result of Company's further review of Staff's calculations;
- (13) The Company shall mail its customers a final written notice of the rates and charges included in its proposed tariff revisions prior to or with its next billing cycle after issuance of the Commission order approving the terms of this Company/Staff Partial Disposition Agreement. The notice shall include a summary of the impact of the proposed rates on an average residential customer's bill. When the Company mails the notice to its customers, it shall also send a copy to Staff Case Coordinator who will file a copy in this case;
- (14) Staff may conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Company/Staff Partial Disposition Agreement;
- (15) Staff may file a formal complaint against the Company if the Company does not comply with the provisions of this Company/Staff Partial Disposition Agreement;
- (16) The Company and Staff agree that they have read the foregoing Company/Staff Partial Disposition Agreement; that facts stated therein are true and accurate to the best of the Company's knowledge and belief; that the foregoing

conditions accurately reflect the agreement reached between the Company and Staff;
and that the Company freely and voluntarily enters into this Disposition Agreement;
and

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

ITEMS TO BE RESOLVED THROUGH EVIDENTIARY HEARING

Staff and the Company hereby state that the refunding of previously collected sewer commodity charges, late fees, reconnection fees and the amount of customer deposits have not been resolved and request that these items be addressed through the contested case process provided for in Commission Rule 4 CSR 240.3.050(21). In addition, the Staff and the Company state that they are still reviewing the City of Hollister sewer treatment expense item and that the Company may disagree with Staff's methodology in determining the expense, the amount of the expense and the method through which the expense may be collected. Also, the issues of legal fees, rate case expense and rate design remain for possible hearing.

ADDITIONAL MATTERS

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

The Company and Staff acknowledge that they have previously agreed to an extension of the normal "Day-150" date by which an agreement regarding the resolution of a small company revenue increase request is to be reached. A copy of the extension agreement can be found in the above-referenced EFIS Case Number for the Request.

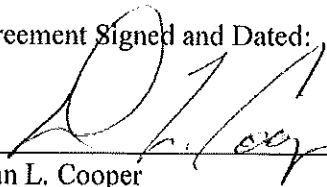
Staff has completed a Summary of Case Events and has included that summary as Attachment L to this Company/Staff Partial Disposition Agreement.

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

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

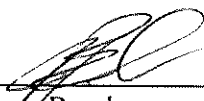
SIGNATURES

Agreement Signed and Dated:



Dean L. Cooper
Attorney-Brydon, Swearingen and England
Representing Emerald Pointe Utility Company

14 MAR 2013
Date



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

3/14/13
Date

List of Attachments

- Attachment A – Ratemaking Income Statement
- Attachment B – EMS Run
- Attachment C – Rate Base Worksheet
- Attachment D – Schedule of Depreciation Rates
- Attachment E – Example Tariff Sheets
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Agreement Attachment A
Ratemaking Income Statement

EMERALD POINTE UTILITY COMPANY

Rate Making Income Statement-Sewer

Operating Revenues at Current Rates		Customer Charge	Commodity
1	Tariffed Rate Revenues *	\$ 77,204	\$ 0
2	Other Operating Revenues *	\$ 2,767	\$ 1,384
3	Total Operating Revenues	\$ 79,971	\$ 1,384
4	* See "Revenues - Current Rates" for Details		

Cost of Service			
	Item	Amount	
		Base	Commodity
1	Operators Salary-Contract Services	\$ 18,446	\$ 9,223
2	Electricity-Pumping	\$ 8,450	\$ 8,450
3	Sewer Treatment -Testing/Laboratory Fees	\$ -	\$ -
4	Sewer Treatment -Chemicals	\$ -	\$ -
5	Sewer Treatment-City of Hollister	\$ 69,463	\$ 69,463
6	Sludge Removal	\$ -	\$ -
7	Systems Repairs & Maintenance	\$ 15,195	\$ 9,117
8	Billings & Collections	\$ 1,517	\$ 1,517
9	Administration & General - Salaries	\$ 2,812	\$ 1,406
10	Legal Fees	\$ 291	\$ 291
11	Accounting Fees	\$ 475	\$ 475
12	Office Supplies	\$ 211	\$ 211
13	Postage Expense	\$ 27	\$ 27
14	Office Utilities	\$ 1,636	\$ 1,636
15	Telephone & Internet Expense	\$ 630	\$ 630
16	Transportation Expense	\$ 731	\$ 366
17	Property & Liability Insurance	\$ 1,212	\$ 606
18	Rent Expense	\$ 3,106	\$ 3,106
19	Rate Case Expense	\$ -	\$ -
20	Miscellaneous General Expenses	\$ 1,180	\$ 590
21	MO DNR Fees	\$ -	\$ -
22	Regulatory Commission Expense	\$ 8,413	\$ 4,207
23	Corporate Registration	\$ 10	\$ 10
24	Sub-Total Operating Expenses	\$ 133,805	\$ 33,418
25	Property Taxes	\$ 63	\$ 63
26	MO Franchise Taxes	\$ -	\$ -
27	Employer FICA Taxes	\$ 2,961	\$ 1,481
28	Federal Unemployment Taxes	\$ -	\$ -
29	State Unemployment Taxes	\$ -	\$ -
30	State & Federal Income Taxes	\$ 11,238	\$ 11,238
31	Sub-Total Taxes	\$ 14,262	\$ 1,481
32	Depreciation Expense	\$ 60,938	\$ 60,938
33	Interest Expense	\$ 53,459	\$ 53,459
34	Amortization of Utility Plant	\$ -	\$ -
35	Sub-Total Depreciation/Interest/Amortization	\$ 114,397	\$ 60,938
36	Return on Rate Base	\$ 44,084	\$ -
37	Total Cost of Service	\$ 306,548	\$ 155,327
38	Overall Revenue Increase Needed	\$ 226,577	\$ 72,634

Agreement Attachment B

EMS Run

Exhibit No.:
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staff
Case No: SR-2013-0016
Date Prepared: 3/5/2013



MISSOURI PUBLIC SERVICE COMMISSION

UTILITY SERVICES DIVISION

STAFF ACCOUNTING SCHEDULES

EMERALD POINTE UTILITY COMPANY

CASE NO. SR-2013-0016

Jefferson City, Missouri

March 2013

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues		(1) \$77,204			
Rev-3	Miscellaneous Revenues		(1) \$2,767			
Rev-4	TOTAL ANNUALIZED REVENUES		<u>\$79,971</u>			
1	OPERATIONS EXPENSES		(2)			
2	Management Salary		\$0	\$0	\$0	0.00%
3	Operators Salary / Contractor Services		\$18,446	\$0	\$18,446	0.00%
4	Electricity - Pumping Treatment		\$8,450	\$0	\$8,450	0.00%
5	Chemicals		\$0	\$0	\$0	0.00%
6	Sewage Treatment Expense (City of Hollister)		\$69,463	\$0	\$69,463	0.00%
7	Sludge Removal		\$0	\$0	\$0	0.00%
8	TOTAL OPERATIONS EXPENSE		<u>\$96,359</u>	\$0	\$96,359	0.00%
9	MAINTENANCE EXPENSES					
10	System Repairs and Maintenance		\$15,195	\$0	\$15,195	0.00%
11	TOTAL MAINTENANCE EXPENSE		<u>\$15,195</u>	\$0	\$15,195	0.00%
12	CUSTOMER ACCOUNT EXPENSE					
13	Billing & Collections		\$1,517	\$0	\$1,517	0.00%
14	TOTAL CUSTOMER ACCOUNT EXPENSE		<u>\$1,517</u>	\$0	\$1,517	0.00%
15	ADMINISTRATIVE & GENERAL EXPENSES					
16	Administration & General Salaries		\$2,812	\$0	\$2,812	0.00%
17	Legal Fees		\$291	\$0	\$291	0.00%
18	Accounting Fees		\$475	\$0	\$475	0.00%
19	Office Supplies		\$211	\$0	\$211	0.00%
20	Postage		\$27	\$0	\$27	0.00%
21	Office Utilities		\$1,636	\$0	\$1,636	0.00%
22	Telephone & Internet		\$630	\$0	\$630	0.00%
23	Vehicle Expense		\$731	\$0	\$731	0.00%
24	Medical Insurance		\$0	\$0	\$0	0.00%
25	Property & Liability Insurance		\$1,212	\$0	\$1,212	0.00%
26	Building Rent		\$3,106	\$0	\$3,106	0.00%
27	Testing Expenses		\$0	\$0	\$0	0.00%
28	Other Misc. Expenses		\$1,180	\$0	\$1,180	0.00%
29	TOTAL ADMINISTRATIVE AND GENERAL		<u>\$12,311</u>	\$0	\$12,311	0.00%
30	OTHER OPERATING EXPENSES					
31	MO DNR Fees		\$0	\$0	\$0	0.00%
32	PSC Assessment		\$8,413	\$0	\$8,413	0.00%
33	Corporate Registration		\$10	\$0	\$10	0.00%
34	Amortization Expense		\$0	\$0	\$0	0.00%
35	Depreciation		\$60,938	\$0	\$60,938	0.00%
36	TOTAL OTHER OPERATING EXPENSES		<u>\$69,361</u>	\$0	\$69,361	0.00%
37	TAXES OTHER THAN INCOME					
38	Real & Personal Property Taxes		\$63	\$0	\$63	0.00%
39	Corporate Franchise Tax		\$0	\$0	\$0	0.00%
40	Payroll Taxes		\$2,961	\$0	\$2,961	0.00%
41	TOTAL TAXES OTHER THAN INCOME		<u>\$3,024</u>	\$0	\$3,024	0.00%
42	TOTAL OPERATING EXPENSES		<u>\$197,767</u>	\$0	\$197,767	0.00%
43	Interest Expense		(3) \$53,459	\$0	\$53,459	0.00%
44	Return on Equity		(3) \$44,084	\$0	\$44,084	0.00%
45	Income Taxes		(3) \$11,238	\$0	\$11,238	0.00%

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Rate Design Schedule - Sewer

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
46	TOTAL INTEREST RETURN & TAXES		\$108,781	\$0	\$108,781	
47	TOTAL COST OF SERVICE		\$306,548	\$0	\$306,548	
48	Less: Miscellaneous Revenues		<u>\$2,767</u>	<u>\$0</u>	<u>\$2,767</u>	0.00%
49	COST TO RECOVER IN RATES		<u>\$303,781</u>	<u>\$0</u>	<u>\$303,781</u>	
50	INCREMENTAL INCREASE IN RATE REVENUES		<u>\$226,577</u>			
51	PERCENTAGE OF INCREASE		<u>283.32%</u>			
52	REQUESTED INCREASE IN REVENUES			\$0		

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

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Rate Base Required Return on Investment Schedule - Sewer

Line Number	A Rate Base Description	B Dollar Amount
1	Plant In Service	\$1,333,884 From Plant Schedule
2	Less Accumulated Depreciation Reserve	<u>\$230,358</u> From Depreciation Reserve Schedule
3	Net Plant In Service	\$1,103,526
4	Other Rate Base Items:	\$0
	Contribution of Aid of Construction	-\$96,874
	CIAC Accumulated Reserve	-\$142
	Utility's Cost for Non Utility Asset	\$323,321
5	Total Rate Base	<u>\$1,329,831</u>
6	Total Weighted Rate of Return Including Income Tax	<u>8.18%</u> From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	<u><u>\$108,781</u></u>

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Rate of Return Including Income Tax - Sewer

	A	B	formulas
1 State Income Tax Rate Statutory / Effective	6.25% (2)	5.80%	$(1 - (B2 \times .5)) \times A1$
2 Federal Income Tax Rate Statutory / Effective	15.41% (1) & (2)	<u>14.52%</u>	$(1 - B1) \times A2$
3 Composite Effective Income Tax Rate		20.31%	$B1 + B2$
4 Equity Tax Factor		1.2549	$1 / (1 - B3)$
5 Recommended Weighted Rate of Return on Equity - Common and Preferred		<u>3.32%</u>	From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax		4.16%	$B4 \times B5$
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		<u>4.02%</u>	From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax		<u><u>8.18%</u></u>	$B6 + B7$

(1) If Sub-Chapter S Corporation, Enter Y: N To Rate Base Schedule

Equity Income Required \$52,112
 & Preliminary Federal Tax

Tax Rate Table

Net Income Range				
Start	End	Tax Rate	Amount in Range	Tax on Range
\$0	\$50,000	15.00%	\$50,000	\$7,500
\$50,001	\$75,000	25.00%	\$2,112	\$528
\$75,001	\$100,000	34.00%	\$0	\$0
\$100,001	\$335,000	39.00%	\$0	\$0
\$335,001	\$9,999,999,999	34.00%	\$0	\$0
			<u>\$52,112</u>	<u>\$8,028</u>
			Consolidated Tax Rate:	
			Average Tax Rate:	0.1541

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Capital Structure Schedule - Sewer

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital
1	Common Stock	\$332,458	25.00%	13.26%	3.315%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$997,373	75.00%	5.36%	4.020%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	TOTAL CAPITALIZATION	<u>\$1,329,831</u>	<u>100.00%</u>		<u>7.335%</u>

To PreTax Return Rate Schedule

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Plant In Service - Sewer

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
3		SOURCE OF SUPPLY PLANT					
4	310.000	Land & Land Rights	\$762			100.00%	\$762
5	311.000	Structures & Improvements	\$0			100.00%	\$0
6		TOTAL SOURCE OF SUPPLY PLANT	\$762		\$0		\$762
7		COLLECTION PLANT					
8	352.100	Collection Sewers - Force	\$309,584			100.00%	\$309,584
9	352.200	Collection Sewers - Gravity	\$555,852			100.00%	\$555,852
10	354.000	Flow Measurement Devices	\$30,029			100.00%	\$30,029
11		TOTAL COLLECTION PLANT	\$895,465		\$0		\$895,465
12		PUMPING PLANT					
13	362.000	Receiving Wells and Pump Pits	\$77,700			100.00%	\$77,700
14	363.000	Pumping Equipment (Elec., Diesel, other)	\$358,347			100.00%	\$358,347
15		TOTAL PUMPING PLANT	\$436,047		\$0		\$436,047
16		TREATMENT & DISPOSAL PLANT					
17	373.000	Treatment and Disposal Equipment	\$0			100.00%	\$0
18	375.000	Outfall Sewer Lines	\$0			100.00%	\$0
19		TOTAL TREATMENT & DISPOSAL PLANT	\$0		\$0		\$0
20		GENERAL PLANT					
21	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
22	391.100	Office Electronic and Computer Equipment	\$823			100.00%	\$823
23	394.000	Tools, Shop and Garage Equipment	\$787			100.00%	\$787
24		TOTAL GENERAL PLANT	\$1,610		\$0		\$1,610
25		TOTAL PLANT IN SERVICE	\$1,333,884		\$0		\$1,333,884

To Rate Base & Depreciation Schedules

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Schedule of Adjustments for Plant in Service - Sewer

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Plant Adjustment Number	Plant In Service Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
Total Plant Adjustments				\$0

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Depreciation Expense - Sewer

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2		TOTAL INTANGIBLE PLANT	\$0		\$0
3		SOURCE OF SUPPLY PLANT			
4	310.000	Land & Land Rights	\$762	0.00%	\$0
5	311.000	Structures & Improvements	\$0	3.00%	\$0
6		TOTAL SOURCE OF SUPPLY PLANT	\$762		\$0
7		COLLECTION PLANT			
8	352.100	Collection Sewers - Force	\$309,584	2.00%	\$6,192
9	352.200	Collection Sewers - Gravity	\$555,852	2.00%	\$11,117
10	354.000	Flow Measurement Devices	\$30,029	0.00%	\$0
11		TOTAL COLLECTION PLANT	\$895,465		\$17,309
12		PUMPING PLANT			
13	362.000	Receiving Wells and Pump Pits	\$77,700	4.00%	\$3,108
14	363.000	Pumping Equipment (Elec., Diesel, other)	\$358,347	10.00%	\$35,835
15		TOTAL PUMPING PLANT	\$436,047		\$38,943
16		TREATMENT & DISPOSAL PLANT			
17	373.000	Treatment and Disposal Equipment	\$0	4.50%	\$0
18	375.000	Outfall Sewer Lines	\$0	2.00%	\$0
19		TOTAL TREATMENT & DISPOSAL PLANT	\$0		\$0
20		GENERAL PLANT			
21	391.000	Office Furniture & Equipment	\$0	5.00%	\$0
22	391.100	Office Electronic and Computer Equipment	\$823	14.30%	\$118
23	394.000	Tools, Shop and Garage Equipment	\$787	5.00%	\$39
24		TOTAL GENERAL PLANT	\$1,610		\$157
25		Total Depreciation	\$1,333,884		\$56,409

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Accumulated Depreciation Reserve - Sewer

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
3		SOURCE OF SUPPLY PLANT					
4	310.000	Land & Land Rights	\$0			100.00%	\$0
5	311.000	Structures & Improvements	\$0			100.00%	\$0
6		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0		\$0
7		COLLECTION PLANT					
8	352.100	Collection Sewers - Force	\$27,167			100.00%	\$27,167
9	352.200	Collection Sewers - Gravity	\$33,909			100.00%	\$33,909
10	354.000	Flow Measurement Devices	\$144			100.00%	\$144
11		TOTAL COLLECTION PLANT	\$61,220		\$0		\$61,220
12		PUMPING PLANT					
13	362.000	Receiving Wells and Pump Pits	\$451			100.00%	\$451
14	363.000	Pumping Equipment (Elec., Diesel, other)	\$168,438			100.00%	\$168,438
15		TOTAL PUMPING PLANT	\$168,889		\$0		\$168,889
16		TREATMENT & DISPOSAL PLANT					
17	373.000	Treatment and Disposal Equipment	\$0			100.00%	\$0
18	375.000	Outfall Sewer Lines	\$0			100.00%	\$0
19		TOTAL TREATMENT & DISPOSAL PLANT	\$0		\$0		\$0
20		GENERAL PLANT					
21	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
22	391.100	Office Electronic and Computer Equipment	\$183			100.00%	\$183
23	394.000	Tools, Shop and Garage Equipment	\$66			100.00%	\$66
24		TOTAL GENERAL PLANT	\$249		\$0		\$249
25		TOTAL DEPRECIATION RESERVE	\$230,358		\$0		\$230,358

To Rate Base Schedule

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Schedule of Adjustments for Accumulated Depreciation Reserve - Sewer

<u>A</u> Reserve Adjustment Number	<u>B</u> Accumulated Depreciation Reserve Adjustments Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment Amount
Total Reserve Adjustments				\$0

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Revenue Schedule - Sewer

Line Number	A Account Number (Optional)	B Revenue Description	C Company/ Test Year Amount	D Adjustment Number	E Jurisdictional Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$103,457	Rev-2	-\$26,253	100.00%	\$77,204
Rev-3		Miscellaneous Revenues	\$600	Rev-3	\$2,167	100.00%	\$2,767
Rev-4		TOTAL ANNUALIZED REVENUES	\$104,057		-\$24,086		\$79,971

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Revenue Adjustment Schedule - Sewer

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Revenue Adj Number	Adjustment Description	Account Number	Adjustment Amount	Total Adjustment
Rev-2	Annualized Rate Revenues			-\$26,253
	1. To Annualize Rate Revenues		-\$26,253	
	2. Description		\$0	
	3. Description		\$0	
Rev-3	Miscellaneous Revenues			\$2,167
	1. To Annualize Miscellaneous Revenues		\$2,167	
Total Revenue Adjustments				-\$24,086

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Revenue Summary Schedule - Sewer

Line Number	A Description	Residential 5/8"		Commercial 1"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	347		2	
3	Bills Per Year	12		12	
4	Customer Bills Per year	4,164		24	
5	Current Customer Charge	<u>\$13.63</u>		<u>\$34.08</u>	
6	Annualized Customer Charge Revenues		\$56,755		\$818
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Total Annualized Sewer Rate Revenues		<u>\$56,755</u>		<u>\$818</u>

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

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Revenue Summary Schedule - Sewer

Line Number	A Description	Commercial 2"		Total	
		E Amount	G Amount	H Amount	I Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	15		364	
3	Bills Per Year	12			
4	Customer Bills Per year	180		4,368	
5	Current Customer Charge	<u>\$109.06</u>			
6	Annualized Customer Charge Revenues		\$19,631		\$77,204
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		0	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0			
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>			
13	Block 1, Commodity Billing Units	0.00			
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>			
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	Total Annualized Sewer Rate Revenues		<u>\$19,631</u>		<u>\$77,204</u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.60 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Emerald Pointe Utility Company
Informal Rate Case
Tracking Number SR-2013-0016
Test Year Ending 06-30-2012
Miscellaneous Revenues Feeder - Sewer

Line Number	A Description	B Amount
1	Late Fees	\$357
2	New Sewer Fees	\$2,250
3	Reconnect/Disconnect Fees	\$160
4	Total Miscellaneous Revenues	<u>\$2,767</u>

Emerald Pointe Utility Company
Informal Rate Case
Tracking Number SR-2013-0016
Test Year Ending 06-30-2012
Expense Schedule - Sewer

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		OPERATIONS EXPENSES					
2		Management Salary	\$0			100.00%	\$0
3		Operators Salary / Contractor Services	\$11,496	S-3	\$6,950	100.00%	\$18,446
4		Electricity - Pumping Treatment	\$22,739	S-4	-\$14,289	100.00%	\$8,450
5		Chemicals	\$9,733	S-5	-\$9,733	100.00%	\$0
6		Sewage Treatment Expense (City of Hollister)	\$0	S-6	\$69,463	100.00%	\$69,463
7		Sludge Removal	\$3,755	S-7	-\$3,755	100.00%	\$0
8		TOTAL OPERATIONS EXPENSE	<u>\$47,723</u>		<u>\$48,636</u>		<u>\$96,359</u>
9		MAINTENANCE EXPENSES					
10		System Repairs and Maintenance	\$10,548	S-10	\$4,647	100.00%	\$15,195
11		TOTAL MAINTENANCE EXPENSE	<u>\$10,548</u>		<u>\$4,647</u>		<u>\$15,195</u>
12		CUSTOMER ACCOUNT EXPENSE					
13		Billing & Collections	\$0	S-13	\$1,517	100.00%	\$1,517
14		TOTAL CUSTOMER ACCOUNT EXPENSE	<u>\$0</u>		<u>\$1,517</u>		<u>\$1,517</u>
15		ADMINISTRATIVE & GENERAL EXPENSES					
16		Administration & General Salaries	\$5,465	S-16	-\$2,653	100.00%	\$2,812
17		Legal Fees	\$1,454	S-17	-\$1,163	100.00%	\$291
18		Accounting Fees	\$475			100.00%	\$475
19		Office Supplies	\$35	S-19	\$176	100.00%	\$211
20		Postage	\$59	S-20	-\$32	100.00%	\$27
21		Office Utilities	\$0	S-21	\$1,636	100.00%	\$1,636
22		Telephone & Internet	\$0	S-22	\$630	100.00%	\$630
23		Vehicle Expense	\$207	S-23	\$624	100.00%	\$731
24		Medical Insurance	\$0			100.00%	\$0
25		Property & Liability Insurance	\$1,629	S-25	-\$417	100.00%	\$1,212
26		Building Rent	\$0	S-26	\$3,106	100.00%	\$3,106
27		Testing Expenses	\$135	S-27	-\$135	100.00%	\$0
28		Other Misc. Expenses	\$8,276	S-28	-\$7,096	100.00%	\$1,180
29		TOTAL ADMINISTRATIVE AND GENERAL	<u>\$17,735</u>		<u>-\$5,424</u>		<u>\$12,311</u>
30		OTHER OPERATING EXPENSES					
31		MO DNR Fees	\$3,060	S-31	-\$3,060	100.00%	\$0
32		PSC Assessment	\$10,462	S-32	-\$2,049	100.00%	\$8,413
33		Corporate Registration	\$0	S-33	\$10	100.00%	\$10
34		Amortization Expense	\$0			100.00%	\$0
35		Depreciation	\$0	S-35	\$60,938	100.00%	\$60,938
36		TOTAL OTHER OPERATING EXPENSES	<u>\$13,522</u>		<u>\$55,839</u>		<u>\$69,361</u>
37		TAXES OTHER THAN INCOME					
38		Real & Personal Property Taxes	\$103	S-38	-\$40	100.00%	\$63
39		Corporate Franchise Tax	\$10	S-39	-\$10	100.00%	\$0
40		Payroll Taxes	\$1,172	S-40	\$1,789	100.00%	\$2,961
41		TOTAL TAXES OTHER THAN INCOME	<u>\$1,285</u>		<u>\$1,739</u>		<u>\$3,024</u>
42		TOTAL OPERATING EXPENSES	<u>\$90,813</u>		<u>\$106,954</u>		<u>\$197,767</u>

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Expense Adjustment Schedule - Sewer

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
S-3	Operators Salary / Contractor Services			\$6,950
	1. To annualize for ongoing level (Hanneken)		\$12,981	
	2. To remove contracted operator due to removal of treatment facility (Hanneken)		-\$6,031	
S-4	Electricity - Pumping Treatment			-\$14,289
	1. To disallow donation (Rose)		-\$37	
	2. To normalize to ongoing level (Rose)		-\$14,252	
S-5	Chemicals			-\$9,733
	1. To annualize for ongoing level (Rose)		-\$9,733	
S-6	Sewage Treatment Expense (City of Hollister)			\$69,463
	1. To include new expense related to treatment of sewage (Hanneken)		\$69,463	
S-7	Sludge Removal			-\$3,755
	1. To annualize for ongoing level (Rose)		-\$3,755	
S-10	System Repairs and Maintenance			\$4,647
	1. To annualize for ongoing level (Hanneken)		\$4,647	
S-13	Billing & Collections			\$1,517
	1. To annualize for ongoing level (Rose)		\$1,517	
S-16	Administration & General Salaries			-\$2,653
	1. To annualize for ongoing level (Hanneken)		-\$2,653	

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Expense Adjustment Schedule - Sewer

<u>A</u> Expense Adj Number	<u>B</u> Adjustment Description	<u>C</u> Account Number	<u>D</u> Adjustment Amount	<u>E</u> Total Adjustment
S-17	Legal Fees			-\$1,163
	1. To annualize for ongoing level (Rose)		-\$1,163	
S-19	Office Supplies			\$176
	1. To annualize for ongoing level (Rose)		\$176	
S-20	Postage			-\$32
	1. To annualize to ongoing level (Rose)		-\$32	
S-21	Office Utilities			\$1,636
	1. To annualize trash for ongoing level (Rose)		\$696	
	2. To annualize sewer for ongoing level (Rose)		\$127	
	3. To annualize electric for ongoing level (Rose)		\$736	
	4. To annualize water for ongoing level (Rose)		\$77	
S-22	Telephone & Internet			\$630
	1. To annualize for ongoing level (Rose)		\$630	
S-23	Vehicle Expense			\$524
	1. To annualize for ongoing level (Rose)		\$524	
S-25	Property & Liability Insurance			-\$417
	1. To annualize for ongoing level (Rose)		-\$417	
S-26	Building Rent			\$3,106
	1. To annualize for ongoing level (Rose)		\$3,106	
S-27	Testing Expenses			-\$135

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Expense Adjustment Schedule - Sewer

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
	1. To remove cost no longer necessary due to contract with City of Hollister (Rose)		-\$135	
S-28	Other Misc. Expenses			-\$7,096
	1. To annualize for ongoing level for dues (Rose)		-\$131	
	2. To disallow donations (Rose)		-\$100	
	3. To annualize bank fees for ongoing level (Rose)		-\$11	
	4. To remove allocations not related to utility (Rose)		-\$5,863	
	5. To normalize rate case expense (Rose)		-\$995	
	6. To annualize Missouri One Call for ongoing level (Rose)		\$4	
S-31	MO DNR Fees			-\$3,060
	1. To disallow late fee (Rose)		-\$60	
	2. To remove cost no longer necessary due to contract with City of Hollister		-\$3,000	
S-32	PSC Assessment			-\$2,049
	1. To annualize for ongoing level (Rose)		-\$2,049	
S-33	Corporate Registration			\$10
	1. To annualize for ongoing level (Rose)		\$10	
S-35	Depreciation			\$60,938
	1. To Annualize Depreciation		\$56,409	
	2. To remove amortization related to CIAC (Hanneken)		-\$1,937	

Emerald Pointe Utility Company
 Informal Rate Case
 Tracking Number SR-2013-0016
 Test Year Ending 06-30-2012
 Expense Adjustment Schedule - Sewer

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
	3. To include amortization of utility's payment for City of Hollister pipeline (Hanneken)		\$6,466	
S-38	Real & Personal Property Taxes			-\$40
	1. To annualize personal property taxes for ongoing level (Rose)		-\$40	
S-39	Corporate Franchise Tax			-\$10
	1. To annualize for ongoing level (Rose)		-\$10	
S-40	Payroll Taxes			\$1,789
	To annualize for ongoing level (Hanneken)		\$1,789	
Total Expense Adjustments				<u>\$106,954</u>

Agreement Attachment C

Rate Base Worksheet

Emerald Pointe Utility Company
Informal Rate Case
Tracking Number SR-2013-0016
Test Year Ending 06-30-2012
Rate Base Required Return on Investment Schedule - Sewer

Line Number	<u>A</u> Rate Base Description	<u>B</u> Dollar Amount
1	Plant In Service	\$1,333,884 From Plant Schedule
2	Less Accumulated Depreciation Reserve	<u>\$230,358</u> From Depreciation Reserve Schedule
3	Net Plant In Service	\$1,103,526
4	Other Rate Base Items:	\$0
	Contribution of Aid of Construction	-\$96,874
	CIAC Accumulated Reserve	-\$142
	Utility's Cost for Non Utility Asset	\$323,321
5	Total Rate Base	<u>\$1,329,831</u>

Agreement Attachment D

Schedule of Depreciation Rates

Emerald Pointe Utility Company SEWER COMPANY
SCHEDULE of DEPRECIATION RATES (Dated 3/6/2013)
(SEWER)
SR-2013-0016

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
311	Structures & Improvements	3.0%	37	-10%
COLLECTION PLANT				
352.1	Collection Sewers (Force)	2.0%	50	0%
352.2	Collection Sewers (Gravity)	2.0%	50	0%
PUMPING PLANT				
362	Receiving Wells	4.0%	26	-5%
363	Electric Pumping Equipment	10.0%	10	0%
TREATMENT & DISPOSAL PLANT				
373	Treatment & Disposal Facilities	4.5%	24.5	-10%
375	Outfall Sewer Lines	2.0%	50	0%
GENERAL PLANT				
390	Structures & Improvements	2.9%	38	-10%
391	Office Furniture & Equipment	5.0%	20	0%
391.1	Office Electronic & Computer Equip.	14.3%	7	0%
392	Transportation Equipment	13.0%	7	9%
393	Stores Equipment	4.0%	25	0%
394	Tools, Shop, Garage Equipment	5.0%	20	0%
395	Laboratory Equipment	5.0%	20	0%
396	Power Operated Equipment	6.7%	13	13%
397	Communication Equipment	6.7%	15	0%

The above recommended depreciation rates are based on Staff's review of the Company's operation and records.

Agreement Attachment E

Example Tariff Sheets

Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
 Sewer Service

INDEX

Sheet No.

- 1.....Index
- 2.....Map of Service Area – Case. No. WA-96-96
- 2.1.....Map of Service Area – Branson Canyon
- 2.2.....Map of Service Area – Case No. SA-2012-0362
- 2.3.....Map of Service Area – Case No. SA-2012-0362
- 3.....Legal Description of Service Area – Case NO. WA-96-96
- 3.1.....Legal Description of Service Area – Branson Canyon
- 3.2.....Legal Description of Service Area – Case No. SA-2012-0362
- 4.....Schedule of Rates
- 5.....Schedule of Service Charges

<u>Sheet Number</u>	<u>Rule Number</u>	<u>Rule Subject</u>
7.....	1.	Definitions
11.....	2.	General Matters
12.....	3.	Limited Authority of Company Employees
13.....	4.	Applications for Sewer Service
15.....	5.	Inside Piping and Customer Service Sewer
18.....	6.	Pressure Collecting Sewers
21.....	7.	Improper or Excessive Use
23.....	8.	Discontinuance of Service by Company
26.....	9.	Interruptions in Service
27.....	10.	Bills for Service
29.....	11.	Extension of Collecting Sewers

* Indicates new rate or text
 + Indicates change

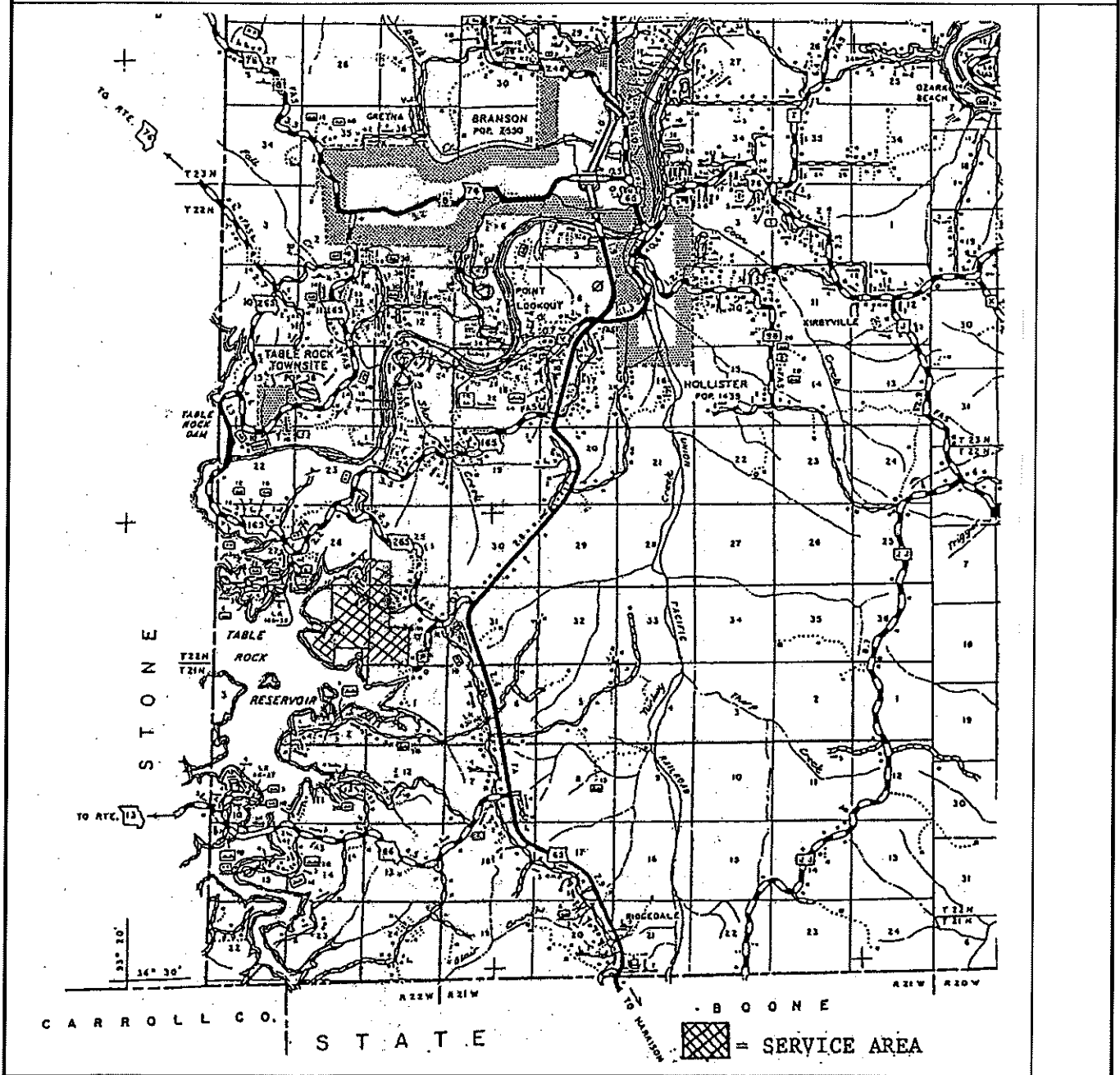
DATE OF ISSUE February 11, 2013
 Month Day Year

DATE EFFECTIVE April 1, 2013
 Month Day Year

ISSUED BY Gary W. Snadon President 118 State Dr. Hollister, MO 65672
 name of officer title address

P.S.C. MO No. 2
Canceling P.S.C. MO No. 1
Name of Utility: Emerald Pointe Utility Company
Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of Sewer Service



DATE OF ISSUE February 11, 2013
Month Day Year

DATE EFFECTIVE April 1, 2013
Month Day Year

ISSUED BY Gary W. Snadon
name of officer

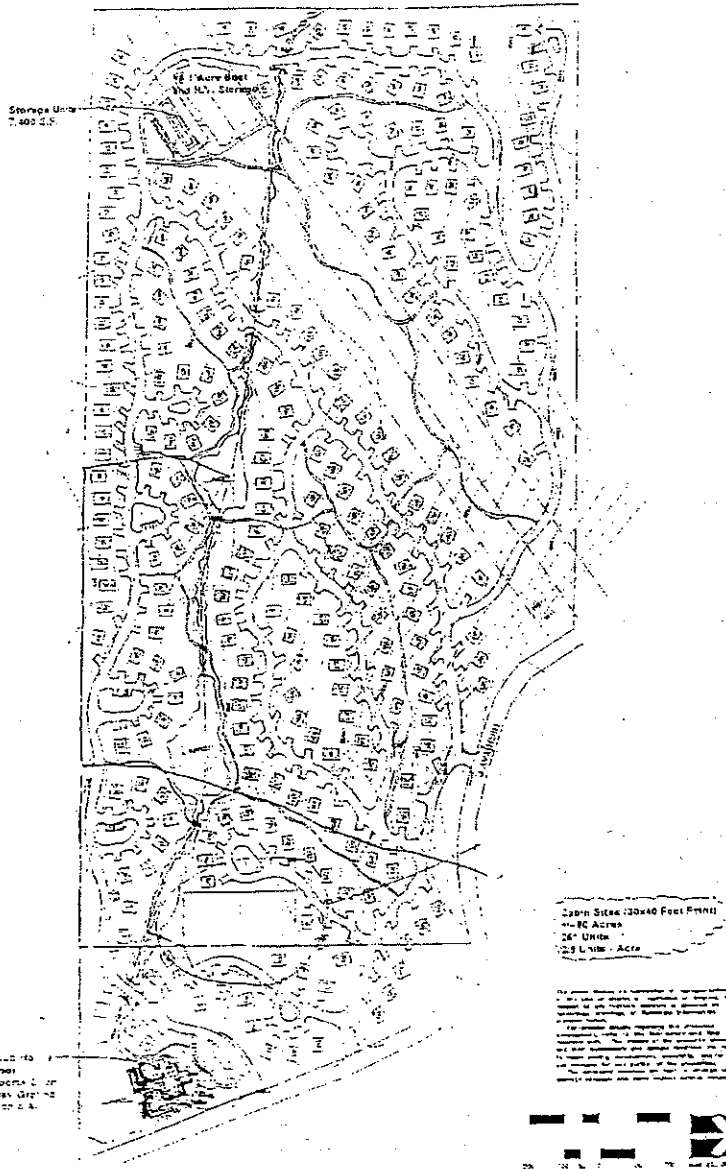
President
title

118 State Dr. Hollister, MO 65672
address

Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of Sewer Service

Map of Service Area – Branson Canyon



DATE OF ISSUE February 11, 2013
Month Day Year

DATE EFFECTIVE April 1, 2013
Month Day Year

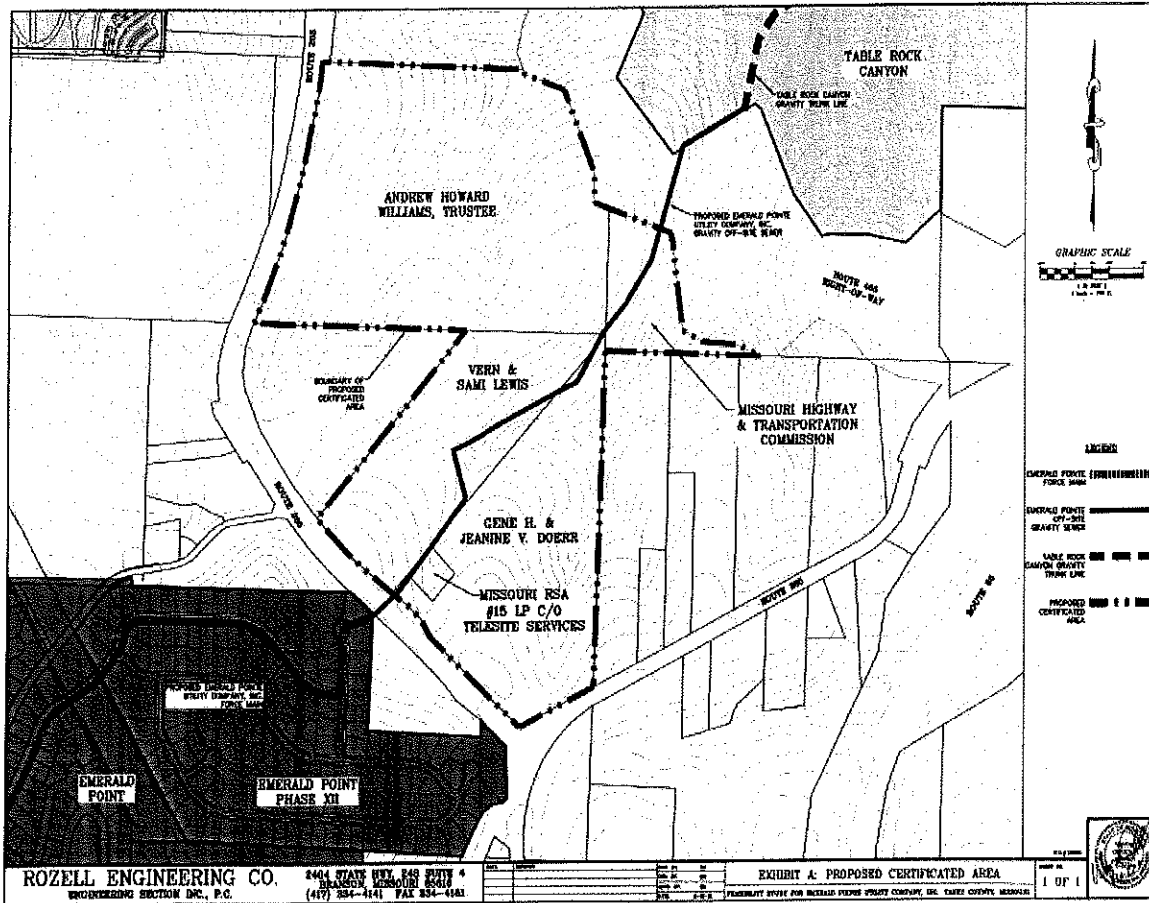
ISSUED BY Gary W. Snadon
name of officer

President
title

118 State Dr. Hollister, MO 65672
address

Rules and Regulations Governing Rendering of Sewer Service

Map of Service Area – Case No. SA-2012-0362



DATE OF ISSUE February 11, 2013
Month Day Year

DATE EFFECTIVE April 1, 2013
Month Day Year

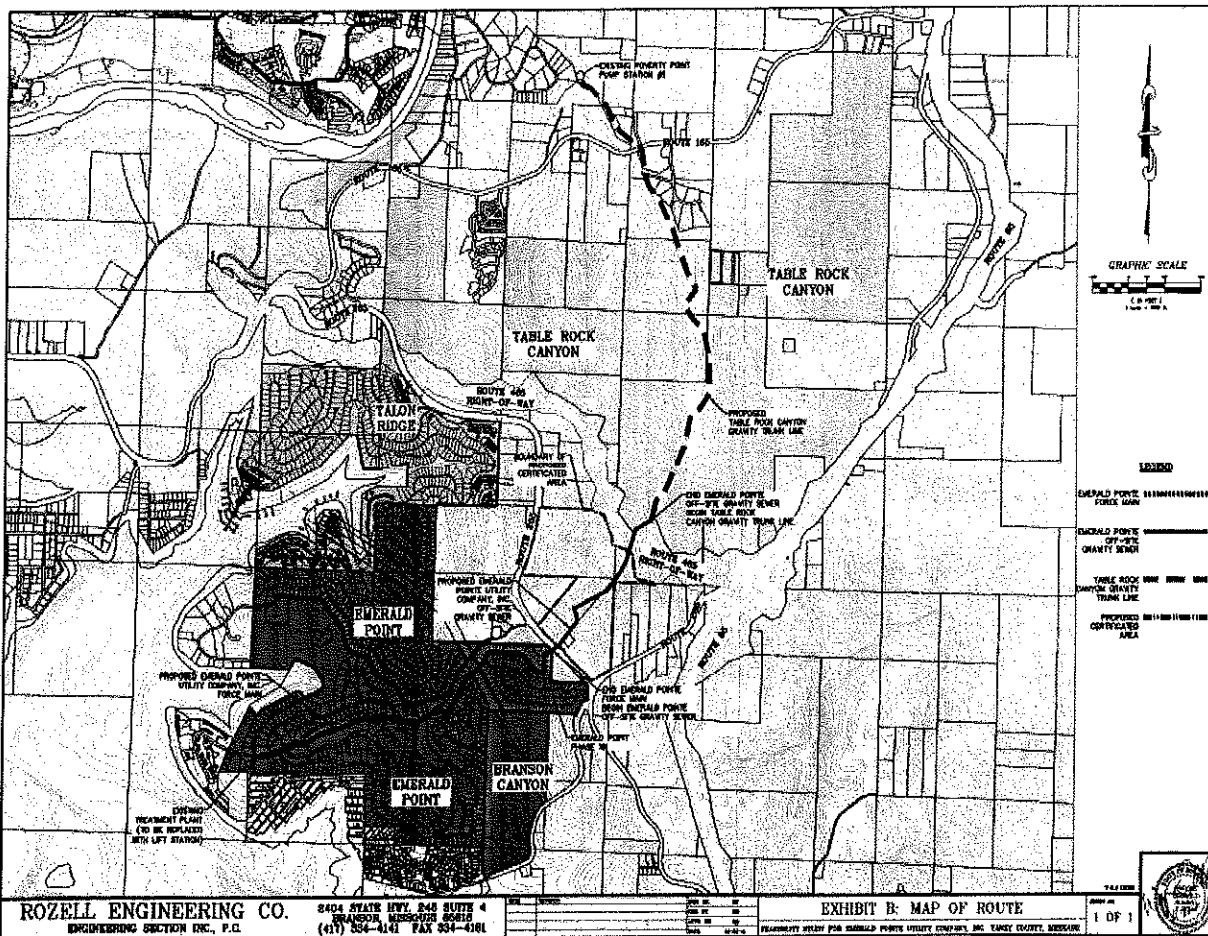
ISSUED BY Gary W. Snadon
name of officer

President 118 State Dr. Hollister, MO 65672
title address

Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
 Sewer Service

Map of Service Area – Case No. SA-2012-0362



ROZELL ENGINEERING CO.
 ENGINEERING SECTION INC., P.C.

8424 STATE HWY. 248 SUITE 4
 BRANSON, MISSOURI 65619
 (417) 534-4141 FAX 534-4161

EXHIBIT B: MAP OF ROUTE

1 OF 1

DATE OF ISSUE February 11, 2013
 Month Day Year

DATE EFFECTIVE April 1, 2013
 Month Day Year

ISSUED BY Gary W. Snadon
 name of officer

President
 title

118 State Dr. Hollister, MO 65672
 address

Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Legal Description of Service Area

Beginning at the Southeast Corner of the Southeast Quarter of the Southwest Quarter of Section 36, Township 22 North, Range 22 West, said point being a Missouri Department of Natural Resources Monument; thence N 88°1'4'49" W along the South line of said Section 36, 1976.49 feet; thence leaving said South line of Section 36, N 00°54'57" E, 330.06 feet; thence N 88°1'1'55" W, 660.25 feet to the West line of said Section 36; thence along said West line of Section 36, N 01°10'04" E, 1035.36 feet to a stone, said stone being the Northwest Corner of the Southwest Quarter of the Southwest Quarter of said Section 36; thence N 89°48'37" W, 2622.33 feet to the Northeast Corner of the Southeast Quarter of the Southwest Quarter of Section 35, Township 22 North, Range 22 West; thence along the North line of said Southeast Quarter of the Southwest Quarter of Section 35, N 88°17'38" W, 640.00 feet; thence leaving said line; S 01°57'46" W, 341.35 feet; thence S 55°01'2'46" E, 315.77 feet, thence S 01°05'7'46" W, 300.00 feet to a point on the Corp of Engineers take line for Table Rock Lake; thence along said take line N 55°12'46" W, 335.10 feet to Corp of Engineers Monument C 336-4; thence continuing along said take line N 43°05'7'01" W, 902.48 feet to Corp of Engineers Monument C 336-5/C 334-1; thence continuing along said take line N 24°03'8'11" W, 388.67 feet to Corp of Engineers Monument C 334-2; thence continuing along said take line N 16°55'3'2" W, 542.08 feet to Corp of Engineers Monument C 334-3; thence continuing along said take line N 01°01'3'9" E, 338.01 feet to Corp of Engineers Monument C 334-4; thence continuing along said take line S 60°3'6'45" E, 376.92 feet to Corp of Engineers Monument C 334-5/C 335-1; thence continuing along said take line S 87°0'58'13" E, 329.40 feet to Corp of Engineers Monument C 335-2; thence continuing along said take line S 60°49'41" E, 744.75 feet to Corp of Engineers Monument C 335-3; thence continuing along said take line N 27°02'6'55" E, 751.65 feet to Corp of Engineers Monument C 335-4/C 323-1; thence continuing along said take line N 65°00'4'1 5" E, 732.26 feet to Corp of Engineers Monument C 323-2; thence continuing along said take line N 27°35'1 5" E, 336.47 feet to Corp of Engineers Monument C 323-3; thence continuing along said take line N 87°04'58" W, 832.12 feet to Corp of Engineers Monument C 323-4/C 324-1-1, said monument being on the West line of the Northeast Quarter of said Section 35; thence along said West line of the Northeast Quarter of said Section 35, N 00°1'3'44" E, 675.77 feet to a stone, said stone being the Southwest Corner of the Northwest Quarter of the Northeast Quarter of Section 35; thence continuing said West line of the Northeast Quarter of Section 35, N 03°21'4'9" E, 1274.58 feet to Corp of Engineers Monument G 324-2-4/C 322-1, said monument being the Northwest Corner of said Northeast Quarter of Section 35; thence along the North line of said Section 35, S 88°00'2'47" E, 2646.95 feet to a stone, said stone being the Northeast Corner of said Section 35; thence N 01°43'53" E along the West line of Section 25, Township 22 North, Range 22 West, 1318.88 feet to the Northwest Corner of the Southwest Quarter of the Southwest Quarter of said Section 25; thence along the North line of said Southwest Quarter of the Southwest Quarter of Section 25, N 87°56'54" E, 1319.63 feet to the Northeast Corner of said Southwest Quarter of the Southwest Quarter of Section 25; thence S 01°35'33" W, along the East line of said Southwest Quarter of the Southwest Quarter of Section 25, 1314.44 feet to the section line; thence S 01°51'49" W along the West line of the Northeast Quarter of the Northwest Quarter of Section 36; thence S 87°04'2'10" E along the North line of the Southeast Quarter of the Northwest Quarter of said Section 36, 1326.37 feet to the Northeast Corner of said Southeast Quarter of the Northwest Quarter of Section 36; thence S 01°05'8'1 1" W along the East line of West half of said Section 36, 3935.82 feet to the point of beginning.

DATE OF ISSUE February 11, 2013
Month Day Year

DATE EFFECTIVE April 1, 2013
Month Day Year

ISSUED BY Gary W. Snadon
name of officer

President
title

118 State Dr. Hollister, MO 65672
address

Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Legal Description of Service Area

A tract of land situated in the a part of the NW ¼ of the NE ¼ of Section 1, Township 21 North, Range 22 West, and part of the W ½ of the SE ¼ of Section 36, Township 22 North, Range 22 West, Taney County, Missouri, Being more particularly described as follows:

Beginning at an existing aluminum monument marking the Southwest corner of the W ½ of the SE ¼ of Section 36; Thence North 01°38'25" East, a distance of 2670.34 feet, to an existing stone marking the Northwest corner of the W ½ of the SE ¼ of Section 36; Thence South 86°59'15" East, a distance of 1329.13 feet, to an existing ½ " iron pin marking the Northeast corner of the NW ¼ of the SE ¼ of Section 36; Thence South 01°49'05" West, a distance of 1321.57 feet, to an existing stone marking the Northeast corner of the SW ¼ of the SE ¼ of Section 36; Thence South 01°48'16" West, along the East line of the SW ¼ of the SE ¼ of Section 36, a distance of 425.69 feet to a point on the Northerly right-of-way line M.S.H.D. Route "P"; Along the Northerly and Westerly right-of-way line of M.S.H.D. Rout "P" as follows: Thence South 59°39'29" West, a distance of 34.06 feet; Thence Southwesterly along a 12.8072 degree curve to the left, 321.43 feet (said curve having a radius of 447.37 feet); Thence South 18°23'28" West, a distance of 228.00 feet; Thence Southerly along a 9.3468 degree curve to the left, 273.55 feet (said curve having a radius of 613.00 feet); Thence South 07°10'37" East, a distance of 142.74 feet, to a point on the South line of the SW ¼ of the SE ¼ of Section 36; Thence continuing South 07°10'37" East, a distance of 24.26 feet; Thence Southerly along a 27.4038 degree curve to the right, 284.63 feet (said curve having a radius of 209.08 feet); Thence South 70°49'19" West, a distance of 570.30 feet; Thence South 56°26'26" West, a distance of 80.52 feet' Thence South 70°49'19" West, a distance of 275.37 feet to a point on the Table Rock Lake Government Fee Taking Line; Thence North 24°43'55" West, leaving the North right-of-way line of the road and along the Government Fee Taking Line, a distance of 113.01 feet, to a point on the West line of the NW ¼ of the NE ¼ of Section 1; Thence North 00°56'31" East, along the West line of the NW ¼ of the NE ¼ of Section 1, a distance of 504.17 feet, to the Point of Beginning;

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Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
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Legal Description of Service Area – SA-2012-0362

All that part of the South Half (S1/2) lot 2 of the Southwest Quarter (SW1/4) of Section 30, Township 22 North, Range 21 West, Taney County, Missouri, which lies southerly of the southerly right-of-way line of Route 465 (as shown on the plan sheet for Missouri Department of Transportation Job No. J8P0623), containing 6.028 acres, more or less, lying in the southwesterly corner of said S1/2 Lot 2 SW1/4 of said Section 30.

Together with, all of the South Half (S1/2) of the Southeast Quarter (SE1/4) lying East of Highway No. 265 and West of westerly right-of-way line of Route 465 (as shown on the plan sheet for Missouri Department of Transportation Job No. J8P0623), all in Section 25, Township 22 North, Range 22 West, Taney County, Missouri.

And Together with, all of the East Half (E1/2) of the Northeast Quarter (NE1/4) and the Northwest Quarter (NW1/4) of the Northeast Quarter (NE1/4) of Section 36, Township 22 North, Range 22 West, Taney County, Missouri, lying North and East of Highway No. 265; Except that parcel described in Warranty Deed recorded in Book 415, at Pages 9660 through 9662 of the Recorder's Office of Taney County, Missouri.

Also:

A twenty foot (20.0') wide strip of ground lying over and across a portion of the Northeast Quarter (NE1/4) of the Northeast Quarter (NE1/4) and the South Half (S1/2) of the Northeast Quarter (NE1/4) of Section 36, Township 22 North, Range 22 West of the fifth principal meridian, Taney County, Missouri. The limits of the easement shall extended to, or truncate at the right-of-way limits of M.S.H.D. Route 265, All that part of the Grantor's land lying 10.00 feet on each side of the centerline described as follows:

Commencing at an existing 1 1/2" iron pipe marking the Southwest corner of Section 30, T22 North, Range 21 West; Thence North 00°08'56" East a distance of 55.17 feet to an aluminum monument marking the Northeast corner of the NE1/4 of the NE1/4 of Section 36; Thence South 47°35'25" West, along the North line of a parcel of land described in Book 310, at Page 2976, of the Recorder's Office of Taney County, a distance of 1784.55

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Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Legal Description of Service Area – SA-2012-0362, continued

feet to a point on the Northerly right-of-way line of M.S.H.D. Route 265; Thence South 49°00'32" East, along the Northerly right-of-way line of M.S.H.D. Route 265, a distance of 42.93 feet to the Point of Beginning; Thence South 45°06'23" West a distance of 141.83 feet to the South right-of-way line of M.S.H.D. Route 265 for a Point of Terminus, Containing 2837 square feet of land, more or less.

And Also:

A twenty foot (20.0') wide strip of ground lying over and across a portion of the South Half (S1/2) of Lot 2 of the fractional Southwest Quarter (SW1/4) of Section 30, Township 22 North, Range 21 West of the fifth principal meridian, Taney County, Missouri. The limits of the easement shall extended to, or truncate at the right-of-way line of M.S.H.D. Route 465, All that part of the Grantor's land lying 10.00 feet on each side of the centerline described as follows:

Commencing at an existing 11/2" iron pipe marking the Southwest corner of Section 30, Township 22 North, Range 21 West; Thence North 00°08'56" East a distance of 55.17 feet to an aluminum monument marking the Northeast corner of the NE1/4 of the NE1/4 of Section 36, Township 22 North, Range 22 West; Thence North 01°52'42" East, along the West line of said Section 30, a distance of 646.64 feet to a point on the Southerly right-of-way line of M.S.H.D. Route 465; Thence South 70°46'07" East, along the Southerly right-of-way line of M.S.H.D. Route 465, a distance of 273.80 feet to the Point of Beginning; Thence North 17°47'48" East a distance of 423.60 feet to a point on the Northerly right-of-way line of M.S.H.D. Route 465 for the Point of Terminus. Containing 8,473 square feet of land, more or less.

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P.S.C. MO No. 2
Canceling P.S.C. MO No. 1
Name of Utility: Emerald Pointe Utility Company

Original Sheet No. 4

Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Schedule of Rates

Monthly Service Charge

Monthly Customer Charge (served by a 5/8" water meter)	\$36.67 per Month
Monthly Customer Charge (served by a 1" water meter)	\$76.36 per Month
Monthly Customer Charge (served by a 2" or larger water meter)	\$221.85 per Month

Commodity Charge per 1,000 gallons (includes 2,000 gallons)	\$5.11
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All Applicable Federal, State or local taxes shall be included in addition to the above charges.

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Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Schedule of Service Charges

New service connection to Collecting Sewer will be the actual cost to the Company.

Late Charges

A charge of five dollars (\$5.00) or three percent (3%) per month times the unpaid balance, whichever is greater, will be added to delinquent accounts.

Returned Check Charge

A returned check charge of twenty-five dollars (\$25.00) per check will be due on all checks returned from the bank for insufficient funds.

Disconnection/Reconnection

If sewer Discontinuance of Service in accordance with Rule 8 is accomplished by physical disconnection, then the charge for reconnection after such disconnection by the Company shall be the total actual cost of disconnection and reconnection.

Inspection Fee

A fee of thirty-five dollars (\$35.00) will be charged for inspection of a new service sewer and connection to the collecting sewer.

Re-Inspection Fee

A fee of twenty dollars (\$20.00) will be charged for any re-inspection of the new service sewer that is not the fault of the Company.

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P.S.C. MO No. 2
Canceling P.S.C. MO No. 1
Name of Utility: Emerald Pointe Utility Company

Original Sheet No. 6

Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Schedule of Service Charges (Continued)

Service Calls

Service calls at any time other than during normal business hours for any reason except disconnection for a ruptured Customer's service shall require a service charge of forty dollars (\$40.00).

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Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Rule 1 DEFINITIONS

- A. An "APPLICANT" is a person, firm, corporation, governmental body, or other entity that has applied for sewer service and/or an extension of collecting sewers along with additional plant facilities; two or more such entities may make one application for a sewer extension, and be considered one APPLICANT. An "ORIGINAL APPLICANT" is an APPLICANT who entered into any contract or agreement with the Company for an extension of collecting sewers and/or additional plant facilities, contributed funds or utility plant assets to the Company under the terms of the contract or agreement, and is eligible for refunds under the terms of the contract or agreement as additional Applicants connect to such extensions or plant facilities.
- B. "B.O.D" denotes Biochemical Oxygen Demand. It is the quantity of oxygen utilized in the biochemical oxidation of waste matter under standard laboratory conditions expressed in milligrams per liter.
- C. "C.O.D" denotes Chemical Oxygen Demand. It is the quantity of oxygen utilized in the chemical oxidation of waste matter under standard laboratory conditions, expressed in milligrams per liter.
- D. A "COLLECTING SEWER" is a pipeline, including force pipelines, gravity sewers, interceptors, laterals, trunk sewers, manholes, lampholes, and necessary appurtenances, including service wyes and saddles, 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.
- E. The "COMPANY" is Emerald Pointe Utility Company, acting through its officers, managers, or other duly authorized employees or agents.
- F. A "CUSTOMER" is any person, firm, corporation or governmental body which has contracted with the Company for sewer service, or is receiving service from the Company, or whose facilities are connected for utilizing such service.

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Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Rule 1 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. "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 the service sewer, or turn-off of water service by the water utility at the request of the Company.
- I. "DOMESTIC SEWAGE" is sewage, excluding storm and surface water, resulting from normal household activities; and, "NON-DOMESTIC SEWAGE" is all sewage other than DOMESTIC SEWAGE including, but not limited to, commercial or industrial wastes. See Rule 6 - Improper Waste or Excessive Use.
- J. 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.
- K. GRINDER PUMP UNIT or PUMP UNIT– a self contained facility consisting generally of a small tank, and an electric pump that is capable of pumping liquid waste with contained solids to a pressure collecting sewer for transportation of liquid waste with solids to a treatment facility. The Pump Unit is owned and maintained by the Company.
- L. "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 7.0 being neutral, below 7.0 acid, and above 7.0 alkaline; more technically defined as the logarithm of the reciprocal of the hydrogen ion concentration.

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Rules and Regulations Governing Rendering of
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Rule 1 continued

- M. PRESSURE COLLECTING SEWER – a collecting sewer pipeline owned and maintained by the company, located within easements, used to transport wastewater under pressure to a treatment facility. A Pressure Collecting Sewer is sometimes referred to generically as a collecting sewer.
- N. REPAIRABLE PARTS are pump motor, effluent pump or grinder pump, liquid level control, whether assembled as a unit or as separate components; also a heater, alarm system and check valve components, if installed. This does not include the tank and gravity service sewer piping from the dwelling structure or pressure service sewer piping to the Company’s collecting sewer. The Company is responsible for repair or replacement as needed for normal operations.
- O. A “SADDLE” is a fitting that connects the Customer’s Service Sewer to the collecting sewer. The saddle clamps around the collecting sewer pipeline into which pipeline a hole is cut, and the Service Sewer is connected to the SADDLE thereby connecting it to the collecting sewer.
- P. A "SERVICE CONNECTION" is the connection of a service sewer to the Company’s collecting sewer either at the bell of a wye branch or the bell of a saddle placed on the barrel of the collecting sewer.
- Q. A "SERVICE SEWER" or “CUSTOMER’S SERVICE SEWER” is a pipe with appurtenances installed, owned and maintained by the Customer, used to conduct sewage from the Customer's premises to the collecting sewer, excluding service wyes or saddles and excluding pump units and associated tanks. The SERVICE SEWER is constructed, owned and maintained by the Customer.
- R. 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.

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Rules and Regulations Governing Rendering of
Sewer Service

Rule 1 continued

- S. TANK – a watertight vessel which holds wastewater from the customer’s premises, and in which is installed the repairable parts, and includes associated electrical connections, and provides access from ground level to the repairable parts and for other maintenance.
- T. A “TEE” is a three-way one-piece pipe fitting in the shape of the letter “T” that is a part of the Collecting Sewer pipeline and to which the Customer’s Service Sewer is connected.
- U. "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.
- V. The word "UNIT" or “LIVING UNIT” shall be used herein to define the premises or property of a single sewer user, whether or not that sewer user is the Customer. It shall pertain to any building whether multi-tenant or single occupancy, residential or commercial, owned or leased. Each mobile home in a mobile home park, and each rental unit of a multi-tenant rental property are considered as separate Units for each single family or firm occupying same as a residence or place of business.
- W. A “WYE” or “WYE BRANCH” or “Y” or “Y BRANCH” is a three-way one-piece pipe fitting in the shape of the letter “y” that is a part of the collecting sewer pipeline, and to which the Customer’s service sewer is connected.

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Rules and Regulations Governing Rendering of
Sewer Service

Rule 2 GENERAL MATTERS

- 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, Rules and Regulations.
- B. The Company's Rules and Regulations governing rendering of service are set forth in the numbered sheets of this tariff. The rates applicable to appropriate class of service are set forth in Rate Schedules and constitute a part of this tariff.
- C. The Company reserves the right, subject to approval from the Missouri Public Service Commission, to prescribe additional rates or to alter existing Rates or Rules as it may deem necessary or proper.
- D. At the effective date of these Rules, all new 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. Pre-existing facilities that do not conform with these Rules and Regulations may remain, if said facilities do not cause any service problems and reconstruction is impractical.
- E. The Company shall have the right to enter upon the Customer's premises for the purpose of inspecting for compliance with these Rules and Regulations. Company personnel shall identify themselves and such inspections shall be conducted during reasonable hours.

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Rules and Regulations 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 Rates, Rules and Regulations.
- 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 Rates, Rules and Regulations.
- C. The Company shall not be responsible in damages for any failure to remove waste water from the premises or for interruption if such failure or interruption is without willful default or negligence on its part.
- D. The Company shall not be liable for damages resulting to Customer or third persons, unless due to contributory negligence on the part of the Company, and without any contributory negligence on the part of the Customer or such third party.
- E. The Company shall not be liable for damages because of any interruption of sewer service or for damages caused by defective piping and appliances on the Customer's premises.
- F. The Company shall not be liable for damages due to damages from acts of God, civil disturbances, war, government actions, and other uncontrollable occurrences.

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Rules and Regulations Governing Rendering of
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Rule 4 APPLICATIONS FOR SEWER SERVICE

- A. A written application for service, signed by the Customer, and accompanied by the appropriate fees as provided in the Schedule of Rates, the Schedule of Service Charges, Rule 10 - Extension of Collecting Sewers, and other information required by these Rules, must be received from each Customer. Said application must be filed in writing twenty-four (24) hours in advance stating the street, house number, name of the applicant, name of the property owner, and the time, at which connection is to be made. The Company shall have the right to refuse service for failure to comply with the Rules herein, or if the Customer owes a past due bill not in dispute for sewer service at any location within the Company's service area. In any case where a collecting sewer extension or unusual construction or equipment expense is necessary to furnish the service, the Company may require a contract for service specifying a reasonable period of time for the Company to provide the service. If the Customer is a tenant, the Company shall notify the owner of the property or owner's property manager or other agent that the owner or property manager may be responsible for payment of the sewer service bill associated with the application.
- B. A prospective Customer shall, upon request of the Company, present in writing to the Company a list of devices that will discharge to the collecting sewers, the amount and specifications of any discharge, and the location of any buildings. The Company will then advise the Customer of the form and the character of the wastewater collection facilities available. If a sewer extension as provided for in Rule 10 - Extension of Collecting Sewers will be necessary, or if the Customer will be required to own, operate, and maintain a pretreatment facility, the Customer will also be so advised.
- C. 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 by 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.

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Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Rule 4 continued

- D. The Company will determine or approve the location of the service connection. 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 10 - Extension of Collecting Sewers, unless in the Company's judgment such a collecting sewer would serve no other purpose and a service sewer may be constructed to serve the Customer's premises in a reasonable manner.
- E. A new service connection shall be authorized when all conditions in Rule 2 – General Matters and Rule 5 – Inside Piping and Customer Service Sewer, regarding application, construction and inspection provisions, are met.
- F. No substantial addition to the water using equipment or appliances connected to the sewer system shall be made by Customers discharging non domestic sewage except upon written notice to and with the written consent of the Company.

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Service Area: All Missouri Service Areas

Rules and Regulations Governing Rendering of
Sewer Service

Rule 5 INSIDE PIPING AND CUSTOMER SERVICE SEWER

- A. The Customer is obligated to construct, repair, and maintain the service sewer from the collecting sewer to the building, and make the connection to the collecting sewer. The Customer shall notify the Company prior to cleaning or repairing the service sewer.
- B. When a service sewer is to be connected to the collecting sewer, the plumber shall advise the Company twenty-four (24) hours in advance of when the connection is expected to be made so a representative of the Company can inspect the installation and connection. No backfill shall be placed until the work has been inspected by the Company. In the event the Customer or the Customer's agent shall damage a wye branch or saddle, or cause damage to the collecting sewer, then the Customer shall be responsible for the cost to repair any such damage, including replacement of pipe or appurtenances as necessary.
- C. Plumbing specifications of all governmental agencies having jurisdiction, and the Company's Rules, in effect at the time of connection, must be met. The Company may deny service or may discontinue service where foundation 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.
- D. A separate and independent service sewer shall generally be required for every building. Exceptions are:
 - 1. When one building stands at the rear of another building on an interior lot where a proper service sewer cannot be constructed through an adjoining easement. In that situation, the service sewer from the front building may be extended to the rear building and it will be considered as one service sewer; or
 - 2. When two or more buildings are a part of a complex that cannot be subdivided.

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Rules and Regulations Governing Rendering of
Sewer Service

Rule 5 continued

- E. The service sewer shall be one of the following: ductile iron pipe, vitrified clay sewer pipe (VCP), or polyvinyl chloride pipe (PVC), American Society for Testing and Materials (ASTM) specification or equal; or other suitable material approved by the Company. Only those jointing materials and methods that are approved by the Company may be used. Joints shall be tight and waterproof. Any part of the service sewer that is located within ten feet (10') of a water main or water service pipe shall be constructed of ductile iron or PVC pressure pipe. The pipe shall be bedded according to the manufacturer's specifications and on undisturbed earth or fill compacted to at least ninety-five percent (95%) proctor density. Fill may be non-organic soil or aggregate.
- F. The size and slope of the service sewer shall be subject to the approval of the Company, but in no event shall the diameter be less than four inches (4"). The slope of such four inch (4") pipe shall not be less than one-eighth inch (1/8") per foot.
- G. Whenever possible, the service sewer shall be brought to the building at an elevation below the basement floor. No building sewer shall be laid parallel to or within three feet (3') of any bearing wall. The depth shall be sufficient to afford protection from frost. The 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.
- H. 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.
- I. In any building in which a building drain is too low to permit the required slope of the service sewer, sanitary sewage carried by such drain shall be lifted by approved artificial means and discharged to the service sewer. No water operated sewage ejector shall be used.

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Rules and Regulations Governing Rendering of
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Rule 5 continued

- J. All excavations required for the installation of a service sewer and connection to the collecting 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.
- K. The connection of the service sewer to the collecting sewer shall be made at the wye branch, if such branch is available at a suitable location. If the collecting sewer is vitrified clay pipe of twelve inch (12") diameter or less and there is no properly located wye branch at a suitable location, a wye branch shall be installed at a location specified by the Company. If the collecting sewer is greater than twelve inches (12") in diameter, or is PVC of any size, a neat hole may be cut at a location specified by the Company, and a saddle installed to which the service sewer will be connected. The invert of the service sewer at the point of connection shall be at the centerline or higher elevation of the collecting sewer. The connection shall be secure and watertight.
- L. Any change in the location of an existing service connection and/or service sewer requested by the Customer shall be made at the Customer's expense.
- M. Company personnel may not work on piping or facilities not owned by the Company unless authorized by the Customer.

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Rule 6 – PRESSURE COLLECTING SEWERS

- A. This rule applies to customers on a pressurized collection system, and is not applicable to customers on a gravity collection system. Rules not applicable specifically to gravity collecting sewers or gravity service sewers also apply in addition to these Rules herein.
- B. The Company shall own and maintain pump units. Initial installation shall be accomplished by the Customer or the Customer's agent after obtaining the pump unit and all associated plumbing parts and valves. Electrical parts and wiring necessary to connect the pump unit to the Customer's building electric shall be the responsibility of the Customer. In certain areas, ownership of pump units may, previous to the effective date of these rules, lie with the Customer, or may be indeterminate. It is therefore the intent of these Rules and Regulations that the Company shall, in such areas, assume the responsibility and expense for maintenance of all pump units. When, in the opinion of the Company, such a pump unit is in need of replacement, the Company shall make the replacement at its own expense. The Company will hold title to all such pump units installed by the Company.
- C. Electricity costs for pump operation shall be the responsibility of the Customer.
- D. The Company will locate the point to which the service connection to the pressure collecting sewer will be made. All taps to the pressure collecting sewer shall be done by the Company. One connection shall not service more than one property.
- E. A stop cock shall be placed on the service sewer near the service connection. Said stop cock shall include a provision for locking. The stop cock will be furnished, owned and maintained by the Company.
- F. In addition to other methods outlined within these Rules for discontinuance of sewer service, sewer service may be disconnected by the Company by locking the stop cock in

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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, in accordance with these Rules.

- G. The gravity service sewer from the building to the pump unit, the tank, and the pressure service sewer from the pump unit to the collecting sewer shall be owned and maintained by the Customer. The Customer shall also install a check valve near the service connection.
- H. The Company shall perform two preventive maintenance calls per year on each 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 if a separate component,
 - 2. Run controls, including alarm system, through one complete cycle,
 - 3. Check the check valves for proper operation. Clean or replace as necessary, and,
 - 4. Check, and if necessary, remove solid waste from tank.
- I. The Company shall be responsible for maintenance and replacement 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.
- J. 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 any parts 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 continued

- K. For every 100 pump units in service, the Company shall have on hand two of each component of the electric grinder pumps or effluent pumps and repair kits if available, five liquid level control units if separate from the electric pumps, 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.
- L. 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.

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RULE 7 – IMPROPER WASTER 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 service to the Customer, and the Customer may be required to comply with Paragraph B., below.
- B. In the event that the Customer to be served proposes to discharge an abnormally high volume or strength of waste, the Company may require:
 - 1. The Customer to install a pretreatment facility, grease trap or other device on the premises to prevent the exceeding 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; or
 - 2. The Customer to enter into a special contract with the Company for treatment of the Customer's discharge that could 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 or pump facilities. This special contract shall be in a form approved by the Missouri Public Service Commission with a rate applicable to the Customer to be included within this Schedule of Rates, Rules, and Regulations, that is fair and reasonable to both parties and so as not to constitute a burden upon the Company or the existing Customers of the Company.
- C. No Customer shall discharge or cause to be discharged any storm water, surface water, ground water, swimming pool water, roof runoff, sub-surface drainage, or cooling water into the collecting sewers.
- D. Except as may be provided in Paragraph B.2., above, the Customer shall be required to take any action necessary to meet the following described wastewater limits before the wastewater is discharged into the collecting sewer:

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Rule 7 continued

1. Maximum temperature of 150 degrees Fahrenheit; and
2. Maximum strength of four-hundred (400) parts per million Biological Oxygen Demand (B.O.D.); and
3. A maximum of one-hundred (100) parts per million, by weight, any fat, oil or grease; and
4. A maximum of twenty-five (25) parts per million, by weight, any soluble oils; and
5. No gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas; and
6. No garbage that has not been properly shredded; and
7. No 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 other interference with the proper operation of the sewer system; and
8. No waste-water having a pH less than 5.0 or greater than 9.0, or having any other corrosive property, capable of causing damage or hazard to structures, equipment or personnel of the Company; and
9. No waste-water 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.

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Rules and Regulations Governing Rendering of
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Rule 8 – DISCONTINUANCE OR TERMINATION OF SERVICE

A. The Company reserves the right of discontinuance of service for any of the following reasons:

1. For nonpayment of the sewer utility bill (see Rule 9); or
2. For unauthorized resale of sewer service; or
3. For an unauthorized service connection to the Company's collecting sewer; or
4. For failure to comply with these Rules and Regulations.

B. Discontinuance of service may be accomplished, but not limited to, physical disconnection of the Customer's service sewer from the Company's collecting sewer. Discontinuance of sewer service for non-payment of a sewer bill may be accomplished either by physical disconnection or by discontinuance by turn-off of water service by the Customer's water utility at the request of the Company. In such cases where discontinuance is accomplished by turn-off of water service:

1. If sewer billing is combined with water billing, Customers will be notified by the water utility by the terms of its Rules normally practiced for discontinuance of water service; or
2. If sewer billing is not combined with water billing, Customers will be notified by the terms of Paragraphs F. and H., below, and not by those of any water utility.

C. Discontinuance of service to a Customer for any reason as outlined in Paragraph A., above, shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of monies due from the Customer.

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Rules and Regulations Governing Rendering of
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Rule 8 continued

- D. In the event of discontinuance of service by the Company for any reason as outlined in Paragraph A., above, then any monies due the Company shall become immediately due and payable.
- E. The Company reserves the right of discontinuance of service to a Customer, or to refuse service to any applicant or for any unit to reasonably protect itself against fraud or abuse.
- F. Unless discontinuance is accomplished by turn-off of water service and discontinuance notice is provided by the water utility as provided for in Paragraph B.1., above, then at least thirty (30) days prior to discontinuance of service, the Company will mail a written notice to the Customer by certified mail, return receipt requested, with a copy of the notice sent to the Public Service Commission and a copy to the property owner if different than the Customer and if known by the Company. Said notice shall state the reasons for discontinuance of service, the amount of money owed if for a past due bill including the amount of any service charges owed, and that 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 by the Customer. The thirty (30) day notice may be waived if there is any waste discharge that might be detrimental to the health and safety of the public, or cause damage to the sewer system. In the event of discontinuance of service without the thirty (30) day notice as above provided, the Customer and the Missouri Public Service Commission shall be notified immediately with a statement of the reasons for such discontinuance of service. If service is provided to a multi-tenant building or complex, the Company will make an effort to notify tenants by door hangers or other type of notice of the possibility of discontinuance of service.
- G. Reconnection of any Customer after discontinuance of service by authority of this Rule will be made subject to payment of the cost of reconnection.
- H. Where the owner of rental property is the Customer and has been notified of the intent of discontinuance of service, the tenants shall be given the opportunity in a reasonable and timely manner to pay delinquent bills in lieu of disconnection of service.

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Rule 8 continued

- I. Termination of service at the Customer's request may be accomplished at the expense of the Customer. If termination of service must be accomplished by physical disconnection, the Customer shall notify the Company of the date and time of the disconnection in writing at least five (5) days prior to the disconnection. If termination is accomplished by turn-off of water service, such notice shall be on or before the date of the water turn-off. Service may not be terminated for one unit of a multi-unit building if the building is served by one service sewer, unless accomplished by turnoff of water service to that unit. The method used for termination of service shall be determined by the Company.

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Rule 9 INTERRUPTIONS IN SERVICE

- A. The Company reserves the right to limit sewer service in its collecting sewers at any time, in a reasonable and non-discriminatory manner, 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 practicable to do so. Every effort will be made to minimize limitation of service.
- C. No refunds of charges for sewer service will be made for limitations of service unless due to willful misconduct of the Company.

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Rule 10 BILLS FOR SERVICE

- A. The charges for sewer service shall be at the rates specified in this tariff, which is on file with the Missouri Public Service Commission and at the Company's office. The point of assumption of sewer service shall be at the service connection. Service charges for connection or disconnection are set forth in the Schedule of Service Charges.
- B. A Customer who is or has been taking sewer service at one or more units connected to the collecting sewer shall be held liable for payment of any applicable charges for service furnished to such units from the date of connection until the date requested by the Customer in writing for service to be terminated, or until service is discontinued by the Company.
- C. 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.
- D. Payments shall be made at the office of the Company or at a convenient location designated by the Company, or by mailing to the Company's mailing address.
- E. Separate bills shall be rendered for each location at which sewer service is provided, even though one entity may be the Customer at such separate locations.
- F. The Company shall have the right to render bills monthly in advance, or on a monthly basis in arrears when the sewer charges are based on water usage. Bills shall have the due date indicated on the bill.
- G. Neither the Company nor the Customer will be bound by bills rendered under mistake of fact as to the quantity of service rendered or as a result of clerical error. Customers will be held responsible for charges based on service provided.

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Rule 10 continued

- H. Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which the payment is considered delinquent is a minimum of twenty-one (21) days after rendition of the bill. Service may be discontinued after thirty (30) days written notice by certified mail return receipt requested from the Company as provided by Rule 7 - Discontinuance or Termination of Service. Delinquent bills are subject to a late charge as provided in the Schedule of Service Charges.
- I. 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. Customers terminating after taking service for less than one month shall pay not less than the monthly minimum.
- J. The owner of the property served will be held responsible for ultimate payment of a bill. Copies of all notices of violations of the Rules, or of disconnection of service shall also be sent to the owner of the property

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Rules and Regulations Governing Rendering of
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Rule 11 EXTENSION OF COLLECTING SEWERS

- A. Collecting sewers will be extended within the Company's certificated service area, at the applicant's cost, if service is requested by the applicant at a location where facilities do not exist (the "applicant" is sometimes referred to in this Rule as the "original applicant"). The applicant shall enter into a contract with the Company. The applicant may choose to have the Company perform all work under the terms and conditions of Paragraph C., below, or have a private contractor perform the work under the terms and conditions of Paragraph D., below. For purposes of this Rule, an extension could include, in addition to a collecting sewer, one or more pump station or treatment plant facilities, as necessary to provide the service.
- B. The pipe used in making extensions shall be of a type and size which will be reasonably adequate for 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, lift station, treatment plant, or any other facility larger than reasonably required to provide service to the applicant, the additional cost due to larger size shall be borne by the Company.
- C. The Company will extend collecting sewers for the applicant under the following terms and conditions:
1. Upon receipt of written application for service as provided in Rule 4, Applications for Service, the Company will provide the applicant an itemized estimate of the cost of the proposed extension. Said estimate shall include the cost of all labor and materials required, including reconstruction of existing facilities if necessary, and the direct costs associated with supervision, engineering, permits, and bookkeeping. Applicable income tax cost calculated at the maximum rate will be added to this estimate.
 2. The applicant 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 (CIAC) equal to the amount determined in Paragraph C.1., above,

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Rule 11 continued

plus any appropriate fees as provided in the Schedule of Rates or the Schedule of Service Charges.

3. If, as a result of reasonably unforeseen circumstances, the actual cost of the extension exceeds the estimated cost of the extension, the applicant shall pay the additional cost.

D. 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 and Regulations. 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 estimated reasonable cost of the Company's inspection.
2. The Company, or its representative, shall have the right to inspect and test the extension prior to connecting it to the existing collecting sewers and acceptance of ownership.
3. Connection of the extension to existing Company collecting sewers shall be made by, or under direct supervision of, the Company or its representative.
4. The Company shall have the right to refuse ownership and responsibility for the sewer extension until applicant has met the contractual obligations as provided in Paragraph D.1., above.

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Rule 11 continued

E. The cost to additional applicants connecting to the sewer contributed by the original applicant shall be as follows:

1. For a single-family residential applicant applying for service in a platted subdivision, the Company shall divide the actual cost of the extension, including income tax impact if any, by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots which abut existing sewers shall be excluded.
2. For a single-family residential applicant requesting service to areas that are not platted in subdivision lots, the applicant's cost shall be equal to the total cost of the extension times one hundred feet (100') divided by the total length of the extension in feet.
3. For an applicant that is not a single family residence as described in E.1. or E.2., above the cost will be multiplied by a water usage factor, as appropriate. 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.

F. Refunds of contributions shall be made to the original applicant as follows:

1. Should the actual cost of an extension constructed by the Company under Paragraph C, or actual costs for inspection by the Company under Paragraph D, above, be less than the estimated cost, the Company shall refund the difference as soon as the actual cost has been ascertained.
2. During the first ten years after the extension is completed, the Company will refund to the original applicant who paid for the extension monies collected from additional applicants in accordance with Paragraph E., above.

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Rule 11 continued

3. The sum of all refunds to the applicant shall not exceed the total contribution, including income tax and inspection costs associated with the extension, which the applicant has paid.
 4. If two or more entities are considered an original applicant, the refund shall be distributed to each entity based upon the percentage of the actual extension cost contributed by each entity.
- G. Any extension made under this Rule shall be and remain the property of the Company in consideration of its perpetual upkeep and maintenance.
- H. The Company reserves the right to connect additional extensions to a collecting sewer contributed by the applicant. The connection of new Customers to such additional extensions shall not entitle the applicant to any refund.

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Agreement Attachment F

Billing Comparison Worksheet

EMERALD POINTE UTILITY COMPANY

Residential Customer Bill Comparison-Sewer

Rates for 5/8" Meter

<u>Current Base</u>	<u>Proposed Base</u>	<u>Current</u>	<u>Proposed</u>
<u>Customer Charge</u>	<u>Customer Charge</u>	<u>Usage Rate</u>	<u>Usage Rate</u>
\$13.63	\$36.67	\$0.00	\$5.11

current service charge is monthly charge

includes 2,000 gallons in minimum

MONTHLY BILL COMPARISON

5,500 gallons/month usage

Current Rates

Customer Charge	\$ 13.63
Usage Charge	\$ -
Total Bill	\$ 13.63

Proposed Rates

Customer Charge	\$ 36.67
Usage Charge	\$ 17.88
Total Bill	\$ 54.55

INCREASES

Customer Charge

\$ Increase	\$ 23.04
% Increase	169.07%

Usage Charge

\$ Increase	\$ 17.88
% Increase	N/A

Total Bill

\$ Increase	\$ 40.92
% Increase	300.25%

Agreement Attachment G

Water & Sewer Unit Memorandum

REPORT OF WATER AND SEWER UNIT
FIELD OPERATIONS AND TARIFF REVIEW

Water and Sewer Unit
File No. SR-2013-0016
Emerald Pointe Utility Company (Sewer)
David Spratt/James Russo

Introduction

This Report was prepared jointly by David Spratt and James Russo, Staff members of the Water and Sewer Unit of the Missouri Public Service Commission (Staff). The Staff member responsible for each section is denoted at the end of each section.

Emerald Pointe Utility Company (Emerald Pointe or Company) received a certificate of public convenience and necessity from the Missouri Public Service Commission (Commission) in September 1995 in case number WA-96-96. Mr. Gary Snadon, who is a developer and businessman in the area, owns the Company. The Company provides water and sewer service to approximately three hundred eighty (380) residential customers in a condominium village located in Hollister, Missouri in Taney County. Some are full-time residents and some are part-time vacationers who have (or visit) condominiums in the area.

On July 10, 2012, the Company filed a *Request for Increase in Annual Sewer System Operation Revenues* with the Commission seeking an \$186,000 rate increase. On August 19, 2012, the Company mailed out its Initial Customer notice. Staff received twenty-four (24) unique public comments. These comments generally focused on the amount of the increase and none of the comments addressed operational or service related issues. Staff performed a site-visit to Emerald Pointe's sewer system on September 26, 2012.

The Company last filed a Small Company Rate Case in 1999, File Number 9900916, resulting in an increase in revenues and tariff rates effective in May 2000. The Commission approved a Company/Staff Disposition Agreement providing for a \$2,500 increase in sewer revenues in that case. Therefore, the current rates have not changed since 2000. (Spratt)

Facilities

Emerald Pointe operates one Missouri Department of Natural Resources (MDNR) permitted extended aeration mechanical treatment plant. The Company also operates four lift stations and a collection system. The collection system consists of a total of approximately 25,000 feet of PVC piping of various sizes. Some of the collecting sewers are gravity sewers with manholes, and some are pressure sewers requiring utilization of individual pump units within customers' properties.

The wastewater treatment plant has been in operation since 1995 when the development began and became certificated with the Commission. There are currently no known MDNR violations for this facility. However, the new MDNR operating permit for this facility contains new requirements that cannot be met by the current facility. Emerald Pointe performed a financial analysis and determined it is most economical for the Company and the customers to undertake a project that will convert the existing treatment facility into a pump station and install a pipeline several miles to the City of Hollister, Missouri, such that the wastewater will be treated by wholesale contract by the City of Hollister, Missouri. This is the option the Company has chosen to pursue. Details of this project, an estimated cost impact, and service area expansion to include new pipeline assets, were outlined in a recent certificate case filed by the Company, SA-2012-0362.

The current treatment facility structure, building, motors, blowers, perimeter fencing, and facility grounds have been adequately maintained by the Company. During the site-visit, Staff inspected the treatment plant to ensure everything was operating properly. Some manholes were opened and inspected to check condition and to look for evidence of storm water infiltration and inflow (I and I); Staff found no such evidence. As a part of the treatment process, in addition to the biological process using aeration and settling in the facility, wastewater is chemically treated with aluminum sulfate (alum) to remove phosphorous, and then flows through an ultra violet light system for disinfection. Effluent travels about a half a mile through a pipeline where it exits on a sloped bank and is discharged into Table Rock Lake. One primary benefit of the Hollister treatment project would be the elimination of this discharge into Table Rock Lake at this particular site. (Spratt)

Operations

The Company uses a contract operator, White River Valley Environmental, to perform the tasks that are required to be performed by a MDNR certified operator. Emerald Pointe has a full time employee, who is not MDNR certified, who performs the daily operations and maintenance for the Company.

The Company currently contracts out sludge hauling. Upon completion of the new pump station and sewer from Emerald Pointe to the City of Hollister, sludge hauling will no longer be needed.

Tariff Review

Staff continues the process of updating water and sewer tariffs as individual companies file rate cases with the Commission. Emerald Pointe's current tariff became effective May 31, 1996. New tariff sheets were approved for the sewer tariff to show an expanded certificated area which became effective August 18, 2012.

A new rate schedule will be developed to reflect the new rates the customers will be required to pay based on the Company's current cost of service. In addition, Staff reviewed the existing miscellaneous service charges with the Company to recover the actual costs related to these services. Miscellaneous charges have been calculated by Staff to allow the Company to recover the actual costs related to these items used in its operation from the customers causing the event. The rates proposed are reasonable for the costs incurred for the services and are consistent with the majority of other regulated sewer companies in the state of Missouri.

In the process of updating the current tariff, and after discussions with the Company, Staff made several changes. Staff increased the returned check charge from \$15 to \$25. Staff also included new charges for physical disconnection and reconnection of service, as well as inspection fees and re-inspection fees of the customer installed sewer service. If sewer service is discontinued in accordance with Rule 7 of the Company's current tariff, the charge for reconnection by the Company shall be the total cost of the disconnection and reconnection. The inspection fee will be \$35. If the sewer service needs to be re-inspected then each additional inspection will be \$20. The customer late charges have been changed from \$3 or 2% of the monthly delinquent amount, whichever is greater, to \$5 or 3% of the monthly delinquent amount, whichever is greater. Staff also will propose improvements to certain tariff rules to better outline maintenance of individual pump units, and improve consistency of maintenance throughout the service area. The new and updated tariff for Emerald Pointe will be filed by the Company as part of this current rate case proceeding. The current PSC MO Number 1 tariff will be cancelled and replaced by PSC MO Number 2 tariff. (Russo)

Rate Design

Staff also reviewed the current rate design in its investigation. The current rate design is a monthly service charge for single-family dwelling based on the water meter size. Staff is not making any recommendations to change the Company's current rate design in this case, but plans to revisit the rate design in any future rate case proceeding. (Russo)

Conclusion and Recommendations

Staff of the Water and Sewer Unit finds that the system is in good physical condition and is properly operating at this time. There have been no wastewater operations issues, so Staff has no operational recommendations at this time.

Staff is recommending several changes to the Company's tariff, including the following specific charges:

- New sewer service connection to the collecting sewer line will be billed at the actual cost to the customer.

- Disconnection and Reconnection charges accomplished by physical disconnection will be billed at the actual cost to the customer.
- Inspection of the customer installed sewer service line will be \$35.
- Re-inspection of the customer sewer service line (if required) will be \$20.
- Returned check charges have been increase to \$25.
- Customer late charges have been changed to \$5 or 3% of the delinquent amount, whichever is greater.
- Individual pump unit maintenance.

Agreement Attachment H

Auditing Unit Recommendation Memorandum

AUDITING UNIT RECOMMENDATION

M E M O R A N D U M

TO: Jim Russo
Water and Sewer Unit, Case Coordinator

FROM: Leslie Rose
Lisa Hanneken
Auditing Unit, Staff

SUBJECT: Emerald Pointe Utility Company
Informal Rate Increase Request
Case Nos. SR-2013-0016 & WR-2013-0017

DATE: **March 5, 2013**

On July 16, 2012, Emerald Pointe Utility Company (Emerald Pointe or Company), owned by Mr. Gary Snadon, filed a request asking for a \$186,000 increase in rates for sewer service and an increase of \$13,000 in its annual water system revenues. The Company's request would represent approximately a 194% increase in existing sewer revenues and a 10% increase in existing water revenues. Emerald Pointe's last increase in water and sewer rates occurred on May 11, 2000. Emerald Pointe currently provides water and waste water treatment service to approximately 389 customers located in Taney County, Missouri including those acquired through an agreement with Branson Canyon, a development located close to the utility. On December 11, 2012, the Auditing Staff provided its audit findings to the Water and Sewer Unit based upon the Company's books and records at that point in time. However, as discussed in that memorandum, Emerald Pointe was in the process of constructing a sewer main in order to connect its system to the City of Hollister, Missouri. Since the time of Auditing's memorandum the Company has completed project. The project was placed in service on January 7, 2013. Staff has examined these costs and has given consideration for their inclusion as part of this rate proceeding. Furthermore, certain operational expenses were revised to reflect the completion of the project.

As this project mainly affects the sewer portion of the utility, the majority of the previous findings and recommendations regarding the water portion remain unchanged. However, Staff did update the dating of the plant for both the water and sewer portions to remain consistent. The following items detail the changes made to the Auditing Unit's findings related to Emerald Pointe's operations.

Based upon the Auditing Staff's investigation of the Company's books and records, with a twelve-month test year period ending June 30, 2012, updated through January 7, 2013, Staff has determined that an increase in sewer revenues of \$226,577 is necessary. The Staff's increase would represent a 283.32% increase in existing sewer rates. In addition, the water revenues would require a decrease of \$51,928 or 35.87%.

CAPITAL STRUCTURE

The Company's capital structure consisted of debt in excess of 75 percent of its total capital. In such circumstances, Staff believes it is appropriate to use a hypothetical capital structure, which limits debt capital to 75 percent, for ratemaking purposes. As a result, Staff witness Zephania Marevangepo, estimated a Return on Equity (ROE) of 13.26 percent and a total overall Rate of Return/Weighted Average Cost of Capital (ROR/WACC) of 7.34 percent. The overall ROR was applied to the Company's rate base to develop the revenue requirement identified above.

Plant, Reserve and Contributions In Aid Of Construction (CIAC)

The Auditing Staff has reflected all capital improvements shown to have been completed by Emerald Pointe through January 7, 2013, including the City of Hollister project, and the removal from service of the treatment plant. The chart shown below summarizes the Auditing Staff's calculations that support the amount of plant, depreciation reserve and contribution in aid of construction (CIAC) net of amortization that should appropriately be included in the cost of service calculation for the water and sewer utilities:

	Sewer Previous Findings		Sewer Current	
Plant	\$766,466		\$1,333,884	
Depreciation Reserve	\$577,668		\$230,358	
Net Plant		\$188,798		\$1,103,526
CIAC	\$150,171		\$96,874	
CIAC Amortization	\$52,670		\$(142)	
CIAC Net of Amortization		\$97,501		\$96,732
Inventory		\$0		\$0
Total Rate Base		\$91,297		\$1,329,831

To address the City of Hollister project, and the concurrent removal from service of the treatment plant, Staff has removed from the Company's plant amounts all items related to the treatment plant. This included the treatment plant itself, outfall sewer lines, UV disinfectant services, and all other related items. In some cases, as discussed in the Engineering and Management Services Unit's (EMSU) memorandum provided by Mr. Art Rice, the removal resulted in negative reserve. In order to address this issue, Auditing Staff made adjustments to move some of the negative reserve to another account, following Mr. Rice's recommendations in this case.

In addition to the removal of plant, the Auditing Staff also included plant related to the City of Hollister pipeline per the data received from the Company. This included the portion of pipeline which is owned by and located on Emerald Pointe property, lift stations which are required to pump the sewage through the pipeline and required items for the pipeline which were capitalized, such as easements and engineering costs.

Additionally, the Auditing Staff included an amortization of the Company's portion of the pipeline which is owned by the City of Hollister, but which was required to be paid for in part by Emerald Pointe, per their contract with the City of Hollister.

Depreciation

The Audit Staff has included the depreciation rates as sponsored by Mr. John Robinett and Mr. Art Rice of the Commission's Engineering and Management Services Unit. Using these depreciation rates, the Auditing Staff included an annualized level of depreciation expense for Emerald Pointe based on the level of plant in service at January 7, 2013.

INCOME STATEMENT ADJUSTMENTS

Contract Operations

Emerald Pointe entered into an agreement with White River Environmental Services to provide operational services for both its water and sewer systems. The basic services encompassed in White River's \$1,000 per month (\$500 water/\$500 sewer) contract operations fee includes the completion of required testing and licensed operator responsibilities. In addition, White River provides repair and maintenance services as needed for an additional fee. Due to the elimination of its treatment plant, Emerald Pointe is no longer required by the Missouri Department of Natural Resources (MoDNR) to maintain a licensed wastewater operator. As a result, Staff has removed \$6,000 from its sewer Cost of Service calculation for White River to provide Emerald Pointe with licensed contractor services for its wastewater facility. The amount of additional testing and repair/maintenance costs were included in Staff's annualization for those items, which are discussed in each respective section.

Electricity for Plant

The Auditing Staff normalized electricity expense for the water well, waste water treatment plant and lift stations by using historical kilowatt hour usage data. Staff then used these averages of usage to calculate the normalized electric expense for each system based on the most recent rates available from White River Valley Electric Cooperative. Due to the removal of the treatment plant, Staff has reduced the test year amount by \$17,054 to account for the elimination of the need for electricity related to the treatment plant. Conversely, Staff has increased its annualization of electricity by \$3,081 to account for the addition of two lift stations related to the pipeline. Staff estimated the amount of annual electricity to run these lift station by estimating the gallons per day per customer to obtain the kilowatt hours used per month. Staff has included a total of \$8,450 in its sewer cost of service.

Sludge Hauling Expense

During the test year, Boerman Pumping/Cardwell Septic is responsible for all of Emerald Pointe's sludge hauling. However, upon completion of its connection to the City of Hollister, Emerald Pointe no longer has a need for these services going forward. Therefore, the total test year amount of \$3,755 was removed from Staff's sewer cost of service.

Sewage Treatment Fees

Upon completion of the pipeline project, Emerald Pointe began sending the sewage which was previously treated at Emerald Pointe's treatment plant through the pipeline to the City of Hollister for treatment. The

contract currently in place regarding the treatment states that Emerald Pointe will pay the City of Hollister \$2.52 per 1,000 gallons of sewage flowed to the City of Hollister for treatment. Staff has included an amount of \$69,463 to account for this new expense now being incurred by Emerald Pointe.

Chemicals

Prior to the completion of its City of Hollister project, Emerald Pointe was required by the Missouri Department of Natural Resources (MoDNR) to provide treatment at its waste water treatment system. Emerald Pointe used aluminum sulfate as part of its wastewater treatment process, and spent \$9,755 during the test year on this treatment. As this expense is no longer necessary, Staff has removed the entire amount from its sewer cost of service.

Repairs and Maintenance

Previously, the Audit Staff reviewed all invoices related to repairs and maintenance expense including those involving outside services, beginning July 2006. Based on the individual historical data, Staff utilized a five-year average of repairs and maintenance expenses to develop an ongoing level of expense for sewer operations. This included expenses related to the treatment plant, mowing expense for the treatment plant, as well as costs for the UV disinfection performed at the treatment plant. Due to the removal of the treatment from service, all of these items were likewise removed from Emerald Pointe's repairs and maintenance expense. This resulted in a reduction of the repairs and maintenance expense of \$1,390.

Additionally, due to tariff changes proposed by Staff's Water and Sewer Unit involving grinder pump maintenance, the Auditing Staff has included an estimated amount of expense related to maintaining currently customer owned grinder pumps on a going forward basis. Emerald Pointe currently provides maintenance for the grinder pumps located in the Branson Canyon subdivision, per its contract with that subdivision. However the new tariff provisions would require the Company to also maintain the grinder pumps in the Emerald Pointe subdivision. Staff has included an amount of \$5,338 for this ongoing maintenance based on a five-year average of the current amounts being incurred for maintenance of the Branson Canyon grinder pumps.

Taking into account both of these changes, Staff has included a total of \$15,195 as an ongoing level of expense for the Company's sewer operations.

Legal Fees

Some of the legal fees Staff reviewed were related to the ongoing sewer extension project in order to connect to the City of Hollister. Given that the City of Hollister project has been included in Emerald Pointe's plant in service calculation, the legal costs associated with the capital project have been capitalized and are included in the total plant in service previous shown above. In addition, some of the legal fees were related to the Company's recent expansion of its certificated area. These expenses have been included in the Company's legal fee expense, for recovery over a five-year period.

MoDNR Fees

The Missouri Clean Water Law requires that all sewer utilities pay an annual operating permit fee to the MoDNR for each wastewater treatment plant that discharges to the waters of the state of Missouri. Prior to completion of the City of Hollister project, Emerald Pointe was assessed \$3,000 annually for this

permit fee. However, going forward Emerald Pointe should not incur this permit fee as they are no longer operating a treatment plant. Staff has removed \$3,000 from the test year to account for this change.

Property Taxes

Emerald Pointe is located solely in Taney County, Missouri; therefore, Taney County is the only taxing authority that requires the Company to pay property tax. Given that the treatment plant is no longer in service and all other in service sewer facilities are located on easements or right of ways, Staff has not included any property taxes on a going forward basis related to the Company's sewer operations.

Company Performance Issues

As discussed in the Auditing Staff's previous memorandum, several performance issues were discovered during its audit. Staff has been given no evidence that its findings were invalid; therefore, its previous findings in this area are detailed below:

- 1) The utility has been paying interoffice company bills and taking interoffice company customer payments.
- 2) The Company is not adequately utilizing its Thoroughbred Software for customer billing and payments. Therefore, it is difficult to track customers, payments, and other information.
- 3) The Company has erroneously overcharged its water customers for late fees and its sewer customers for its tariffed monthly sewer rates as well as late fees, in addition to reconnection fees.
- 4) The Company has inappropriately collected customer deposits from all water and sewer customers and has failed to return those customer deposits to customers. Furthermore, the Company has not kept adequate records regarding customer deposits and accumulated interest, which would allow them to be refunded accurately to each customer after a given time frame.
- 5) The Company has failed to maintain proper plant, reserve, depreciation, and CIAC records.
- 6) The Company has collected tap on fees, which are not approved in its tariff.
- 7) The Company has failed to keep time sheets and vehicle logs.
- 8) Given that their current annual report does not accurately reflect their assets, the 2013 annual report needs to ensure changes implemented in the rate case are reflected. If they need assistance with accurately completing their annual report, they need to contact Staff in a timely manner.
- 9) Emerald Pointe has failed to properly reread meters when readings are inaccurate.

AUDITING STAFF RECOMMENDATIONS

The Audit Staff recommends that an increase of \$268,611 in sewer revenues is appropriate and reasonable. However, the Staff's recommendation for rate relief is conditional on a determination of the appropriate treatment of the over-charges the Company has collected. This over-collection was from all of its customers for monthly sewer service, for water and sewer service late fees, and reconnection fees, as well as all inappropriately collected customer deposits.

The Audit Staff recommends that the Commission order the Company:

1. To stop taking payments for other affiliated companies owned by the parent company and reimbursing these other affiliated companies. The Company should also stop paying bills owed by affiliated subsidiaries of the parent company and then getting reimbursed by the affiliate company. *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, WR-2013-0017.*
2. To maintain a record of all customer payments and late fees as well as all customer deposits and reconnect fees received. Emerald Pointe's Thoroughbred program already has the ability to track late charges and fees, adjustments, deposits, taxes, payments received as well as the usages and current charges, and the Company should utilize the program more effectively. *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, WR-2013-0017.*
3. To reread meters when necessary to accurately bill customers in a timely manner and to maintain accurate billing records. *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case.*
4. To make adjustment to its books and records regarding the plant-in-service, depreciation reserve and CIAC balances necessary to reflect the amounts determined by Staff in the calculation of the Company's overall cost of service calculation at November 30, 2012 for its water operations and January 7, 2013 for its sewer operations. These balances will be used as the starting point for entries subsequent to that date. The Company shall be required to maintain its records regarding utility plant-in-service, depreciation reserves, CIAC, operating revenues and operating expenses in a manner sufficient to allow the Staff to conduct system-specific cost-of-service analyses for future rate increase requests. This requirement includes recording plant retirements at the time that replacement plant items are put into service. *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case.*
5. To maintain all of its financial records in accordance with the Commission's Uniform System of Accounts (USOA). *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case.*
6. To develop Continuing Property Records (CPR) for all of its Missouri utility plant-in-service and maintain records regarding contributions in aid of construction (CIAC) so that it can be determined who made such contributions and on what date the contributions were made or paid. *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case.*
7. To develop, implement and maintain records of all new construction connections. These records will, at a minimum, include the customer name, address, any applicable meter or pump serial number, date of connection, dollar amount of tap-on fees, CIAC charges, connection fees and

inspection fees. *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case.*

8. To maintain a record of its meters pursuant to Commission Rule 4 CSR 240-10.030 (2). *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case.*

9. To maintain a record of its master meter reads for its well in a more complete and accurate manner. *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case.*

10. To maintain a record of its appropriately obtained customer deposits in a manner which allows for the accurate calculation of the amount of deposit and interest to be returned to each customer. *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case.*

Agreement Attachment I

Treatment of Plant Retirement Depreciation Reserves

Emerald Pointe Utilities

Treatment Plant Retirement Depreciation Reserves

The Emerald Pointe Utilities waste treatment plant has been removed from service and replaced with lift stations and piping that transfers the sewer to a regional treatment facility not owned by Emerald Point Utilities. Resultant retirements include all of the plant recorded in account 372 (Treatment and Disposal Equipment) and account 375 (Outfall Sewer Lines), making these accounts inactive with a deficiency in accumulated depreciation reserves.

The current record shows there is sufficient depreciation reserve for total plant to cover the expected shortfall in depreciation reserves in the treatment equipment and outfall line accounts. Staff recommends that the remaining accumulated depreciation reserves, plus any future cost of removal and salvage, be transferred and/or recorded to account 363 (Electric Pumping Equipment). Account 363 contains the majority of the plant investment that replaced the retired equipment, has similar types of equipment, and contains a large excess of accrued depreciation prior to any reserve transfer. The resultant accumulated reserves in this sewer system Electric Pumping Equipment account 363, after transfer of reserves and recording of cost of removal, will represent a reasonable amount of dollars for the average age of all the prior and new equipment recorded as plant in this account.

Contributions (CIAC) for Emerald Pointe are maintained using the “Attached” method, meaning contributions are tracked to specific assets. CIAC has been recorded to treatment account 372 and should be retired using the same rules as for retirement of plant. That is the removal of the original contribution amount from both the total CIAC account and the CIAC accumulated amortization account. This will create a negative number for CIAC accumulated amortizations in account 372. Staff recommends transferring this negative CIAC amortization amount from account 372 to the accumulated amortization in collection sewers account 352.2. Why account 352.2? Because, it is the only remaining account with CIAC. Note: This retirement of CIAC and transfer between accounts does not change rate base.

With respect to depreciation rates, Staff recommends no changes to the depreciation rates for all remaining active plant accounts. The transferring of reserves recommended above adequately addresses the excess accumulated depreciation in pumping plant account 363.

Agreement Attachment J
Auditing Report-Overcharges

AUDITING UNIT RECOMMENDATION

M E M O R A N D U M

TO: Jim Russo
Water and Sewer Unit, Case Coordinator

FROM: Leslie Rose
Lisa Hanneken
Auditing Unit, Staff

SUBJECT: Emerald Pointe Utility Company
Informal Rate Increase Request
Case Nos. SR-2013-0016 & WR-2013-0017
Refund of Overcharges by Company

DATE: **March 5, 2013**

On July 16, 2012, Emerald Pointe Utility Company (Emerald Pointe or Company), owned by Mr. Gary Snadon, filed a request asking for a \$186,000 increase in rates for sewer service and an increase of \$13,000 in its annual water system revenues. During the Auditing Staff's processing of the rate case audit, the Audit Staff became aware that the Company had notified the Missouri Public Service Commission of their recent discovery that the Company was overcharging its customers for many items, most notably for an erroneous calculation of their tariffed sewer rates. From the time that rates were effectuated in May 2000 until early 2012, Emerald Pointe had been erroneously charging its sewer customers a commodity-based rate in addition to its base rate. In addition, the Company was charging its sewer and water customers a 10% late fee instead of the Commission ordered 2% or \$3.00 (whichever is greater). Furthermore, Emerald Pointe has been incorrectly charging \$40 for water reconnection fees instead of the Commission ordered \$30. Staff is seeking a full refund to customers for the amount of all of these overcharges, with interest, that have occurred during the last five years.

In addition to the overcharges described above, Staff is aware that the Company has failed to return customer deposits to its customers, with interest, and in the time frame provided for in its water tariff. Staff is also seeking that all deposits be returned, with the applicable interest, to the Company's customers as per their tariff.

OVER-COLLECTION

Sewer Commodity Charge

Per Emerald Pointe's sewer tariff which was ordered by the Commission, the Company is only authorized to charge a flat-rate sewer fee based upon the size of the customer's water meter; the Company has, in addition to charging the flat-rate per their tariff, been charging a commodity-based rate which is not listed in their tariff. As stated above, since the time the Company's rates were effectuated in May 2000 until early 2012, the Company charged a commodity rate to its sewer customers of \$3.50 per 1,000 gallons of water usage. Therefore, a refund of over-collection of these commodity charges, with interest, is due to

each affected customer. Staff has calculated that a total of \$187,683 of commodity-based fees and \$69,567 of associated interest should be refunded to the affected customers. Staff has also calculated a monthly amount per customer to be refunded based on certain variables. Please note that the interest amount will vary based upon the date the refund is provided to customers.

Late Fees

Per each of Emerald Pointe's tariffs (water and sewer), the Commission ordered late fees of 2% or \$3.00 (whichever is greater); the Company has instead been charging a 10% late fee. Therefore, a refund of over-collection of late fees, with interest, is due to each affected customer. Staff has calculated that a total of \$4,172 of late fees and \$1,631 of associated interest should be refunded to the affected customers. Please note that the interest amount will vary based upon the date the refund is provided to customers.

Reconnection Fees

Per Emerald Pointe's tariffs, the Company is allowed to charge water reconnection fees of \$30; the Company has instead been charging \$40. Therefore, a refund of \$10, with interest, is due to each affected customer. As with the other records the Company has provided, a complete historical data record for reconnection fees is not available. Reconnection fees are listed on the general ledger as to how much in reconnections fees were collected each month and on what date, however Staff cannot accurately and completely determine to whom the refund is due, with applicable interest, due to the lack of Company records. Staff has calculated that a total of \$280 of reconnection fees and \$53.65 of associated interest should be refunded to the affected customers. Please note that the interest amount will vary based upon the date the refund is provided to customers.

CUSTOMER DEPOSITS

Per Emerald Pointe's tariff for water service, the Company is allowed to require a security deposit for new service in certain circumstances, such as when the new customer has an unpaid balance with another utility providing water service, or in the case of an existing customer in such circumstances as disconnection. In addition, the deposit is subject to a 6% annual interest rate, as well as a refund at the end of a one year period of successful payment habits. The amount of the deposit to be collected is listed per the tariff as:

The amount of a security deposit shall not exceed utility charges applicable to one (1) billing period plus thirty (30) days, computed on estimated or actual annual usage.

However, during Staff's audit, Staff discovered the Company has been requiring deposits for all customers in the amount of \$30, and only refunding the deposit should a customer leave the system. Presumably all 389 current customers have paid this deposit, as well as former customers who have left the system. Staff has found some evidence that the Company refunded the deposit amount to those customers who have left the system; however, there is no evidence the Company has ever returned the deposit with interest.

Staff has been able to determine that a refund of deposits, with interest, is due to the majority of Emerald Pointe's customers. As with the other records the Company has provided, a complete historical data record for deposits is not available. Therefore, Staff is unable to accurately and completely determine the amount of refund due to each customer with the applicable interest due to the lack of Company records.

Staff would recommend, to such extent that individual customer deposit records exist, that those customers be refunded the appropriately calculated deposit and interest amount. For the Company's remaining customers, for which no deposit records exist, Staff recommends that the \$30 deposit amount be refunded, with interest calculated on the deposit amount from the time the customer came to the system through the date of which the refund takes place.

Staff has estimated from the data the Company was able to provide, that \$11,730 of deposits and approximately \$17,668 of interest is to be refunded. It should be noted, that the amount of interest will vary depending upon which day the refund is provided to customers.

AUDITING STAFF RECOMMENDATIONS

The Audit Staff recommends that the Staff's recommendation for rate relief in Emerald Pointe's rate case be conditional on a determination of the appropriate treatment of the over-charges the Company has collected. This over-collection was from all of its customers for monthly sewer service, for water and sewer service late fees, reconnection fees, as well as all inappropriately collected customer deposits.

While the Audit Staff has made several recommendations in its memorandum regarding the rate case, it would also recommend, in regards to the Company's over-collection of fees, that the Commission order the Company:

1. To refund all applicable customer deposits with the prescribed interest per Emerald Pointe's tariff. *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0017.*
2. To refund all applicable disconnect/reconnect overcharges, with an appropriate amount of interest, to each affected customer. *This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0017.*
3. To refund all applicable sewer commodity charges and late fees, with an appropriate amount of interest, to each affected customer. In the cases where the affected customer is an existing customer, the calculated monthly refund should be provided on a monthly basis until such time as the entire amount has been refunded. In the event, that the affected customer has previously left the system, the Company shall make all reasonable efforts to locate the former customer and refund the entire amount either by a lump sum payment or through monthly payments. If the former customer is not able to be located by the Company, then the refund amount shall be sent to the Missouri State Treasurer's Office to be placed in the Unclaimed Property Fund according to all State guidelines for such an action. *The Company's plan to complete this recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in this case and submitted to Staff for its approval. In addition, quarterly updates of the refund process, including an accounting of all monies involved, shall be provided to the Commission Staff until such time as all monies have been refunded.*

Agreement Attachment K

EMSU Report

REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW

Engineering and Management Services Unit

Small Company Rate Increase Request

File No. SR-2013-0016

Emerald Pointe Utility Company

Debbie Bernsen

The Engineering and Management Services Unit (“EMSU”) staff of the Missouri Public Service Commission (“Commission” or “MoPSC”) initiated an informal review of the customer service and business processes, procedures and practices of Emerald Pointe Utility Company (“Emerald Pointe” or “Company”) in Hollister, Missouri, in September 2012. The review was performed in conjunction with the Company’s request for a rate increase in File No. SR-2013-0016 filed on July 16, 2012. The Company is requesting an increase of \$186,000.00 in its annual water system operating revenues. This request represents an increase of approximately 194% to the Company’s annual sewer system operating revenues.

The EMSU staff examined the Company’s tariffs, annual reports, Commission complaint and inquiry records, and other documentation related to the Company’s customer service and business operations. In preparation of this report, the EMSU staff submitted data requests on August 14, 2012, and conducted interviews with Company personnel on September 18, 2012.

The EMSU staff’s review of the Company resulted in the following recommendations:

THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

- 1. Develop and utilize time sheets to record work assignments and the time associated with each work assignment. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0016.*
- 2. Develop and utilize a written vehicle log to maintain information regarding vehicle usage. The log should include information on activity, location and the miles driven. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0016.*
- 3. Develop and initiate a system for documenting customer contacts in compliance with Commission Rule 4 CSR 240-60.010(4). This recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in this case, SR-2013-0016.*

4. Develop and make available to all current and future customers written information specifying the rights and responsibilities of the Company and its customers. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0016.

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

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

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

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

This Report contains the results of the EMSU staff's review.

Overview

Emerald Pointe Utility Company was originally certificated by the Commission in 1996 to provide water and sewer service in an area in Taney County, Missouri. In May 2012, the Company filed an Application with the Commission to construct additional facilities for its sewer system. This application was assigned File No. SA-2012-0362. The Commission approved the Company's request and allowed Emerald Pointe to obtain access to an alternate wastewater treatment plant which is owned and operated by the City of Hollister.

The Company provides water and sewer service to approximately 389 active water customers and 364 active sewer customers in the Emerald Pointe and Branson Canyon developments on Table Rock Lake south of Hollister, Missouri. The Company was developed

to provide water and sewer services to land developments in the Branson area and is owned by Gary Snadon, who is the President of the Shepherd of the Hills Entertainment Group (Shepherd of the Hills). Emerald Pointe Utility Company is a wholly owned and operated subsidiary of the Shepherd of the Hills.

As stated previously, the Company provides both water and sewer services. The water system includes a 177,000 gallon standpipe and a 1,500 foot deep well. The sewer system includes a 77,900 gallon per day extended aeration treatment system.

The Company has no specific employees that have sole responsibility for the water and sewer operations. Instead, several employees of the Shepherd of the Hills also have responsibilities for the Emerald Pointe Water or Emerald Pointe Sewer Company operations in addition to their Shepherd of the Hills Company job activities. The Company has a Facility Manager (Manager), whose primary duties include daily oversight of all operating and administrative functions associated with the Company. This Manager also submits monthly meter readings for billing purposes and responds to all customer inquiries. Daily field operations are completed by an employee who also works for the Emerald Pointe properties and is employed by the Shepherd of the Hills. The Manager utilizes a vehicle owned by the Shepherd of the Hills organization and does not maintain mileage logs for water or sewer company work. White River Environmental Services are retained under contract to perform the necessary testing and reporting requirements for the Commission and the Department of Natural Resources. The contract was developed in 2007 and has an ongoing renewal provision. The Company is billed a specific amount on a monthly basis for work described in the contract. A schedule of rates for additional services is also included.

An employee within the Accounting group of the Shepherd of the Hills has responsibility for computing billings. Meter readings are entered into the billing software in order to produce a bill. Two other employees of the Shepherd of the Hills also have responsibility for operations and financial functions at the Company. One employee has oversight and regulatory responsibility and the other employee has responsibility for accounting functions. All of the aforementioned employees are primarily employees of the Shepherd of the Hills and have specific responsibilities with the Emerald Pointe Water or Sewer Company. These employees indicated that they are salaried employees and do not utilize time sheets to track activities specific to the operations of the utility company. They indicated they receive a percentage based

fee for their services to the utility companies. The Auditing staff of the Commission will discuss employee salaries in their report. The Company states that any outside contractor submits detailed invoice billings for time and materials to the Manager.

The business office is located at 118 State Drive in Hollister, Missouri, and is open from 8 a.m. to 5 p.m., Monday through Friday. Customers may make payments or inquiries during business hours. Customers can also contact the Company by calling the business phone number. If the Company is unable to answer the phone, the customer is offered the option to leave a message. The direct number for the Manager is also posted at the marina. Customers have these numbers because this individual is also responsible for facilities at the properties. The Company indicated that someone is available at all times to handle emergency issues by also providing the cell phone number of the Manager on the answering machine.

Customer Billing

Customers wishing to initiate service must complete an installation form and return it to the Company with a \$30 required deposit. The deposit may be paid by cash, check or credit card and must be received before service can begin. The deposit may be waived if the individual is a previous or current customer in good standing or provides a letter of good standing from another utility. However, the Company indicated that deposits are collected from all customers and will be returned when the customer leaves the utility system. Interest is not paid on deposits.

The Company indicated that it had some growth in the number of new customers over the last three years. The number of new customers it reported for 2010 was 37, for 2011 it was 37 and for year-to-date September 2012 there were 25 new customers.

Customers' sewer charges consist of a monthly customer charge of \$13.63 served by a 5/8" water meter, \$34.08 served by a 1" water meter and \$109.06 served by a 2" water meter. These rates took effect on May 10, 2000.

Customer billing is completed by an employee in the Accounting area utilizing software for billing by Thoroughbred Utility Manager XP+. The Company has used the system for about 10 years and has recently considered purchasing an update to allow them to electronically access and print historical data. Over the course of two days at the end of the month, data is entered including meter readings, late fees are applied as appropriate and pre-authorized credit card payments are entered.

Customer bills include information for both water and sewer service, the last date read, previous and current readings, the water primacy fee, any late charges, sales tax and any previous balance.

Customer payments for bills are due on the 21st of the month. The Company has the authority to charge a late fee of \$3.00 or two percent per month times the unpaid balance, whichever is greater, on accounts that are delinquent. Accounts are considered delinquent on the 22nd day after a bill is rendered. In response to an information request, the Company reported that 108 customers had been assessed a total of \$329.89 in late fees over the last three years.

Payment Remittance

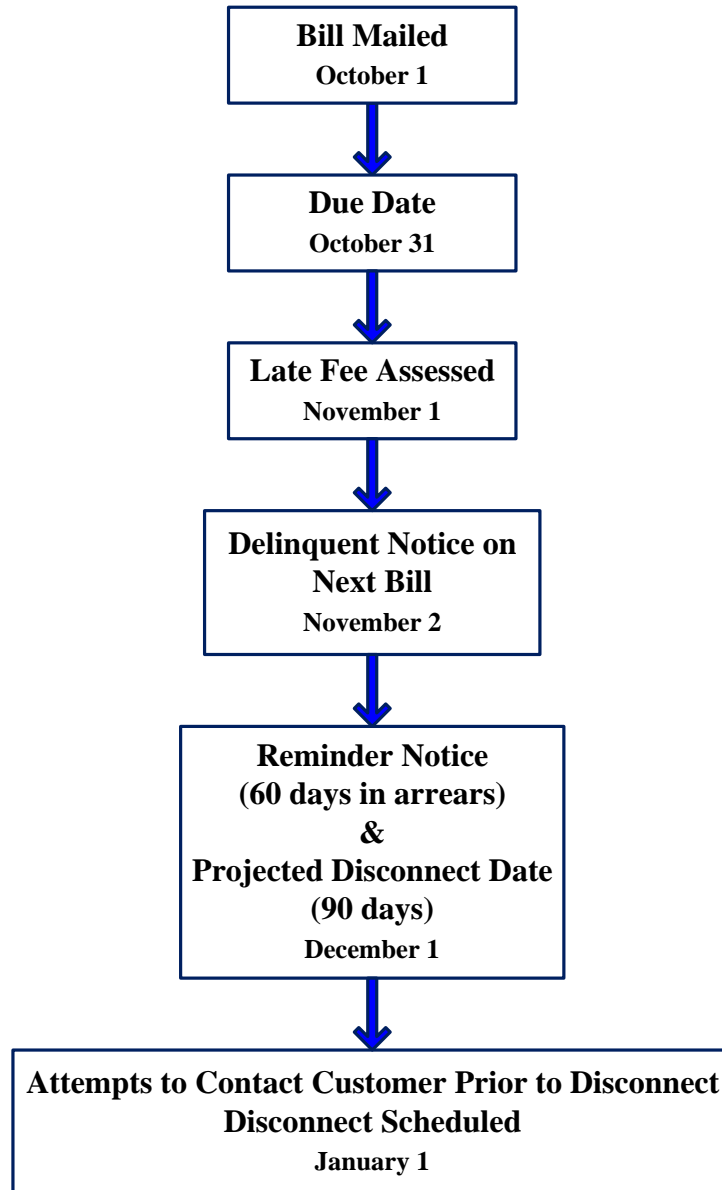
Customers may walk in or mail their bills and may pay by cash, check or credit card. Most customers pay by check (about 80%), with credit cards representing the second most popular option (about 20%). Some customers have credit card account number information on file with the Company and request them to charge their bill payment every month. Few customers pay by cash. Payments are posted as they are received, and a majority of the payments are posted the same day. Bank deposits are made as needed, but normally at the end of each day. Checks returned from the bank for insufficient funds are assessed a \$15 fee on the customer's account. The Company indicates it has not received any insufficient funds checks in the last three years.

Credit and Collections

If the customer has not paid their bill by the next billing cycle, a note at the bottom of the next bill alerts them that they have a past due balance. If the bill remains unpaid after 60 days, the customer is mailed a reminder notice regarding the past due balance that alerts them to a projected disconnect date that will occur in approximately 60 days. An additional reminder is mailed at 90 days. If the account remains unpaid, the disconnect date is scheduled for 30 days later.

The following timeline illustrates the actions that would typically be taken on a delinquent account.

Water Billing & Collection Time Line



Source: Information provided to MoPSC staff by the Company.

The Company performs water service discontinuances for nonpayment of water or sewer bills. There were no discontinuances of service for nonpayment in 2010 and in 2011, two customers had water discontinued. As of October 31, 2012, there were no water discontinuances

performed in 2012. The Company indicates it strives to contact its customers to avoid discontinuances of service due to nonpayment.

The Company does not utilize a collection agency for delinquent accounts. The Staff was provided with figures for the amount of write-offs for years 2010, 2011 and 2012. The Company provided the figures presented in the table below.

Emerald Pointe Bad Debt Write-Offs

2010	2011	2012
\$805.57	\$6.12	\$0

Source: Company response to MoPSC staff information request #34

The EMSU staff is aware that the figures displayed above illustrate an amount of write-offs that is different than those the Auditing staff was able to determine by its audit activities. These figures were provided to EMSU staff in response to an information request. There have been other instances of discrepancies in data provided to similar requests during the course of the MoPSC staff's audit. The Auditing staff will discuss this in more detail in its Memorandum.

Complaints and Inquiries

Customers with complaints or inquiries may call the Company at the office contact number or contact the Manager directly at any time. The Company indicated that they attempt to respond quickly to customer calls and that all emergency calls are handled promptly. The Company does not maintain documentation of complaints or inquiries. A review of Commission complaint/inquiry records registered through the Commission's Electronic Filing and Information System (EFIS) showed one complaint for 2010, no complaints in 2011, and none as of August 2012.

Customer Communication and Records Storage

Customer bills are the primary means of communicating with customers. There is no customer brochure communicating the Company's and customers' rights and responsibilities. Company personnel occasionally mail the customer specific information regarding water or sewer service quality reports.

The Company updates its electronic customer records on a daily basis and all records are kept electronically for a period of seven years.

Findings, Conclusions, and Recommendations

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

- Time Records
- Vehicle Logs
- Complaint and Inquiry Documentation
- Customer Brochure

Time Records

The Company staff does not complete time sheets to track the amount of time needed to complete activities. Company personnel have responsibility for a wide range of activities that are associated with the Shepherd of the Hills Entertainment Group and are unregulated non-utility functions. As such, it is very important that time sheets be used to track that time that is used in providing water and sewer service in order to ensure appropriate costs are included in rates. It is also critical to note specific types of activities, such as work on projects that are to be capitalized or ongoing maintenance functions to ensure the correct accounting for such time.

Maintaining accurate time records can serve and support several purposes, such as planning, budgeting, and human resources. Time records assist in tracking the amount of time employees expend on all projects, enabling management to more accurately schedule required work to increase operational efficiencies. Time sheets create a record, serving as visual feedback to management and the employees of the work and projects they have accomplished. Data contained in the time records should be linked to accounting records and provide the necessary support for financial reporting and allocation of costs. Employee time records are useful in the regulatory process to support the pay and benefits that regulated utilities will receive in customer rates.

THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and utilize time sheets to record work assignments and the time associated with each work assignment. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0016.

Vehicle Logs

Company employees do not keep vehicle logs to specify the mileage associated with the completion of water and sewer utility work. This lack of written documentation makes it difficult to determine the utilization of Company vehicles for specific activities. An appropriate vehicle log would provide this documentation. While not necessary, it may be useful to combine this vehicle log with a time sheet.

THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and utilize a written vehicle log to maintain information regarding vehicle usage. The log should include information on activity, location and the miles driven. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2012-0016.

Complaint and Inquiry Documentation

No record is kept of complaints and inquiries received by Company personnel. The lack of a record keeping system makes it impossible for the Company to provide accurate documentation of the nature of its customer contacts. In addition, Commission Rule 4 CSR 240-60.010(4) states:

The utility shall maintain a file of customer complaints received on the service it provides. The file shall include the name and address, as well as the nature of the complaint and date of occurrence.

The availability of documented complaint information would enable Company management to evaluate why customers contact the Company and determine if any measures could be taken to reduce customer contacts and improve customer satisfaction. The availability of documentation regarding customer contacts would also help to show the Company's responsiveness in addressing customer issues.

THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and initiate a system for documenting customer contacts in compliance with Commission Rule 4 CSR 240-60.010 (4). This recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in this case, SR-2013-0016.

Customer Rights and Responsibilities Documentation

The Company has not prepared comprehensive, written information documenting the rights and responsibilities of the Company and its customers. The availability of written information would provide useful facts relating to billing procedures, payment requirements, discontinuance of service, inquiries and complaints, and access to the Company, Commission, and the Office of the Public Counsel.

THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and distribute to all current and future customers written information specifying the rights and responsibilities of the Company and its customers. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, SR-2013-0016.

Implementation Review

The EMSU staff will conduct a review of the Company's progress regarding the implementation of the recommendations made in this report.

Agreement Attachment L

Summary of Case Events

Emerald Pointe Utility Company
Case #SR-2013-0016
Summary of Case Events

Date Filed	July 16, 2012
Day 150 Extension? If yes, why?	Yes Allow completion of capital improvement project.
Amount Requested	\$186,000
Amount Agreed Upon	\$226,577
Item(s)/Dollar(s) Driving Rate Increase	Increased operational expenses and capital improvement projects
Number of Customers	364
Rate of Return	8.23%
Return on Equity	8.23%
Assessments Current	Yes
Annual Reports Filed	Yes
Statement of Revenue Filed	Yes
Other Open Cases before Commission	WR-2013-0017 SF-2013-0346
Status with Secretary of State	Good Standing
DNR Violations	None
Significant Service/Quality Issues	None

Staff Participant Affidavits

James M. Russo – Water & Sewer Department

David A. Spratt – Water & Sewer Department

Lisa Hanneken-Auditing Department

Leslie Rose-Auditing Department

Arthur Rice – Engineering & Management Services Department

Deborah Bernsen – Engineering & Management Services Department

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

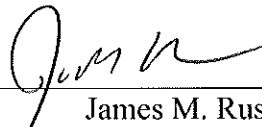
AFFIDAVIT OF JAMES M. RUSSO

In the Matter of the Request for an Increase)
in Sewer Operating Revenues of Emerald)
Pointe Utility Company)

File No. SR-2013-0016

STATE OF MISSOURI)
) SS
COUNTY OF COLE)

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



James M. Russo
Rate & Tariff Examination Supervisor
Water & Sewer Unit

Subscribed and sworn to before me this 13th day of March, 2013.

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



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

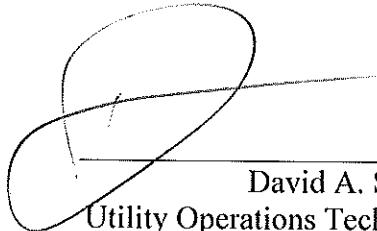
OF THE STATE OF MISSOURI

AFFIDAVIT OF DAVID A. SPRATT

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

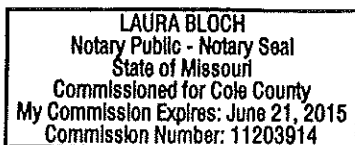
STATE OF MISSOURI)
) SS
COUNTY OF COLE)

COMES NOW David A. Spratt, being of lawful age, and on his oath states the following: (1) that he is a Utility Operations Technical Specialist II in the Missouri Public Service Commission's Water and Sewer Unit ; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing *Company/Staff Partial Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachment G to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment G to the Disposition Agreement; and (6) that the matters set forth in Attachment G to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.



David A. Spratt
Utility Operations Technical Specialist II
Water & Sewer Unit

Subscribed and sworn to before me this 13th day of March, 2013.





Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF LISA K. HANNEKEN

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

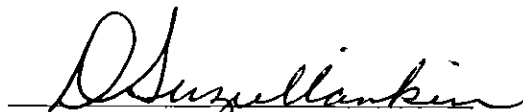
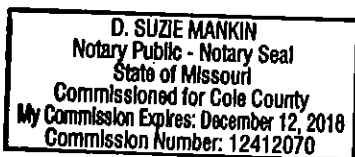
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COMES NOW LISA K. HANNEKEN, being of lawful age, and on her oath states the following: (1) that she is a(n) Utility Regulatory Auditor V in the Missouri Public Service Commission's Regulatory Review Division, Utility Services Department, Auditing Unit; (2) that she participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that she has knowledge of the foregoing *Company/Staff Partial Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* ("Disposition Agreement"); (4) that she was responsible for the preparation of Attachment B, C, H and J to the Disposition Agreement; (5) that she has knowledge of the matters set forth in Attachment B, C, H and J to the Disposition Agreement; and (6) that the matters set forth in Attachment B, C, H and J to the Disposition Agreement are true and correct to the best of her knowledge, information, and belief.



Lisa K. Hanneken
Utility Regulatory Auditor V
Auditing Unit

Subscribed and sworn to before me this 12th day of March, 2013.



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

AFFIDAVIT OF LESLIE ROSE

In the Matter of the Request for an)
Increase in Sewer Operating Revenues of)
Emerald Pointe Utility Company)

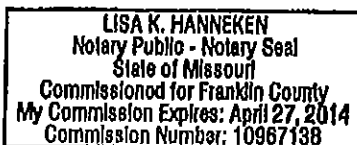
File No. SR-2013-0016

STATE OF MISSOURI)
) ss.
COUNTY OF ST. LOUIS)

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

Leslie Rose
Leslie Rose
Utility Regulatory Auditor I
Auditing Unit

Subscribed and sworn to before me this 12th day of March, 2013.



Lisa K. Hanneken
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

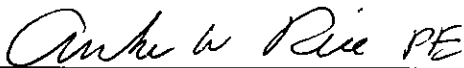
OF THE STATE OF MISSOURI

AFFIDAVIT OF ARTHUR W. RICE

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

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

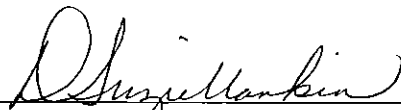
COMES NOW ARTHUR W. RICE, being of lawful age, and on his oath states the following: (1) that he is a(n) Utility Regulatory Engineer I in the Missouri Public Service Commission’s Regulatory Review Division, Utility Services Department, Engineering & Management Services Unit; (2) that he participated in the Staff’s investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing *Company/Staff Partial Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* (“Disposition Agreement”); (4) that he was responsible for the preparation of Attachment D and I to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment D and I to the Disposition Agreement; and (6) that the matters set forth in Attachment D and I to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.



Arthur W. Rice, PE
Utility Regulatory Engineer I
Engineering & Management Services Unit

Subscribed and sworn to before me this 13th day of March, 2013.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2018
Commission Number: 12412070



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

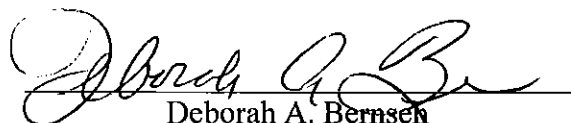
OF THE STATE OF MISSOURI

AFFIDAVIT OF DEBORAH A. BERNSEN

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


STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

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


Deborah A. Bernsen
Utility Management Analyst III
Engineering & Management Services Unit

Subscribed and sworn to before me this 13th day of March, 2013.

D. SUZIE MANKIN
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: December 12, 2018
Commission Number: 12412070


Notary Public