

**NON-UNANIMOUS AGREEMENT REGARDING DISPOSITION OF  
SMALL UTILITY COMPANY REVENUE INCREASE REQUEST**

**THE RAYTOWN WATER COMPANY**

**MO PSC FILE NO. WR-2023-0344**

**BACKGROUND**

The Raytown Water Company, ("Company") initiated the small company revenue increase request ("Request") for water 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 20 CSR 4240-10.075, Small Utility Rate Case Procedure ("Small Company Procedure"). In its request letter, which was received at the Commission's offices on April 3, 2023, the Company set forth its request for an increase of \$735,103 in its total annual water 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's recommendations. The Company provides service to approximately 6,541 water customers.

Pursuant to the provisions of the Staff Assisted Rate Case 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.)

Upon completion of its 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 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 water revenue requirement increase of \$1,174,782 (27.26% increase) added to the level of current revenues of \$4,309,019 results in overall annual revenues of \$5,483,801. This revenue requirement is just and reasonable and designed to recover the Company's cost of service. These amounts are shown on the ratemaking income statements found in Attachment A, incorporated by reference herein;
- (2) The Auditing Department conducted a full and complete audit of the Company's books and records using the 12-month period ended December 31, 2022 updated to June 30, 2023, as the basis for the revenue requirement determined above. The audit findings can be found in Attachments B and C, incorporated by reference herein;
- (3) The agreed upon net rate base is \$9,144,649 for water service. The development of this amount is shown on the rate base worksheet that is found in Attachment D, 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 the Company's overall recommended rate of return of 6.80%, which is calculated based on a hypothetical capital structure consisting of 37.97% debt, 47.20% common equity, and 14.82% preferred equity, with a cost of debt of 3.75%.
- (5) The schedule of depreciation rates in Attachment E, incorporated by reference herein, includes the depreciation rates used by Staff in its revenue requirement analysis and shall be the prescribed schedule of water/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 F, 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 G, 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 H. The proposed tariffs will contain a set of consolidated rates, charges, and rules for water customers. The proposed tariff revisions will bear an effective date of October 30, 2023;
- (8) 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 Non-Unanimous

Disposition Agreement. The notice shall include a summary of the impact of the proposed rates on an average residential customer's bill.

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

(10) Staff or Public Counsel may file a formal complaint against the Company, if the Company does not comply with the provisions of this Non-Unanimous Disposition Agreement;

(11) The Company, Staff and Public Counsel agree that they have read the foregoing 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 parties; and that the Company freely and voluntarily enters into this Disposition Agreement; and

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

### **Additional Matters**

Other than the specific conditions agreed upon and expressly set out herein, the terms of this Non-Unanimous Disposition Agreement reflect compromises between the Staff and the Company, and no party has agreed to any particular ratemaking principle in arriving at the amount of the annual operating revenue increase specified herein.

The results of Staff's inspections and review of the Company's operation of its facilities can be found in the Water, Sewer, & Steam Department Report, Attachment J. Staff has completed a Summary of Case Events and has included that summary as Attachment K to this Non-Unanimous Disposition Agreement.

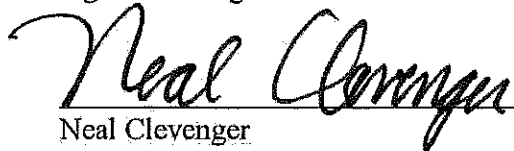
The Company, Public Counsel, and Staff acknowledge that Staff will be filing this Non-Unanimous Disposition Agreement and the attachments hereto, in the existing case and that the Company will file the proposed tariff revisions called for in the agreement. The Company and Public Counsel also acknowledge that Staff may make other filings in this case.

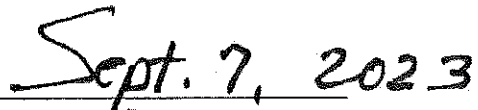
Additionally, the Company and Public Counsel agree that subject to the rules governing practice before the Commission and without waiving the confidentiality of the facts and positions disclosed in the course of settlement, Staff shall have the right to provide an oral explanation to support its entering into this Non-Unanimous Disposition Agreement, if the Commission requests one 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 and without waiving the confidentiality of the facts and positions disclosed in the course of settlement, Staff will be available to answer Commission questions regarding this Non-Unanimous Disposition Agreement. To the extent reasonably practicable, Staff shall provide the Company with advance notice of any such agenda meeting so that it may have the opportunity to be present and/or represented at the meeting.

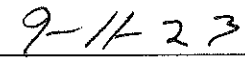
**SIGNATURES**

Agreement Signed and Dated:

  
\_\_\_\_\_  
Neal Clevenger  
President  
The Raytown Water Company

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Curtis Gateley  
Manager – Water & Sewer Department  
Missouri Public Service Commission Staff

  
\_\_\_\_\_  
Date

**List of Attachments**

- Attachment A – Ratemaking Income Statement
- Attachment B – Auditing Department Report
- Attachment C – EMS Run
- Attachment D – Rate Base Worksheet
- Attachment E – Schedules of Depreciation Rates
- Attachment F – Rate Design Worksheet
- Attachment G – Billing Comparison Worksheet
- Attachment H – Example Tariff
- Attachment I – CXD Report
- Attachment J – Water and Sewer Department Report
- Attachment K – Summary of Events

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company                )           File No. WR-2023-0344

**AFFIDAVIT OF ALEXIS L. BRANSON**

STATE OF MISSOURI    )  
                                  )           ss.  
COUNTY OF COLE     )

**COMES NOW ALEXIS L. BRANSON** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
ALEXIS L. BRANSON

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12<sup>th</sup> day of September 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

  
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company            )            File No. WR-2023-0344

**AFFIDAVIT OF MELANIE CLARK**

STATE OF MISSOURI     )  
                                  )     ss.  
COUNTY OF COLE     )

**COMES NOW MELANIE CLARK** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
MELANIE CLARK

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12<sup>th</sup> day of September 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

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

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of a Rate )  
Increase of Raytown Water Company )

File No. WR-2023-0344

**AFFIDAVIT OF CLAIRE M. EUBANKS, PE**

STATE OF MISSOURI )  
 )  
COUNTY OF COLE ) ss.

**COMES NOW CLAIRE M. EUBANKS, PE** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

*Claire M Eubanks*  
CLAIRE M. EUBANKS, PE

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12<sup>th</sup> day of September 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

*D Suzie Mankin*  
Notary Public



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

In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company            )            File No. WR-2023-0344

**AFFIDAVIT OF KEITH D. FOSTER**

STATE OF MISSOURI    )  
                                  )            ss.  
COUNTY OF COLE     )

**COMES NOW KEITH D. FOSTER** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to his best knowledge and belief.

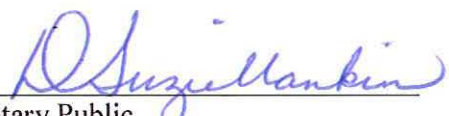
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**KEITH D. FOSTER**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 11<sup>th</sup> day of September 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

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

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

In the Matter of the Application of a Rate                     )  
Increase of Raytown Water Company                     )             File No. WR-2023-0344

**AFFIDAVIT OF SCOTT J. GLASGOW**

STATE OF MISSOURI             )  
   )             ss.  
COUNTY OF COLE             )

**COMES NOW SCOTT J. GLASGOW** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
**SCOTT J. GLASGOW**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12<sup>th</sup> day of September 2023.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: April 04, 2025 Commission Number: 12412070
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Notary Public

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

In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company                )           File No. WR-2023-0344

**AFFIDAVIT OF COURTNEY HORTON**

STATE OF MISSOURI        )  
  )  
COUNTY OF COLE         )           ss.

**COMES NOW COURTNEY HORTON** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
COURTNEY HORTON

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 11<sup>th</sup> day of September 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

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

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

In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company            )            File No. WR-2023-0344

**AFFIDAVIT OF RANDALL T. JENNINGS**

STATE OF MISSOURI        )  
  )        ss.  
COUNTY OF COLE        )

**COMES NOW RANDALL T. JENNINGS** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to his best knowledge and belief.

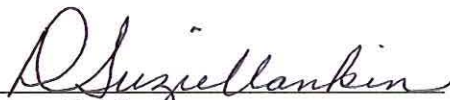
Further the Affiant sayeth not.

  
\_\_\_\_\_  
**RANDALL T. JENNINGS**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12<sup>th</sup> day of September 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
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\_\_\_\_\_  
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company            )            File No. WR-2023-0344

**AFFIDAVIT OF SHERRYE LESMES**

STATE OF MISSOURI    )  
                                  )            ss.  
COUNTY OF COLE    )

**COMES NOW SHERRYE LESMES** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
**SHERRYE LESMES**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 11<sup>th</sup> day of September 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

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

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

In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company            )            File No. WR-2023-0344

**AFFIDAVIT OF AMANDA C. McMELLEN**

STATE OF MISSOURI    )  
                                  )  
COUNTY OF COLE     )            ss.

**COMES NOW AMANDA C. McMELLEN** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_  
AMANDA C. McMELLEN

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12<sup>th</sup> day of September 2023.

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

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

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

In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company                )            File No. WR-2023-0344

**AFFIDAVIT OF ANGELA NIEMEIER**

STATE OF MISSOURI        )  
                                      )  
COUNTY OF COLE         )            ss.

**COMES NOW ANGELA NIEMEIER** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
**ANGELA NIEMEIER**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12<sup>th</sup> day of September 2023.

D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: April 04, 2025 Commission Number: 12412070
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Notary Public

**BEFORE THE PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

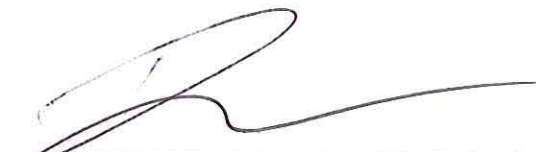
In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company            )            File No. WR-2023-0344

**AFFIDAVIT OF DAVID A. SPRATT**

STATE OF MISSOURI    )  
                                  )        ss.  
COUNTY OF COLE     )

**COMES NOW DAVID A. SPRATT** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
\_\_\_\_\_

**DAVID A. SPRATT**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 11<sup>th</sup> day of September 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
Commission Number: 12412070

  
Notary Public



BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company            )            File No. WR-2023-0344

**AFFIDAVIT OF LISA A. STOCKMAN**

STATE OF MISSOURI    )  
                                  )            ss.  
COUNTY OF COLE     )

**COMES NOW LISA A. STOCKMAN** and on her oath declares that she is of sound mind and lawful age; that she contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to her best knowledge and belief.

Further the Affiant sayeth not.

  
**LISA A. STOCKMAN**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 12<sup>th</sup> day of September 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
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BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of the Application of a Rate            )  
Increase of Raytown Water Company            )            File No. WR-2023-0344

**AFFIDAVIT OF DARONN A. WILLIAMS**

STATE OF MISSOURI    )  
                                  )            ss.  
COUNTY OF COLE     )

**COMES NOW DARONN A. WILLIAMS** and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Day 150 Report*; and that the same is true and correct according to his best knowledge and belief.

Further the Affiant sayeth not.

  
**DARONN A. WILLIAMS**

**JURAT**

Subscribed and sworn before me, a duly constituted and authorized Notary Public, in and for the County of Cole, State of Missouri, at my office in Jefferson City, on this 11<sup>th</sup> day of September 2023.

D. SUZIE MANKIN  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Cole County  
My Commission Expires: April 04, 2025  
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Notary Public

**Disposition Agreement Attachment A**  
**Ratemaking Income Statement**

**THE RAYTOWN WATER COMPANY**  
**Rate Making Income Statement-Water**

<b>Operating Revenues at Current Rates</b>	
Tariffed Rate Revenues *	\$ 3,884,609
Other Operating Revenues *	\$ 424,412
<b>Total Operating Revenues</b>	<b>\$ 4,309,019</b>

\* See "Revenues - Current Rates" for Details

<b>Account No.</b>	<b>Cost of Service</b>	<b>Amount</b>
	<b>Item</b>	
602.000	Purchased Water	\$ 1,396,830
660.000	Operation Supervision & Engineering - TDE	\$ 85,485
662.000	Transmission & Distribution Lines Expenses	\$ 48,616
663.000	Meter Expenses - TDE	\$ 536
672.000	Maint. of Dist. Reservoirs & Standpipes - TDE	\$ 29,512
673.000	Maint. of Transmission & Distribution Mains	\$ 490,641
675.000	Maint. of Services - TDE	\$ 4,584
676.000	Maint. of Meters - TDE	\$ 5,254
677.000	Maint. of Hydrants - TDE	\$ 1,318
902.000	Meter Reading Expenses - CAE	\$ 170,755
903.000	Customer Records & Collection Expenses	\$ 318,392
904.000	Uncollectible Amounts - CAE	\$ 19,648
907.000	Safety Meeting / Safety Equipment	\$ 63,686
920.000	Admin. & General Salaries	\$ 292,954
921.000	Office Supplies & Expenses	\$ 219,075
921.100	ROW Permits	\$ 39,125
922.000	Admin. Expenses Transferred - Credit	\$ (81,821)
923.000	Outside Services Employed	\$ 282,424
923.500	Main GIS Mapping	\$ (1,717)
924.000	Property Insurance	\$ 68,100
925.000	Injuries & Damages	\$ 26,814
926.000	Employee Pensions & Benefits	\$ 344,617
928.000	Regulatory Commission Expenses	\$ 45,475
930.210	Board Reports & Directives	\$ 4,494
930.200	Misc. General Expenses	\$ 29,667
930.300	R & D Expenses (Education)	\$ 13,685
930.400	Pre-Employment Drug Screening	\$ 1,960
932.000	Maint. of General Plant - AGE	\$ 37,014
403.000	Depreciation Expense, Dep. Exp.	\$ 599,613
0.000	Plastic Meters Depreciation Offset	\$ (29,288)
421.000	Amortization of CIAC	\$ (18,131)
431.100	Interest on Customer Deposits	\$ 14,794
431.200	Other Penalty / Interest Expense	\$ 938
471.270	Trash Bag Expense	\$ 3,862

403.000	EIERA Issuance Costs	\$	7,662
408.100	Property Taxes	\$	144,427
408.000	Employer FICA/FUTA/SUTA	\$	80,063
<b>Sub-Total Operating Expenses</b>		<b>\$</b>	<b>4,761,063</b>
0.000	Current Income Taxes	\$	(177,703)
0.000	Deferred Income Taxes - Def. Inc. Tax	\$	28,382
0.000	Additional Current Tax Required	\$	280,070
934.000	Amortization of 2018 Deferred Tax (TCJA)	\$	(29,939)
<b>Sub-Total Taxes</b>		<b>\$</b>	<b>100,810</b>
	Interest on Long-Term Debt <sup>1</sup>	\$	130,220
	Interest on Preferred Stock <sup>2</sup>	\$	44,077
	Return on Equity <sup>3</sup>	\$	447,631
<b>Sub-Total Long-Term Debt &amp; Return On Equity</b>		<b>\$</b>	<b>621,928</b>
<b>Total Cost of Service</b>		<b>\$</b>	<b>5,483,801</b>
<b>Overall Revenue Increase Needed</b>		<b>\$</b>	<b>1,174,782</b>

<sup>1</sup> Rate Base x Cost of Long-term Debt

<sup>2</sup> Rate Base x Cost of Preferred Stock

<sup>3</sup> Rate Base x Cost of Equity (Mid-point)

Rate Base	\$	9,144,649
Cost of Long-Term Debt		1.424%
Cost of Preferred Stock		0.482%
Cost of Equity		4.895%

**Disposition Agreement Attachment B**  
**Auditing Department Report**

***AUDITING UNIT RECOMMENDATION MEMORANDUM***

**FROM:** Keith Foster  
Angela Niemeier  
Amanda McMellen  
Courtney Horton  
Sherrye Lesmes  
Alexis Branson  
Auditing Unit Staff  
Randall Jennings  
Financial Analysis Department

**TO:** David Spratt  
Water and Sewer Department, Case Manager  
Karen Bretz  
Kevin Thompson  
Staff Counsel's Office

**SUBJECT:** Auditing Unit's Findings and Recommended Cost of Service  
Raytown Water Company  
Case No. WR-2023-0344

**DATE:** August 23, 2023

Raytown Water Company ("RWC") requested an increase in its annual operating revenues in the amount of \$735,103, which, if approved, would result in an increase over current revenues of approximately 14.2%. Staff performed an initial audit of RWC's operations to determine whether an increase is appropriate and, if so, the amount thereof that would be reasonable.

Based upon Staff's examination of RWC's books and records and discussions with its employees, Staff's recommended revenue requirement increase calculation for RWC through June 30, 2023, using a return on equity ("ROE") of 10.37%, is \$1,174,782 indicating an increase in RWC's current rates is justified. Attached to this Memorandum are Staff's Accounting Schedules and relevant workpapers related to its review and audit of RWC's financial operations.

In the process of updating Staff's revenue requirement for this recommendation, two errors were discovered that affected Staff's stated recommended revenue requirements for Day 90 and Day 120, causing those amounts to be over-stated. The first error concerned test year amounts that were not accurately recorded in Staff's Exhibit Modeling System ("EMS") that, when corrected, reduced the test year total operating expenses by \$292,209. The second error concerned the calculation of the Depreciation Reserve that did not include accumulated depreciation for the first six months of 2023. The correction resulted in an increase of \$238,645 in Depreciation Reserve and a corresponding decrease in the net plant in service and rate base. These corrections, combined with the adjustments discussed in subsequent sections, are reflected in Staff's recommended revenue requirement increase.

## **Test Year and Update Period**

Staff used a test year consisting of the twelve months ending December 31, 2022, updated with known and measurable changes through June 30, 2023, to develop its revenue requirement recommendation in this case.

## **Rate Base**

Staff's revenue requirement is based on a net rate base of \$9,144,649 as of June 30, 2023. Plant in service and depreciation reserve balances as of June 30, 2023, were utilized for this recommendation. While Staff was on-site performing the audit, RWC provided copies of its manual general ledger for plant and reserve (not part of a specific data request). This ledger provided extensive detail of RWC's plant records, including additions and retirements. Staff received a few plant additions in emails from RWC on June 15, 2023, and has included these plant updates in its revenue requirement. Staff has also included, in plant, the cost associated with the Advanced Metering Infrastructure ("AMI") meters that were installed through June 30, 2023.

Accumulated Deferred Income Taxes ("ADIT"), Materials and Supplies, and Contributions in Aid of Construction ("CIAC") were updated for known and measurable changes through June 30, 2023, as appropriate. Prepayments were updated through March 31, 2023, as that was the most current information provided to Staff.

## **Depreciation Rates**

The depreciation rates used in this case were provided by Staff member Amanda Coffey of the Missouri Public Service Commission's ("Commission's") Engineering Analysis Department.

## **Meter Replacement Program**

RWC is currently replacing all meters with Advanced Metering Infrastructure ("AMI") meters, through a contract with Utility Services Co., Inc. ("USC") for a total contract price of \$3,870,050 for the installation of 6,811 AMI meters. In addition to the installation of the new AMI meters that began in March 2023, USC installed Data Collector Units (DCUs), provided RWC with host software and communications services to collect data from all the DCUs, provided RWC with the Aclara Adaptive Consumer Engagement (Aclara ACE®) platform, and procured all the equipment required for installation. As of June 30, 2023, USC had installed 3,073 AMI meters, or approximately 45.12% of the total to be installed. To include the capitalized costs of these installed meters, Staff included 45.12% of the total contracted installation cost (approximately \$568.21 per AMI meter) in plant in a new account 346.400 to distinguish these meters from the other installed meters. Staff's method allocates all the costs to each AMI meter, which seems to be the best way to represent a partial implementation.

Most meters have a 10-year depreciation rate; however, in this case, since the contract with USC, which includes warranty work, is for 15 years, Staff recommends using a 6.67% depreciation rate. In addition, Staff recommends leaving the plant and depreciation reserve balances for the current meters in plant alone, as the net plant after depreciation reserve is \$120,198 (from total



plant of \$985,700) well below the remaining approximately 55% of meters still to be replaced. Those balances will be adjusted to zero in the next rate case when all the meters will have been replaced. However, Staff did make an adjustment to depreciation expense for the plastic meters (account 346.000) by reducing its annual depreciation by 45.12% as an offset for the inclusion of the depreciation for the installed AMI meters.

## **Revenues**

The average number of customers over a three-year period ending December 31, 2022, was used to annualize revenues in this case. The average number of final bills over the same three-year period was then subtracted from the average number of customers. A multi-year average of customers was used as RWC's monthly customer counts tend to be volatile because a portion of its customers are renters, and the number of renters is in constant fluctuation. The average number of customers less the average number of final bills, based on a three-year average period ending December 31, 2022, was multiplied by the current monthly tariff rate (the rate effective from rate case WR-2020-0264), and then multiplied by twelve to derive the annualized customer charge revenue. Staff also used a three-year average, ending December 2022, to normalize RWC's customer usage revenue. RWC's customers' water usage varied from one year to the next. A three-year average was used to normalize the effect of this fluctuation. In addition, Staff normalized RWC's miscellaneous revenues by using either a three-year average, two-year average, or the test year amount as of December 31, 2022. Staff determined the appropriate method to use for each type of miscellaneous revenue based upon trends in the data. Staff's analysis of revenues for RWC produced an annualized level of \$3,865,071 for metered sales and \$443,948 for miscellaneous revenues. RWC receives rental income from tower lease contracts with cellular phone companies. The annualized level of revenue from this rental income is \$166,505 as of June 30, 2023 (this amount is included in total miscellaneous revenues stated above).

## **Bad Debt**

Staff used a four-year average of actual write-offs recorded in Uniform System of Accounts ("USOA") Account 904, Uncollectible Customer Accounts, to normalize bad debt expense. Staff reviewed the level of yearly write-offs for the last fifteen (15) years and compared them to the level of revenues for those same years to determine if there was a correlation between an increase in revenue and the amount of bad debt expense on RWC's books. Based upon Staff's analysis, Staff determined there was no direct correlation between the level of revenues and bad debt. Staff's analysis determined that both revenues and bad debt expense fluctuated from one year to the next; therefore, Staff determined that a four-year average of actual write-offs was the appropriate method to adjust RWC's bad debt expense.

## **Rate of Return and Capital Structure**

The Commission's Financial Analysis Department provided the Audit Staff with a preliminary rate of return ("ROR") recommendation. To recommend the allowed ROR, the Staff of the Financial Analysis Department used its "Small Utility Return on Equity ('ROE')/Rate of Return ('ROR') Methodology" ("ROR Methodology"). Staff's ROR Methodology is based on the Standard & Poor's ("S&P") Credit Ratings guide and the Bond Yield Plus Risk Premium method. The S&P Credit Ratings guide provides parameters for estimating credit ratings. Credit ratings

are in turn used to estimate debt cost. The Bond Yield Plus Risk Premium method simply adds a premium, known as equity risk premium (“ERP”), to the estimated debt cost to come up with a return on equity (“ROE”). ROE is combined with debt cost to arrive at an estimated ROR.

To estimate credit ratings using the S&P Credit Ratings guide, Staff examined the financial risk profile (“FRP”) and business risk profile (“BRP”) of RWC. To examine the FRP and BRP of a small utility, Staff analyzes financial statements and ratios. RWC has filed Annual Reports with the Commission for years 2019 through 2022.

Background information on utilities’ BRP is important in determining RWC’s BRP. According to a November 27, 2007, S&P Credit Ratings publication, regulated utilities and holding companies that are utility-focused virtually always fall in the upper range (“Excellent” or “Strong”) of business risk profile. In addition, all water utilities currently rated by S&P are assigned a BRP of “Excellent,” because of their regulated revenues. Due to the fact that RWC is smaller than other major regulated water utilities rated by S&P (RWC serves 6,541 water customers),<sup>1</sup> in Staff’s reasonable judgment, for RWC a BRP of “Strong,” one notch lower than the “Excellent” assigned to water utilities by S&P Credit Ratings, is appropriate.

For FRP, RWC has shown net operating incomes for 2021 and 2022 after showing net losses in 2019 and 2020. While net incomes indicate RWC is operating in a sustainable manner, and considered by itself would indicate a minimal financial risk, as of December 31, 2022, RWC’s debt to EBITA and FFO to debt ratios (5.74x and 10.89% respectively) remain high and reveals that RWC is still considered “Highly Leveraged.” RWC’s Debt to Capital ratio is 37.97% which would be considered “Intermediate.” The combination of these factors leads Staff, in its reasonable judgment, to believe an FRP of “Aggressive” is appropriate for this rate case.<sup>2</sup>

RWC’s previous rate case, Case No. WR-2020-0264, resulted with a BRP between “Strong” and “Satisfactory” and an FRP of “Minimal.” A factor leading to this included RWC having a debt to capital ratio of less than 5% compared to its 37.97% as of December 31, 2022.

With a BRP and FRP of “Strong” and “Aggressive,” respectively, for RWC, the S&P Credit Ratings guide matrix indicates a credit rating of ‘BB’.<sup>3</sup> The three-month average yield on ‘BB’ rated corporate bonds was 6.86%.<sup>4</sup> The three-month average yield on ‘BBB’ rated corporate bonds was 5.61%<sup>5</sup>; a spread of 125 basis points. Staff also examined the Mergent Bond Record dated June 2023 and found that the previous three month average bond yield for ‘Baa/BBB’ public

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<sup>1</sup> RWC Response to Staff DR No. 0092.

<sup>2</sup> According to a September 18, 2012, S&P guide (Methodology: Business Risk/Financial Risk Matrix Expanded), Table 2, utilities with a ratio of Debt to Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of less than 1.5 is typically “Minimal” and a Funds From Operations (FFO) to Total Debt (Debt) ratio of greater than 60% typically have an FRP of “Minimal.” RWC’s ratios for year ending 2022 were Debt/EBITDA = 5.74 and FFO/Debt = 10.89%.

<sup>3</sup> S&P Ratings Direct, Methodology: Business Risk/Financial Risk Matrix Expanded, Table 1, September 18, 2012.

<sup>4</sup> ICE BofA BB US High Yield Index Effective Yield (BAMLH0A1HYBBEY) | FRED | St. Louis Fed (stlouisfed.org); <https://fred.stlouisfed.org/series/BAMLH0A1HYBBEY#0>

<sup>5</sup> ICE BofA BBB US Corporate Index Effective Yield (BAMLC0A4CBBBEY) | FRED | St. Louis Fed (stlouisfed.org); <https://fred.stlouisfed.org/series/BAMLC0A4CBBBEY#0>

utilities bonds was 5.62%.<sup>6</sup> Staff added the previously calculated spread between ‘Baa/BBB’ and ‘Ba/BB’ yields to the three-month average, resulting in a ‘Ba/BB’ yield of 6.87%.

Adding a 3.5% Equity Risk Premium (“ERP”), as prescribed by the Bond Yield Plus Risk Premium method, to the 6.87% estimated debt cost, results in a 10.37% ROE. Because of high inflation rates and ongoing interest rate increases, Staff will monitor market conditions and update as needed.

RWC is capitalized with 37.97% debt, 47.20% common equity, and 14.82% preferred equity. According to annual reports filed with the Commission, RWC’s debt is financed at a fixed rate of 3.75%. Staff’s recommended ROE of 10.37% for RWC and embedded cost of debt of 3.75% applied to a capital structure of 37.97% debt, 47.20% common equity, and 14.82% preferred equity, results in an allowed pre-tax ROR of 6.80%.

### **Purchased Water**

The most significant item included in RWC’s operating expense is the cost of purchased water. RWC purchases all of its water requirements from the Kansas City Water District (“KCWD”). KCWD water rates are increased annually. KCWD most recently increased its water rates by an average of 3.8% beginning May 1, 2023. Staff’s annualized purchased water volumes were determined by annualized sales volumes, as calculated in Staff’s revenue annualization. In a meeting with RWC on July 19, 2023, RWC informed Staff that there were months when RWC was selling more water than it was purchasing. RWC notified KCWD of this problem. In return, KCWD replaced the water master meters to try and resolve the problem. Staff conducted an analysis of the water loss data and confirmed RWC was selling more water than it was purchasing for fourteen (14) separate months spread over the period of November 2020 through March 2023. Staff concluded that the purchased water data RWC provided over that timeframe would not be reliable in computing an accurate average water loss percentage for this case. As a result, Staff determined it would be more reasonable to use the water loss percentage of 12.04% from the previous rate case (Case No. WR-2020-0264) to determine its purchased water.

### **Payroll**

Staff adjusted RWC’s test year payroll expense to reflect an annualized and normalized level of payroll and payroll taxes as of June 30, 2023. To account for labor that is associated with construction activities, Staff applied an 88% operation and maintenance (“O&M”) expense ratio to its annualized payroll amount. This percentage was determined by using the test year amount of RWC’s annual O&M expense ratio.

According to RWC’s Personnel Policy Manual, non-exempt employees will be paid one and one-half (1 ½) times their hourly rate for all time worked in excess of forty (40) hours in a payroll week. Overtime payroll for RWC was calculated based on RWC’s overtime hours that was included on its books for the test year and multiplied by the current pay overtime per hour rate.

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<sup>6</sup> June 2023 Mergent Bond Record, page 22.

RWC has continued the same Defined Contribution Plan/401(k), from its last rate case, for its employees for the test year. Staff reviewed RWC's 2022 and 2023 Defined Contribution Plans. It is matching up to 6% of each employee's total pay for the 401(k) plan. Each employee is also contributing to their 401(k) plan through payroll deductions since the last rate case. Staff annualized RWC's match (up to 6%), based on the update period of the six months ending June 30, 2023, into its cost of service for this case. Payroll taxes were normalized by multiplying the current Old-Age, Survivors, and Disability Insurance ("OASDI"), Medicare, Federal Unemployment Tax Act ("FUTA"), and State Unemployment Tax Act ("SUTA") rates to Staff's annualized payroll.

To determine current payroll, Staff used the salaries approved in the last rate case and then applied the Social Security Cost of Living Adjustment ("COLA") rate for each subsequent year up to January 2023. Staff used the COLA rate because, according to RWC's board of director minutes, all employees' annual salary and wage increases are based on that rate. For new employees, Staff verified that their pay matched the pay rate for their job position. For employees who had received a promotion with a new job title, Staff used current pay instead of the COLA increases. Staff updated payroll expense to include current employees of RWC at June 30, 2023. RWC hired a part-time accountant from Marr & Company accounting firm. This accountant is scheduled to work until this rate case is finished. Because the part-time accountant position will not be ongoing, Staff did not include that pay in its annualized payroll.

### **Employee Benefits**

RWC provides medical, life, and dental insurance for their employees. Staff reviewed invoices through June 30, 2023, for employee benefits to determine the level of insurance to include in the cost of service. Staff removed the cost associated with employees no longer employed by RWC.

### **Auto, Property, and Workers' Compensation Insurance**

Staff updated the test year balances for the year ending December 31, 2022, for auto, property, and workers' compensation insurance. Staff made adjustments for 2023 policies that were effective April 30, 2023.

### **Property Taxes**

An adjustment was made to property taxes to include property taxes for plant in service for the test year ending December 31, 2022, balances. Staff developed a ratio of total property taxes paid in 2022 compared to the amount of total plant in service as of January 1, 2022. The ratio was then applied to the January 1, 2023, year-end balance of plant in service to determine the level of property taxes to include in Staff's recommendation.

An adjustment was also made to remove a portion of the taxes associated with the RWC-owned Evanston House property, as this is non-utility property.

## **Excess Deferred Income Taxes**

Due to the passage of the Tax Cuts and Jobs Act, RWC had an excess deferred income tax balance as of January 1, 2018. On this date, the federal tax rate for C corporations changed from a graduated system to a flat 21% tax on net income. Similarly, the State of Missouri changed its corporate tax rate from 6.5% to 4% on net income effective January 1, 2020.

All of RWC's excess deferred tax balances are considered to be "protected" by the Internal Revenue Service ("IRS"). In RWC's previous rate case, Case No. WR-2020-0264, Staff determined the difference between the deferred income tax balance before and after the changes in tax rates and calculated an excess deferred income tax amount of \$529,009 to be included as a reduction to rate base. Because of IRS normalization requirements, the excess deferred taxes related to protected timing differences can't be returned to customers faster than they would have absent the changes in tax law. Therefore, Staff calculated when each plant account balance that existed at the time of the change in tax law would have been fully depreciated, with the longest balance ending in 2048. Staff then calculated a graduated amortization of excess deferred income tax from 2020, the year the State tax rate changed, through 2048 with gradually reducing annual amortizations. For this rate case, Staff reduced the original \$529,009 balance by the sum of the annual amortization amounts since 2020 to \$412,047, and adjusted the amortization amount in expense to the current 2023 amortization amount of \$29,939. Staff recommends continuing this method of depleting the balance of excess deferred income tax over the remaining life (2048) of the December 31, 2017, plant in service in a manner consistent with IRS normalization requirements for protected tax timing differences.

## **Deferred Income Tax**

Upon receiving the 2022 tax return, Staff updated the deferred income tax calculation to reflect the data found in the 2022 tax return.

## **Rate Case Expense**

Staff used a two-case average of rate case expense. By using a two-case average, Staff is normalizing rate case expense while capturing costs RWC will continue to incur in this proceeding. Staff recommends normalizing this cost over a two-year period. The normalized amount of rate case expense included in Staff's revenue requirement is \$5,856.

## **Utilities Expenses**

For tower utilities, electricity and natural gas costs were normalized using a three-year average. For electricity and natural gas costs at RWC's headquarters, Staff used the twelve (12) month period ending June 30, 2023, amount because the update period best represents the upward trend of cost.

## **Transportation Clearing Expense**

Staff adjusted test year amounts to remove payroll from transportation clearing expenses. An adjustment is necessary to avoid “double counting” because Staff has annualized payroll in a separate adjustment.

### **Customer Deposit Interest Expense**

Staff updated the test year customer deposit interest rate to accurately reflect the tariff, which states that the customer deposit interest rate is set annually “to the prime bank lending rate, as published in the *Wall Street Journal* for the last business day of the preceding calendar year, plus one (1) percentage point.” For this case, Staff used the prime rate of 7.5% as of December 31, 2022, plus 1%.

### **Dues and Donations**

Staff looked at the past three (3) years of Dues and Donations costs located in account 921 to assess for any trends. Trending amounts showed a steady increase in costs. Staff used the update period ending June 30, 2023. No adjustments were necessary.

### **Postage**

Staff assessed postal expenses in Account 921.02 for an eight (8) year period. The trend showed some fluctuation with an overall raise in price. Staff used the test year to establish most recent costs and needs, adjusted for a known July 9, 2023, increase in postal rates per customer.

### **Additional Adjustments**

Staff has reflected adjustments in its cost of service to normalize amounts related to:  
1) various O&M expenses; 2) education expenses; 3) communication expenses; 4) costs associated with uniform rental; 5) board of directors fees and insurance; 6) Commission’s annual assessment; 7) tank painting; 8) maintenance; and 9) storage lot rental.

Staff excluded from its cost of service amounts associated with: 1) Christmas bonuses; 2) miscellaneous expenses; 3) non-regulated expenses; 4) director fees for Mr. Neal Clevenger and Ms. Chiki Thompson, who are both full-time employees of RWC; and 5) depreciation expense on CIAC.

**Disposition Agreement Attachment C**  
**EMS Run**

**Exhibit No.:** XXXXX  
**Issue:** Accounting Schedules  
**Witness:** MO PSC Auditors  
**Sponsoring Party:** MO PSC Staff  
**Case No:** WR-2023-0344  
**Date Prepared:** August 23, 2023



**MISSOURI PUBLIC SERVICE COMMISSION**  
**FINANCIAL & BUSINESS ANALYSIS DIVISION**  
**STAFF ACCOUNTING SCHEDULES**

**RAYTOWN WATER COMPANY**

**CASE NO. WR-2023-0344**

**Jefferson City, Missouri**

**August 2023**



**Raytown Water Company**  
**Case No. WR-2023-0344**  
**Test Year 12 months Ending 12/31/22**  
**Updated Through 6/30/23**  
**Revenue Requirement**

Line Number	<u>A</u> Description	<u>B</u> 6.80% Return	<u>C</u> 6.80% Return	<u>D</u> 6.80% Return
1	Net Orig Cost Rate Base	\$9,144,649	\$9,144,649	\$9,144,649
2	Rate of Return	6.80%	6.80%	6.80%
3	Net Operating Income Requirement	\$621,928	\$621,928	\$621,928
4	Net Income Available	-\$272,784	-\$272,784	-\$272,784
5	Additional Net Income Required	\$894,712	\$894,712	\$894,712
6	Income Tax Requirement			
7	Required Current Income Tax	\$102,367	\$102,367	\$102,367
8	Current Income Tax Available	-\$177,703	-\$177,703	-\$177,703
9	Additional Current Tax Required	\$280,070	\$280,070	\$280,070
10	Revenue Requirement	\$1,174,782	\$1,174,782	\$1,174,782
11	Allowance for Known and Measureable Changes/True-Up Estimate	\$0	\$0	\$0
12	Miscellaneous (e.g. MEEIA)	\$0	\$0	\$0
13	<b>Gross Revenue Requirement</b>	<b>\$1,174,782</b>	<b>\$1,174,782</b>	<b>\$1,174,782</b>

**Raytown Water Company**  
**Case No. WR-2023-0344**  
**Test Year 12 months Ending 12/31/22**  
**Updated Through 6/30/23**  
**RATE BASE SCHEDULE**

Line Number	<u>A</u> Rate Base Description	<u>B</u> Percentage Rate	<u>C</u> Dollar Amount
1	Plant In Service		\$19,434,338
2	Less Accumulated Depreciation Reserve		\$8,868,421
3	Net Plant In Service		<u>\$10,565,917</u>
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		\$0
6	Contributions in Aid of Construction Amortization		\$224,212
7	Materials & Supplies		\$437,858
8	Prepayments		\$68,482
9	Meter Rerouting Project		<u>\$0</u>
10	TOTAL ADD TO NET PLANT IN SERVICE		<u>\$730,552</u>
11	SUBTRACT FROM NET PLANT		
12	Federal Tax Offset	0.0000%	\$0
13	State Tax Offset	0.0000%	\$0
14	City Tax Offset	0.0000%	\$0
15	Interest Expense Offset	0.0000%	\$0
16	Contributions in Aid of Construction		\$643,798
17	Customer Advances		\$5,000
18	Customer Deposits		\$174,045
19	Deferred Income Taxes		\$916,930
20	Excess Deferred Income Taxes		\$412,047
21	Accrued Pension Liability		<u>\$0</u>
22	TOTAL SUBTRACT FROM NET PLANT		<u>\$2,151,820</u>
23	Total Rate Base		<u><u>\$9,144,649</u></u>

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Plant In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjust. Number	E Adjustments	F As Adjusted Plant	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	301.000	Organization	\$0	P-2	\$0	\$0	75.00%	\$0	\$0
3	302.000	Franchises and Consents	\$0	P-3	\$0	\$0	100.00%	\$0	\$0
4	303.000	Main GIS Project	\$25,753	P-4	-\$20,602	\$5,151	100.00%	\$0	\$5,151
5		TOTAL INTANGIBLE PLANT	\$25,753		-\$20,602	\$5,151		\$0	\$5,151
6		SOURCE OF SUPPLY PLANT							
7	310.000	Land and Land Rights - SSP	\$0	P-7	\$0	\$0	100.00%	\$0	\$0
8	311.000	Structures and Improvements - SSP	\$0	P-8	\$0	\$0	100.00%	\$0	\$0
9	312.000	Collecting & Impounding Reservoirs	\$0	P-9	\$0	\$0	100.00%	\$0	\$0
10	313.000	Lake, River and Other Intakes	\$0	P-10	\$0	\$0	100.00%	\$0	\$0
11	314.000	Wells and Springs	\$0	P-11	\$0	\$0	100.00%	\$0	\$0
12	315.000	Infiltration Galleries and Tunnels	\$0	P-12	\$0	\$0	100.00%	\$0	\$0
13	316.000	Supply Mains	\$0	P-13	\$0	\$0	100.00%	\$0	\$0
14	317.000	Other Water Source Plant	\$0	P-14	\$0	\$0	100.00%	\$0	\$0
15		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0	\$0		\$0	\$0
16		PUMPING PLANT							
17	320.000	Land and Land Rights - PP	\$0	P-17	\$0	\$0	100.00%	\$0	\$0
18	321.000	Structures and Improvements - PP	\$0	P-18	\$0	\$0	100.00%	\$0	\$0
19	322.000	Boiler Plant Equipment	\$0	P-19	\$0	\$0	100.00%	\$0	\$0
20	323.000	Other Power Production Equipment	\$0	P-20	\$0	\$0	100.00%	\$0	\$0
21	324.000	Steam Pumping Equipment	\$0	P-21	\$0	\$0	100.00%	\$0	\$0
22	325.000	Electric Pumping Equipment	\$0	P-22	\$0	\$0	100.00%	\$0	\$0
23	326.000	Diesel Pumping Equipment	\$0	P-23	\$0	\$0	100.00%	\$0	\$0
24	327.000	Hydraulic Pumping Equipment	\$0	P-24	\$0	\$0	100.00%	\$0	\$0
25	328.000	Other Pumping Equipment	\$0	P-25	\$0	\$0	100.00%	\$0	\$0
26		TOTAL PUMPING PLANT	\$0		\$0	\$0		\$0	\$0
27		WATER TREATMENT PLANT							
28	330.000	Land and Land Rights - WTP	\$0	P-28	\$0	\$0	100.00%	\$0	\$0
29	331.000	Structures and Improvements - WTP	\$0	P-29	\$0	\$0	100.00%	\$0	\$0
30	332.000	Water Treatment Equipment	\$0	P-30	\$0	\$0	100.00%	\$0	\$0
31		TOTAL WATER TREATMENT PLANT	\$0		\$0	\$0		\$0	\$0
32		TRANSMISSION & DIST. PLANT							
33	340.000	Land and Land Rights - TDP	\$107,560	P-33	\$0	\$107,560	100.00%	\$0	\$107,560
34	341.000	Structures and Improvements - TDP	\$0	P-34	\$0	\$0	100.00%	\$0	\$0
35	342.000	Distribution Reservoirs and Standpipes	\$2,909,729	P-35	\$10,837	\$2,920,566	100.00%	\$0	\$2,920,566
36	343.000	Transmission and Distribution Mains	\$7,935,864	P-36	\$206,433	\$8,142,297	100.00%	\$0	\$8,142,297
37	343.100	Gateway Transmission Main	\$258,013	P-37	\$0	\$258,013	100.00%	\$0	\$258,013
38	344.000	Fire Mains	\$0	P-38	\$0	\$0	100.00%	\$0	\$0
39	345.000	Services	\$272,400	P-39	\$0	\$272,400	100.00%	\$0	\$272,400
40	346.000	Meters - Plastic	\$649,121	P-40	\$0	\$649,121	100.00%	\$0	\$649,121
41	346.100	Meters - Bronze Chamber	\$240,215	P-41	\$0	\$240,215	100.00%	\$0	\$240,215
42	346.200	Meters - Hot Rod	\$96,364	P-42	\$0	\$96,364	100.00%	\$0	\$96,364
43	346.300	Meters - Ultrasonic	\$0	P-43	\$0	\$0	100.00%	\$0	\$0
44	346.400	Meters - AMI	\$0	P-44	\$1,746,097	\$1,746,097	100.00%	\$0	\$1,746,097
45	347.000	Meter Installations	\$393,271	P-45	\$0	\$393,271	100.00%	\$0	\$393,271
46	348.000	Hydrants	\$1,333,931	P-46	\$22,929	\$1,356,860	100.00%	\$0	\$1,356,860
47	349.000	Other Transmission & Distribution Plant	\$0	P-47	\$0	\$0	100.00%	\$0	\$0
48		TOTAL TRANSMISSION & DIST. PLANT	\$14,196,468		\$1,986,296	\$16,182,764		\$0	\$16,182,764
49		GENERAL PLANT							
50	389.000	Land and Land Rights - GP	\$140,051	P-50	\$0	\$140,051	100.00%	\$0	\$140,051
51	390.000	Structures and Improvements - GP	\$1,080,003	P-51	\$6,966	\$1,086,969	100.00%	\$0	\$1,086,969
52	391.000	Office Furniture and Equipment	\$149,346	P-52	\$0	\$149,346	100.00%	\$0	\$149,346
53	391.100	Office Electronic Equipment	\$159,077	P-53	\$0	\$159,077	100.00%	\$0	\$159,077
54	392.000	Transportation Equipment	\$999,197	P-54	\$6,957	\$1,006,154	100.00%	\$0	\$1,006,154
55	393.000	Stores Equipment	\$0	P-55	\$0	\$0	100.00%	\$0	\$0
56	394.000	Tools, Shop and Garage Equipment	\$161,476	P-56	\$0	\$161,476	100.00%	\$0	\$161,476
57	395.000	Laboratory Equipment	\$5,660	P-57	\$0	\$5,660	100.00%	\$0	\$5,660
58	396.000	Power Operated Equipment	\$497,553	P-58	\$0	\$497,553	100.00%	\$0	\$497,553

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Plant In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjust. Number	E Adjustments	F As Adjusted Plant	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
59	397.000	Communication Equipment	\$40,137	P-59	\$0	\$40,137	100.00%	\$0	\$40,137
60	398.000	Miscellaneous Equipment	\$0	P-60	\$0	\$0	100.00%	\$0	\$0
61	399.000	Other Tangible Equipment	\$0	P-61	\$0	\$0	100.00%	\$0	\$0
62		TOTAL GENERAL PLANT	\$3,232,500		\$13,923	\$3,246,423		\$0	\$3,246,423
63		TOTAL PLANT IN SERVICE	\$17,454,721		\$1,979,617	\$19,434,338		\$0	\$19,434,338

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Adjustments to Plant in Service

A Plant Adj. Number	B Plant In Service Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount	F Jurisdictional Adjustments	G Total Jurisdictional Adjustments
P-4	Main GIS Project	303.000		-\$20,602		\$0
	1. To reduce unamortized balance of the main GIS mapping project as of June 30, 2023 (Niemeier)		-\$20,602		\$0	
P-35	Distribution Reservoirs and Standpipes	342.000		\$10,837		\$0
	1. To record plant additions 2023 (Niemeier)		\$10,837		\$0	
P-36	Transmission and Distribution Mains	343.000		\$206,433		\$0
	1. To record plant additions 2023 (Niemeier)		\$207,158		\$0	
	2. To remove retired plant (Niemeier)		-\$725		\$0	
P-44	Meters - AMI	346.400		\$1,746,097		\$0
	1. To record AMI Meters (Niemeier)		\$1,746,097		\$0	
P-46	Hydrants	348.000		\$22,929		\$0
	1. To record plant additions 2023 (Niemeier)		\$23,739		\$0	
	2. To remove retired plant (Niemeier)		-\$810		\$0	
P-51	Structures and Improvements - GP	390.000		\$6,966		\$0
	1. To record plant additions 2023 (Niemeier)		\$6,966		\$0	
P-54	Transportation Equipment	392.000		\$6,957		\$0
	1. To record plant additions 2023 (Niemeier)		\$6,957		\$0	
<b>Total Plant Adjustments</b>				<b>\$1,979,617</b>		<b>\$0</b>

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Depreciation Expense

Line Number	A Account Number	B Plant Account Description	C MO Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense	F Average Life	G Net Salvage
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0	0.00%	\$0	0	0.00%
3	302.000	Franchises and Consents	\$0	0.00%	\$0	0	0.00%
4	303.000	Main GIS Project	\$5,151	0.00%	\$0	0	0.00%
5		TOTAL INTANGIBLE PLANT	\$5,151		\$0		
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land and Land Rights - SSP	\$0	0.00%	\$0	0	0.00%
8	311.000	Structures and Improvements - SSP	\$0	0.00%	\$0	0	0.00%
9	312.000	Collecting & Impounding Reservoirs	\$0	0.00%	\$0	0	0.00%
10	313.000	Lake, River and Other Intakes	\$0	0.00%	\$0	0	0.00%
11	314.000	Wells and Springs	\$0	0.00%	\$0	0	0.00%
12	315.000	Infiltration Galleries and Tunnels	\$0	0.00%	\$0	0	0.00%
13	316.000	Supply Mains	\$0	0.00%	\$0	0	0.00%
14	317.000	Other Water Source Plant	\$0	0.00%	\$0	0	0.00%
15		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0		
16		PUMPING PLANT					
17	320.000	Land and Land Rights - PP	\$0	0.00%	\$0	0	0.00%
18	321.000	Structures and Improvements - PP	\$0	0.00%	\$0	0	0.00%
19	322.000	Boiler Plant Equipment	\$0	0.00%	\$0	0	0.00%
20	323.000	Other Power Production Equipment	\$0	0.00%	\$0	0	0.00%
21	324.000	Steam Pumping Equipment	\$0	0.00%	\$0	0	0.00%
22	325.000	Electric Pumping Equipment	\$0	0.00%	\$0	0	0.00%
23	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0	0	0.00%
24	327.000	Hydraulic Pumping Equipment	\$0	0.00%	\$0	0	0.00%
25	328.000	Other Pumping Equipment	\$0	0.00%	\$0	0	0.00%
26		TOTAL PUMPING PLANT	\$0		\$0		
27		WATER TREATMENT PLANT					
28	330.000	Land and Land Rights - WTP	\$0	0.00%	\$0	0	0.00%
29	331.000	Structures and Improvements - WTP	\$0	0.00%	\$0	0	0.00%
30	332.000	Water Treatment Equipment	\$0	0.00%	\$0	0	0.00%
31		TOTAL WATER TREATMENT PLANT	\$0		\$0		
32		TRANSMISSION & DIST. PLANT					
33	340.000	Land and Land Rights - TDP	\$107,560	0.00%	\$0	0	0.00%
34	341.000	Structures and Improvements - TDP	\$0	0.00%	\$0	0	0.00%
35	342.000	Distribution Reservoirs and Standpipes	\$2,920,566	2.50%	\$73,014	40	0.00%
36	343.000	Transmission and Distribution Mains	\$8,142,297	2.00%	\$162,846	50	0.00%
37	343.100	Gateway Transmission Main	\$258,013	0.00%	\$0	0	0.00%
38	344.000	Fire Mains	\$0	0.00%	\$0	0	0.00%
39	345.000	Services	\$272,400	2.50%	\$6,810	40	0.00%
40	346.000	Meters - Plastic	\$649,121	10.00%	\$64,912	10	0.00%
41	346.100	Meters - Bronze Chamber	\$240,215	0.00%	\$0	27	10.00%
42	346.200	Meters - Hot Rod	\$96,364	5.00%	\$4,818	20	0.00%
43	346.300	Meters - Ultrasonic	\$0	0.00%	\$0	20	0.00%
44	346.400	Meters - AMI	\$1,746,097	6.67%	\$116,465	0	0.00%
45	347.000	Meter Installations	\$393,271	5.70%	\$22,416	17	0.00%
46	348.000	Hydrants	\$1,356,860	2.00%	\$27,137	48	5.00%
47	349.000	Other Transmission & Distribution Plant	\$0	0.00%	\$0	0	0.00%
48		TOTAL TRANSMISSION & DIST. PLANT	\$16,182,764		\$478,418		
49		GENERAL PLANT					

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Depreciation Expense

Line Number	A Account Number	B Plant Account Description	C MO Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense	F Average Life	G Net Salvage
50	389.000	Land and Land Rights - GP	\$140,051	0.00%	\$0	0	0.00%
51	390.000	Structures and Improvements - GP	\$1,086,969	2.50%	\$27,174	40	0.00%
52	391.000	Office Furniture and Equipment	\$149,346	5.00%	\$7,467	20	0.00%
53	391.100	Office Electronic Equipment	\$159,077	0.00%	\$0	0	0.00%
54	392.000	Transportation Equipment	\$1,006,154	7.80%	\$78,480	12	7.00%
55	393.000	Stores Equipment	\$0	0.00%	\$0	0	0.00%
56	394.000	Tools, Shop and Garage Equipment	\$161,476	5.00%	\$8,074	20	0.00%
57	395.000	Laboratory Equipment	\$5,660	0.00%	\$0	20	0.00%
58	396.000	Power Operated Equipment	\$497,553	0.00%	\$0	14	6.00%
59	397.000	Communication Equipment	\$40,137	0.00%	\$0	15	0.00%
60	398.000	Miscellaneous Equipment	\$0	0.00%	\$0	0	0.00%
61	399.000	Other Tangible Equipment	\$0	0.00%	\$0	0	0.00%
62		<b>TOTAL GENERAL PLANT</b>	<b>\$3,246,423</b>		<b>\$121,195</b>		
63		<b>Total Depreciation</b>	<b>\$19,434,338</b>		<b>\$599,613</b>		

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

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjust. Number	E Adjustments	F As Adjusted Reserve	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	301.000	Organization	\$0	R-2	\$0	\$0	75.00%	\$0	\$0
3	302.000	Franchises and Consents	\$0	R-3	\$0	\$0	100.00%	\$0	\$0
4	303.000	Main GIS Project	\$0	R-4	\$0	\$0	100.00%	\$0	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0	\$0		\$0	\$0
6		SOURCE OF SUPPLY PLANT							
7	310.000	Land and Land Rights - SSP	\$0	R-7	\$0	\$0	100.00%	\$0	\$0
8	311.000	Structures and Improvements - SSP	\$0	R-8	\$0	\$0	100.00%	\$0	\$0
9	312.000	Collecting & Impounding Reservoirs	\$0	R-9	\$0	\$0	100.00%	\$0	\$0
10	313.000	Lake, River and Other Intakes	\$0	R-10	\$0	\$0	100.00%	\$0	\$0
11	314.000	Wells and Springs	\$0	R-11	\$0	\$0	100.00%	\$0	\$0
12	315.000	Infiltration Galleries and Tunnels	\$0	R-12	\$0	\$0	100.00%	\$0	\$0
13	316.000	Supply Mains	\$0	R-13	\$0	\$0	100.00%	\$0	\$0
14	317.000	Other Water Source Plant	\$0	R-14	\$0	\$0	100.00%	\$0	\$0
15		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0	\$0		\$0	\$0
16		PUMPING PLANT							
17	320.000	Land and Land Rights - PP	\$0	R-17	\$0	\$0	100.00%	\$0	\$0
18	321.000	Structures and Improvements - PP	\$0	R-18	\$0	\$0	100.00%	\$0	\$0
19	322.000	Boiler Plant Equipment	\$0	R-19	\$0	\$0	100.00%	\$0	\$0
20	323.000	Other Power Production Equipment	\$0	R-20	\$0	\$0	100.00%	\$0	\$0
21	324.000	Steam Pumping Equipment	\$0	R-21	\$0	\$0	100.00%	\$0	\$0
22	325.000	Electric Pumping Equipment	\$0	R-22	\$0	\$0	100.00%	\$0	\$0
23	326.000	Diesel Pumping Equipment	\$0	R-23	\$0	\$0	100.00%	\$0	\$0
24	327.000	Hydraulic Pumping Equipment	\$0	R-24	\$0	\$0	100.00%	\$0	\$0
25	328.000	Other Pumping Equipment	\$0	R-25	\$0	\$0	100.00%	\$0	\$0
26		TOTAL PUMPING PLANT	\$0		\$0	\$0		\$0	\$0
27		WATER TREATMENT PLANT							
28	330.000	Land and Land Rights - WTP	\$0	R-28	\$0	\$0	100.00%	\$0	\$0
29	331.000	Structures and Improvements - WTP	\$0	R-29	\$0	\$0	100.00%	\$0	\$0
30	332.000	Water Treatment Equipment	\$0	R-30	\$0	\$0	100.00%	\$0	\$0
31		TOTAL WATER TREATMENT PLANT	\$0		\$0	\$0		\$0	\$0
32		TRANSMISSION & DIST. PLANT							
33	340.000	Land and Land Rights - TDP	\$0	R-33	\$0	\$0	100.00%	\$0	\$0
34	341.000	Structures and Improvements - TDP	\$0	R-34	\$0	\$0	100.00%	\$0	\$0
35	342.000	Distribution Reservoirs and Standpipes	\$2,106,686	R-35	\$0	\$2,106,686	100.00%	\$0	\$2,106,686
36	343.000	Transmission and Distribution Mains	\$2,869,229	R-36	\$0	\$2,869,229	100.00%	\$0	\$2,869,229
37	343.100	Gateway Transmission Main	\$258,013	R-37	\$0	\$258,013	100.00%	\$0	\$258,013
38	344.000	Fire Mains	\$0	R-38	\$0	\$0	100.00%	\$0	\$0
39	345.000	Services	\$176,044	R-39	\$0	\$176,044	100.00%	\$0	\$176,044
40	346.000	Meters - Plastic	\$628,106	R-40	\$0	\$628,106	100.00%	\$0	\$628,106
41	346.100	Meters - Bronze Chamber	\$243,764	R-41	-\$3,549	\$240,215	100.00%	\$0	\$240,215
42	346.200	Meters - Hot Rod	\$32,046	R-42	\$0	\$32,046	100.00%	\$0	\$32,046
43	346.300	Meters - Ultrasonic	\$0	R-43	\$0	\$0	100.00%	\$0	\$0
44	346.400	Meters - AMI	\$0	R-44	\$0	\$0	100.00%	\$0	\$0
45	347.000	Meter Installations	\$291,084	R-45	\$0	\$291,084	100.00%	\$0	\$291,084
46	348.000	Hydrants	\$501,327	R-46	\$0	\$501,327	100.00%	\$0	\$501,327
47	349.000	Other Transmission & Distribution Plant	\$0	R-47	\$0	\$0	100.00%	\$0	\$0
48		TOTAL TRANSMISSION & DIST. PLANT	\$7,106,299		-\$3,549	\$7,102,750		\$0	\$7,102,750
49		GENERAL PLANT							
50	389.000	Land and Land Rights - GP	\$0	R-50	\$0	\$0	100.00%	\$0	\$0
51	390.000	Structures and Improvements - GP	\$358,166	R-51	\$0	\$358,166	100.00%	\$0	\$358,166
52	391.000	Office Furniture and Equipment	\$69,708	R-52	\$0	\$69,708	100.00%	\$0	\$69,708
53	391.100	Office Electronic Equipment	\$159,077	R-53	\$0	\$159,077	100.00%	\$0	\$159,077
54	392.000	Transportation Equipment	\$475,886	R-54	\$0	\$475,886	100.00%	\$0	\$475,886
55	393.000	Stores Equipment	\$0	R-55	\$0	\$0	100.00%	\$0	\$0
56	394.000	Tools, Shop and Garage Equipment	\$159,484	R-56	\$0	\$159,484	100.00%	\$0	\$159,484
57	395.000	Laboratory Equipment	\$6,235	R-57	-\$575	\$5,660	100.00%	\$0	\$5,660
58	396.000	Power Operated Equipment	\$544,377	R-58	-\$46,824	\$497,553	100.00%	\$0	\$497,553
59	397.000	Communication Equipment	\$40,748	R-59	-\$611	\$40,137	100.00%	\$0	\$40,137
60	398.000	Miscellaneous Equipment	\$0	R-60	\$0	\$0	100.00%	\$0	\$0
61	399.000	Other Tangible Equipment	\$0	R-61	\$0	\$0	100.00%	\$0	\$0
62		TOTAL GENERAL PLANT	\$1,813,681		-\$48,010	\$1,765,671		\$0	\$1,765,671



Raytown Water Company  
 Case No. WR-2023-0344  
 Test Year 12 months Ending 12/31/22  
 Updated Through 6/30/23  
 Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjust. Number	E Adjustments	F As Adjusted Reserve	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
63		TOTAL DEPRECIATION RESERVE	\$8,919,980		-\$51,559	\$8,868,421		\$0	\$8,868,421

**Raytown Water Company**  
**Case No. WR-2023-0344**  
**Test Year 12 months Ending 12/31/22**  
**Updated Through 6/30/23**  
**Adjustments for Depreciation Reserve**

<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	<u>F</u> Jurisdictional Adjustments	<u>G</u> Total Jurisdictional Adjustments
R-41	Meters - Bronze Chamber	346.100		-\$3,549		\$0
	1. Adjustment to fully depreciate. (Niemeier)		-\$3,549		\$0	
R-57	Laboratory Equipment	395.000		-\$575		\$0
	1. Adjustment to remove over-depreciation. (Niemeier)		-\$575		\$0	
R-58	Power Operated Equipment	396.000		-\$46,824		\$0
	1. Adjustment to remove over-depreciation. (Niemeier)		-\$46,824		\$0	
R-59	Communication Equipment	397.000		-\$611		\$0
	1. Adjustment to fully depreciate. (Niemeier)		-\$611		\$0	
<b>Total Reserve Adjustments</b>				<b>-\$51,559</b>		<b>\$0</b>

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Cash Working Capital

Line Number	A Description	B Test Year Adj. Expenses	C Revenue Lag	D Expense Lag	E Net Lag C - D	F Factor (Col E / 365)	G CWC Req B x F
1	<b>OPERATION AND MAINT. EXPENSE</b>						
2	Base Payroll	\$0	0.00	0.00	0.00	0.000000	\$0
3	Tax Withholding	\$0	0.00	0.00	0.00	0.000000	\$0
4	Pensions and Employee Benefits	\$0	0.00	0.00	0.00	0.000000	\$0
5	Electric	\$0	0.00	0.00	0.00	0.000000	\$0
6	Telephone	\$0	0.00	0.00	0.00	0.000000	\$0
7	Office Rents	\$0	0.00	0.00	0.00	0.000000	\$0
8	Intercompany Billing	\$0	0.00	0.00	0.00	0.000000	\$0
9	Uncollectible Accounts	\$0	0.00	0.00	0.00	0.000000	\$0
10	PSC Assessment	\$0	0.00	0.00	0.00	0.000000	\$0
11	Cash Vouchers	\$4,181,613	0.00	0.00	0.00	0.000000	\$0
12	<b>TOTAL OPERATION AND MAINT. EXPENSE</b>	<b>\$4,181,613</b>					<b>\$0</b>
13	<b>TAXES</b>						
14	FICA - Employer Portion	\$0	0.00	0.00	0.00	0.000000	\$0
15	Unemployment	\$0	0.00	0.00	0.00	0.000000	\$0
16	Property Tax	\$0	0.00	0.00	0.00	0.000000	\$0
17	Gross Receipts Tax	\$0	0.00	0.00	0.00	0.000000	\$0
18	Corporate Franchise	\$0	0.00	0.00	0.00	0.000000	\$0
19	Sales Tax	\$0	0.00	0.00	0.00	0.000000	\$0
20	Test Line	\$0	0.00	0.00	0.00	0.000000	\$0
21	<b>TOTAL TAXES</b>	<b>\$0</b>					<b>\$0</b>
22	<b>CWC REQ'D BEFORE RATE BASE OFFSETS</b>						<b>\$0</b>
23	<b>TAX OFFSET FROM RATE BASE</b>						
24	Federal Tax Offset	\$86,930	0.00	0.00	0.00	0.000000	\$0
25	State Tax Offset	\$15,437	0.00	0.00	0.00	0.000000	\$0
26	City Tax Offset	\$0	0.00	0.00	0.00	0.000000	\$0
27	Interest Expense Offset	\$174,297	0.00	0.00	0.00	0.000000	\$0
28	<b>TOTAL OFFSET FROM RATE BASE</b>	<b>\$276,664</b>					<b>\$0</b>
29	<b>TOTAL CASH WORKING CAPITAL REQUIRED</b>						<b>\$0</b>

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Income Statement

Line Number	A Category Description	B Total Test Year	C Test Year Labor	D Test Year Non Labor	E Adjustments	F Total Company Adjusted	G Jurisdictional Adjustments	H MO Final Adj Jurisdictional	I MO Juris. Labor	J MO Juris. Non Labor
1	TOTAL OPERATING REVENUES	\$4,427,341	See Note (1)	See Note (1)	See Note (1)	\$4,427,341	-\$118,322	\$4,309,019	See Note (1)	See Note (1)
2	TOTAL SOURCE OF SUPPLY EXPENSES	\$1,109,034	\$0	\$1,109,034	\$287,796	\$1,396,830	\$0	\$1,396,830	\$0	\$1,396,830
3	TOTAL PUMPING EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	TOTAL WATER TREATMENT EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	TOTAL TRANSMISSION & DIST. EXPENSES	\$643,190	\$155,941	\$487,249	\$22,756	\$665,946	\$0	\$665,946	\$171,259	\$494,687
6	TOTAL CUSTOMER ACCOUNTS EXPENSE	\$467,008	\$379,055	\$87,953	\$41,787	\$508,795	\$0	\$508,795	\$419,169	\$89,626
7	TOTAL CUSTOMER SERVICE EXPENSES	\$61,925	\$16,152	\$45,773	\$1,761	\$63,686	\$0	\$63,686	\$17,913	\$45,773
8	TOTAL SALES PROMOTION EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	TOTAL ADMIN. & GENERAL EXPENSES	\$1,328,358	\$645,042	\$683,316	-\$6,492	\$1,321,866	\$0	\$1,321,866	\$678,847	\$643,019
10	TOTAL DEPRECIATION EXPENSE	\$439,194	See Note (1)	See Note (1)	See Note (1)	\$439,194	\$131,131	\$570,325	See Note (1)	See Note (1)
11	TOTAL AMORTIZATION EXPENSE	\$15,667	\$0	\$15,667	-\$33,798	-\$18,131	\$0	-\$18,131	\$0	-\$18,131
12	TOTAL OTHER OPERATING EXPENSE	\$4,782	\$0	\$4,782	\$13,107	\$17,889	\$0	\$27,256	\$0	\$27,256
13	TOTAL TOTAL TAXES OTHER THAN INCOME	\$223,355	\$78,441	\$144,914	\$1,135	\$224,490	\$0	\$224,490	\$80,038	\$144,452
14	TOTAL OPERATING EXPENSE	\$4,292,513	\$1,274,631	\$2,578,688	\$328,052	\$4,620,565	\$131,131	\$4,761,063	\$1,367,226	\$2,823,512
15	NET INCOME BEFORE TAXES	\$134,828	\$0	\$0	\$0	-\$193,224	-\$249,453	-\$452,044	\$0	\$0
16	TOTAL INCOME TAXES	\$0	See Note (1)	See Note (1)	See Note (1)	\$0	-\$177,703	-\$177,703	See Note (1)	See Note (1)
17	TOTAL DEFERRED INCOME TAXES	\$4,649	See Note (1)	See Note (1)	See Note (1)	\$4,649	-\$6,206	-\$1,557	See Note (1)	See Note (1)
18	NET OPERATING INCOME	\$130,179	\$0	\$0	\$0	-\$197,873	-\$65,544	-\$272,784	\$0	\$0

(1) Labor and Non Labor Detail not applicable to Revenue & Taxes

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
Rev-1		<b>OPERATING REVENUES</b>											
Rev-2	461.100	Residential	\$3,515,617	See note (1)	See note (1)	Rev-2	See note (1)	\$3,515,617	100.00%	-\$63,519	\$3,452,098	See note (1)	See note (1)
Rev-3	461.110	Commercial	\$404,785			Rev-3		\$404,785	100.00%	\$8,188	\$412,973		
Rev-4	0.000	Industrial	\$0			Rev-4		\$0	100.00%	\$0	\$0		
Rev-5	462.000	Private Fire Protection	\$19,563			Rev-5		\$19,563	100.00%	-\$27	\$19,536		
Rev-6	0.000	Public Fire Protection	\$0			Rev-6		\$0	100.00%	\$0	\$0		
Rev-7	0.000	Test Revenue Line	\$0			Rev-7		\$0	100.00%	\$0	\$0		
Rev-8	0.000	Other Public Auth.	\$0			Rev-8		\$0	100.00%	\$0	\$0		
Rev-9	0.000	Sales for Resale	\$0			Rev-9		\$0	100.00%	\$0	\$0		
Rev-10	0.000	Other Water Revenue - Oper. Rev.	\$487,376			Rev-10		\$487,376	100.00%	-\$62,964	\$424,412		
Rev-11		<b>TOTAL OPERATING REVENUES</b>	<b>\$4,427,341</b>					<b>\$4,427,341</b>		<b>-\$118,322</b>	<b>\$4,309,019</b>		
1		<b>SOURCE OF SUPPLY EXPENSES</b>											
2	600.000	Operation Supervision & Engineering	\$0	\$0	\$0	E-2	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
3	601.000	Operation Labor & Expenses	\$0	\$0	\$0	E-3	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
4	602.000	Purchased Water	\$1,109,034	\$0	\$1,109,034	E-4	\$287,796	\$1,396,830	100.00%	\$0	\$1,396,830	\$0	\$1,396,830
5	603.000	Miscellaneous Expenses	\$0	\$0	\$0	E-5	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
6		<b>TOTAL SOURCE OF SUPPLY EXPENSES</b>	<b>\$1,109,034</b>	<b>\$0</b>	<b>\$1,109,034</b>		<b>\$287,796</b>	<b>\$1,396,830</b>		<b>\$0</b>	<b>\$1,396,830</b>	<b>\$0</b>	<b>\$1,396,830</b>
7		<b>PUMPING EXPENSES</b>											
8		<b>TOTAL PUMPING EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
9		<b>WATER TREATMENT EXPENSES</b>											
10		<b>TOTAL WATER TREATMENT EXPENSES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
11		<b>TRANSMISSION &amp; DIST. EXPENSES</b>											
12	660.000	Operation Supervision & Engineering - TDE	\$79,150	\$63,728	\$15,422	E-12	\$6,335	\$85,485	100.00%	\$0	\$85,485	\$70,063	\$15,422
13	661.000	Storage Facilities Expenses TDE	\$0	\$0	\$0	E-13	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
14	662.000	Transmission & Distribution Lines Expenses	\$48,818	\$2,560	\$46,258	E-14	-\$202	\$48,616	100.00%	\$0	\$48,616	\$2,835	\$45,781
15	663.000	Meter Expenses - TDE	\$518	\$268	\$250	E-15	\$18	\$536	100.00%	\$0	\$536	\$286	\$250
16	664.000	Customer Installations Expenses - TDE	\$0	\$0	\$0	E-16	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
17	665.000	Miscellaneous Expenses - TDE	\$0	\$0	\$0	E-17	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
18	666.000	Rents - TDE	\$0	\$0	\$0	E-18	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
19	670.000	Maint. Supervision and Engineering - TDE	\$0	\$0	\$0	E-19	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
20	671.000	Maint. of Structures & Improvements - TDE	\$0	\$0	\$0	E-20	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
21	672.000	Maint. of Dist. Reservoirs & Standpipes - TDE	\$21,033	\$11,807	\$9,226	E-21	\$8,479	\$29,512	100.00%	\$0	\$29,512	\$12,971	\$16,541
22	673.000	Maint. of Transmission & Distribution Mains	\$482,940	\$72,170	\$410,770	E-22	\$7,701	\$490,641	100.00%	\$0	\$490,641	\$79,271	\$411,370
23	674.000	Maint. of Fire Mains - TDE	\$0	\$0	\$0	E-23	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
24	675.000	Maint. of Services - TDE	\$4,612	\$411	\$4,201	E-24	-\$28	\$4,584	100.00%	\$0	\$4,584	\$383	\$4,201
25	676.000	Maint. of Meters - TDE	\$4,878	\$3,954	\$924	E-25	\$376	\$5,254	100.00%	\$0	\$5,254	\$4,330	\$924
26	677.000	Maint. of Hydrants - TDE	\$1,241	\$1,043	\$198	E-26	\$77	\$1,318	100.00%	\$0	\$1,318	\$1,120	\$198
27	678.000	Maint. of Miscellaneous Plant - TDE	\$0	\$0	\$0	E-27	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
28		<b>TOTAL TRANSMISSION &amp; DIST. EXPENSES</b>	<b>\$643,190</b>	<b>\$155,941</b>	<b>\$487,249</b>		<b>\$22,756</b>	<b>\$665,946</b>		<b>\$0</b>	<b>\$665,946</b>	<b>\$171,259</b>	<b>\$494,687</b>
29		<b>CUSTOMER ACCOUNTS EXPENSE</b>											
30	901.000	Supervision - CAE	\$0	\$0	\$0	E-30	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
31	902.000	Meter Reading Expenses - CAE	\$161,412	\$98,094	\$63,318	E-31	\$9,343	\$170,755	100.00%	\$0	\$170,755	\$107,437	\$63,318
32	903.000	Customer Records & Collection Expenses	\$287,621	\$280,961	\$6,660	E-32	\$30,771	\$318,392	100.00%	\$0	\$318,392	\$311,732	\$6,660
33	904.000	Uncollectible Amounts - CAE	\$17,975	\$0	\$17,975	E-33	\$1,673	\$19,648	100.00%	\$0	\$19,648	\$0	\$19,648
34	905.000	Misc. Customer Accounts Expense - CAE	\$0	\$0	\$0	E-34	\$0	\$0	100.00%	\$0	\$0	\$0	\$0

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35		TOTAL CUSTOMER ACCOUNTS EXPENSE	\$467,008	\$379,055	\$87,953		\$41,787	\$508,795		\$0	\$508,795	\$419,169	\$89,626
36		CUSTOMER SERVICE EXPENSES											
37	907.000	Safety Meeting / Safety Equipment	\$61,925	\$16,152	\$45,773	E-37	\$1,761	\$63,686	100.00%	\$0	\$63,686	\$17,913	\$45,773
38		TOTAL CUSTOMER SERVICE EXPENSES	\$61,925	\$16,152	\$45,773		\$1,761	\$63,686		\$0	\$63,686	\$17,913	\$45,773
39		SALES PROMOTION EXPENSES											
40	910.000	Sales Promotion Expenses - SPE	\$0	\$0	\$0	E-40	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
41		TOTAL SALES PROMOTION EXPENSES	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
42		ADMIN. & GENERAL EXPENSES											
43	920.000	Admin. & General Salaries	\$262,900	\$271,137	-\$8,237	E-43	\$30,054	\$292,954	100.00%	\$0	\$292,954	\$301,191	-\$8,237
44	921.000	Office Supplies & Expenses	\$205,795	\$0	\$205,795	E-44	\$13,280	\$219,075	100.00%	\$0	\$219,075	\$0	\$219,075
45	921.100	ROW Permits	\$31,923	\$0	\$31,923	E-45	\$7,202	\$39,125	100.00%	\$0	\$39,125	\$0	\$39,125
46	922.000	Admin. Expenses Transferred - Credit	-\$81,821	\$0	-\$81,821	E-46	\$0	-\$81,821	100.00%	\$0	-\$81,821	\$0	-\$81,821
47	923.000	Outside Services Employed	\$338,464	\$11,811	\$326,653	E-47	-\$56,040	\$282,424	100.00%	\$0	\$282,424	\$13,149	\$269,275
48	923.500	Main GIS Mapping	\$0	\$0	\$0	E-48	-\$1,717	-\$1,717	100.00%	\$0	-\$1,717	\$0	-\$1,717
49	924.000	Property Insurance	\$61,880	\$36	\$61,844	E-49	\$6,220	\$68,100	100.00%	\$0	\$68,100	\$36	\$68,064
50	925.000	Injuries & Damages	\$22,810	\$0	\$22,810	E-50	\$4,004	\$26,814	100.00%	\$0	\$26,814	\$0	\$26,814
51	926.000	Employee Pensions & Benefits	\$366,308	\$338,519	\$27,789	E-51	-\$21,691	\$344,617	100.00%	\$0	\$344,617	\$338,519	\$6,098
52	927.000	Franchise Requirements	\$0	\$0	\$0	E-52	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
53	928.000	Regulatory Commission Expenses	\$30,899	\$0	\$30,899	E-53	\$14,576	\$45,475	100.00%	\$0	\$45,475	\$0	\$45,475
54	929.000	Duplicate Charges - Credit	\$0	\$0	\$0	E-54	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
55	930.210	Board Reports & Directives	\$4,042	\$3,931	\$111	E-55	\$452	\$4,494	100.00%	\$0	\$4,494	\$4,383	\$111
56	930.200	Misc. General Expenses	\$33,383	\$0	\$33,383	E-56	-\$3,716	\$29,667	100.00%	\$0	\$29,667	\$0	\$29,667
57	930.300	R & D Expenses (Education)	\$13,735	\$9,645	\$4,090	E-57	-\$50	\$13,685	100.00%	\$0	\$13,685	\$10,672	\$3,013
58	930.400	Pre-Employment Drug Screening	\$1,960	\$0	\$1,960	E-58	\$0	\$1,960	100.00%	\$0	\$1,960	\$0	\$1,960
59	931.000	Rents - AGE	\$0	\$0	\$0	E-59	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
60	932.000	Maint. of General Plant - AGE	\$36,080	\$9,963	\$26,117	E-60	\$934	\$37,014	100.00%	\$0	\$37,014	\$10,897	\$26,117
61		TOTAL ADMIN. & GENERAL EXPENSES	\$1,328,358	\$645,042	\$683,316		-\$6,492	\$1,321,866		\$0	\$1,321,866	\$678,847	\$643,019
62		DEPRECIATION EXPENSE											
63	403.000	Depreciation Expense, Dep. Exp.	\$439,194	See note (1)	See note (1)	E-63	See note (1)	\$439,194	100.00%	\$160,419	\$599,613	See note (1)	See note (1)
64	0.000	Plastic Meters Depreciation Offset	\$0			E-64		\$0	100.00%	-\$29,288	-\$29,288		
65	403.200	CIAC - Depreciation Offset	\$0			E-65		\$0	100.00%	\$0	\$0		
66		TOTAL DEPRECIATION EXPENSE	\$439,194	\$0	\$0		\$0	\$439,194		\$131,131	\$570,325	\$0	\$0
67		AMORTIZATION EXPENSE											
68	421.000	Amortization of CIAC	\$15,667	\$0	\$15,667	E-68	-\$33,798	-\$18,131	100.00%	\$0	-\$18,131	\$0	-\$18,131
69		TOTAL AMORTIZATION EXPENSE	\$15,667	\$0	\$15,667		-\$33,798	-\$18,131		\$0	-\$18,131	\$0	-\$18,131
70		OTHER OPERATING EXPENSES											
71		Amortization of Net Cost of Removal	\$0	\$0	\$0	E-71	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
72	404.000	Amortization of Expense	\$0	\$0	\$0	E-72	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
73	431.100	Interest on Customer Deposits	\$6,795	\$0	\$6,795	E-73	\$7,999	\$14,794	100.00%	\$0	\$14,794	\$0	\$14,794
74	431.200	Other Penalty / Interest Expense	\$938	\$0	\$938	E-74	\$0	\$938	100.00%	\$0	\$938	\$0	\$938
75	418.200	Evanston House Expense	-\$9,367	\$0	-\$9,367	E-75	\$0	-\$9,367	0.00%	\$0	\$0	\$0	\$0
76	471.100	Sewer - Field Expense	\$0	\$0	\$0	E-76	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
77	471.120	Sewer - Office Expense	\$0	\$0	\$0	E-77	\$0	\$0	100.00%	\$0	\$0	\$0	\$0
78	471.270	Trash Bag Expense	\$3,862	\$0	\$3,862	E-78	\$0	\$3,862	100.00%	\$0	\$3,862	\$0	\$3,862

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Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adj. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor	M MO Adj. Juris. Non Labor
			L + M = K										
79	403.000	EIERA Issuance Costs	\$2,554	\$0	\$2,554	E-79	\$5,108	\$7,662	100.00%	\$0	\$7,662	\$0	\$7,662
80		TOTAL OTHER OPERATING EXPENSE	\$4,782	\$0	\$4,782		\$13,107	\$17,889		\$0	\$27,256	\$0	\$27,256
81		TOTAL TAXES OTHER THAN INCOME											
82	408.100	Property Taxes	\$144,889	\$0	\$144,889	E-82	-\$462	\$144,427	100.00%	\$0	\$144,427	\$0	\$144,427
83	408.000	Employer FICA/FUTA/SUTA	\$78,466	\$78,441	\$25	E-83	\$1,597	\$80,063	100.00%	\$0	\$80,063	\$80,038	\$25
84		TOTAL TOTAL TAXES OTHER THAN INCOME	\$223,355	\$78,441	\$144,914		\$1,135	\$224,490		\$0	\$224,490	\$80,038	\$144,452
85		TOTAL OPERATING EXPENSE	\$4,292,513	\$1,274,631	\$2,578,688		\$328,052	\$4,620,565		\$131,131	\$4,761,063	\$1,367,226	\$2,823,512
86		NET INCOME BEFORE TAXES	\$134,828					-\$193,224		-\$249,453	-\$452,044		
87		INCOME TAXES											
88	0.000	Current Income Taxes	\$0	See note (1)	See note (1)	E-88	See note (1)	\$0	100.00%	-\$177,703	-\$177,703	See note (1)	See note (1)
89		TOTAL INCOME TAXES	\$0					\$0		-\$177,703	-\$177,703		
90		DEFERRED INCOME TAXES											
91	0.000	Deferred Income Taxes - Def. Inc. Tax.	\$0	See note (1)	See note (1)	E-91	See note (1)	\$0	100.00%	\$28,382	\$28,382	See note (1)	See note (1)
92	933.000	Amortization of Deferred ITC	\$0			E-92		\$0	100.00%	\$0	\$0		
93	934.000	Amortization of 2018 Deferred Tax (TCJA)	\$4,649			E-93		\$4,649	100.00%	-\$34,588	-\$29,939		
94		TOTAL DEFERRED INCOME TAXES	\$4,649					\$4,649		-\$6,206	-\$1,557		
95		NET OPERATING INCOME	\$130,179					-\$197,873		-\$65,544	-\$272,784		

(1) Labor and Non Labor Detail not applicable to Revenue & Taxes

Raytown Water Company  
Case No. WR-2023-0344  
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Adjustments to Income Statement Detail

A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
Rev-2	Residential	461.100	\$0	\$0	\$0	\$0	-\$63,519	-\$63,519
	1. To Annualize Residential Revenue		\$0	\$0		\$0	-\$63,519	
	No Adjustment		\$0	\$0		\$0	\$0	
Rev-3	Commercial	461.110	\$0	\$0	\$0	\$0	\$8,188	\$8,188
	1. To Annualize Commercial Revenue		\$0	\$0		\$0	\$8,188	
	2. No Adjustment		\$0	\$0		\$0	\$0	
Rev-5	Private Fire Protection	462.000	\$0	\$0	\$0	\$0	-\$27	-\$27
	1. To adjust Revenue (Horton)		\$0	\$0		\$0	-\$27	
Rev-10	Other Water Revenue - Oper. Rev.		\$0	\$0	\$0	\$0	-\$62,964	-\$62,964
	1. To Annualize Other Water Revenue - Oper. Rev.		\$0	\$0		\$0	-\$62,964	
	2. No Adjustment		\$0	\$0		\$0	\$0	
E-4	Purchased Water	602.000	\$0	\$287,796	\$287,796	\$0	\$0	\$0
	1. To adjust Purchased Water expense (Horton)		\$0	\$287,796		\$0	\$0	
E-12	Operation Supervision & Engineering - TDE	660.000	\$6,335	\$0	\$6,335	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$7,067	\$0		\$0	\$0	
	2. To remove Labor from Transportation Clearing Charges (Niemeier)		-\$732	\$0		\$0	\$0	
E-14	Transmission & Distribution Lines Expenses	662.000	\$275	-\$477	-\$202	\$0	\$0	\$0
	1. To adjust Lab Fees and Chemicals expense (Horton)		\$0	-\$477		\$0	\$0	
	2. To remove Labor from Transportation Clearing Charges (Niemeier)		-\$23	\$0		\$0	\$0	
	3. To include an annualized amount of Payroll (Niemeier)		\$298	\$0		\$0	\$0	
E-15	Meter Expenses - TDE	663.000	\$18	\$0	\$18	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$18	\$0		\$0	\$0	
E-21	Maint. of Dist. Reservoirs & Standpipes - TDE	672.000	\$1,164	\$7,315	\$8,479	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$1,342	\$0		\$0	\$0	
	2. To remove Labor from Transportation Clearing Charges (Niemeier)		-\$178	\$0		\$0	\$0	
	3. To include a normalized level of Electric & Gas Utilities expense (Niemeier)		\$0	\$7,315		\$0	\$0	



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Updated Through 6/30/23  
Adjustments to Income Statement Detail

A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
E-22	Maint. of Transmission & Distribution Mains	673.000	\$7,101	\$600	\$7,701	\$0	\$0	\$0
	1. To adjust Storage Lot Rent expense (Horton)		\$0	\$600		\$0	\$0	
	2. To include an annualized amount of Payroll (Niemeier)		\$7,963	\$0		\$0	\$0	
	3. To remove Labor from Transportation Clearing Charges (Niemeier)		-\$807	\$0		\$0	\$0	
	4. To remove Labor from Backhoe Clearing Charges (Niemeier)		-\$55	\$0		\$0	\$0	
E-24	Maint. of Services - TDE	675.000	-\$28	\$0	-\$28	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$66	\$0		\$0	\$0	
	2. To remove Labor from Transportation Clearing Charges (Niemeier)		-\$94	\$0		\$0	\$0	
E-25	Maint. of Meters - TDE	676.000	\$376	\$0	\$376	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$429	\$0		\$0	\$0	
	2. To remove Labor from Transportation Clearing Charges (Niemeier)		-\$53	\$0		\$0	\$0	
E-26	Maint. of Hydrants - TDE	677.000	\$77	\$0	\$77	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$100	\$0		\$0	\$0	
	2. To remove Labor from Transportation Clearing Charges (Niemeier)		-\$23	\$0		\$0	\$0	
E-31	Meter Reading Expenses - CAE	902.000	\$9,343	\$0	\$9,343	\$0	\$0	\$0
	1. To adjust Uniform expense (Horton)		\$0	\$0		\$0	\$0	
	2. To include an annualized amount of Payroll (Niemeier)		\$10,910	\$0		\$0	\$0	
	3. To remove Labor from Transportation Clearing Charges (Niemeier)		-\$1,567	\$0		\$0	\$0	
E-32	Customer Records & Collection Expenses	903.000	\$30,771	\$0	\$30,771	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$31,188	\$0		\$0	\$0	
	2. To remove Labor from Transportation Clearing Charges (Niemeier)		-\$417	\$0		\$0	\$0	
E-33	Uncollectible Amounts - CAE	904.000	\$0	\$1,673	\$1,673	\$0	\$0	\$0
	1. To adjust Bad Debt expense (Branson)		\$0	\$1,673		\$0	\$0	
E-37	Safety Meeting / Safety Equipment	907.000	\$1,761	\$0	\$1,761	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$1,761	\$0		\$0	\$0	

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Adjustments to Income Statement Detail

A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
E-43	<b>Admin. &amp; General Salaries</b>	920.000	\$30,054	\$0	\$30,054	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$30,054	\$0		\$0	\$0	
E-44	<b>Office Supplies &amp; Expenses</b>	921.000	\$0	\$13,280	\$13,280	\$0	\$0	\$0
	1. To normalize Advertising costs (Lesmes)		\$0	\$0		\$0	\$0	
	2. To adjust Postage expense (Branson)		\$0	\$5,494		\$0	\$0	
	3. To adjust Communication expense (Horton)		\$0	-\$5,326		\$0	\$0	
	4. To adjust Office Supplies expense (Horton)		\$0	-\$4,586		\$0	\$0	
	5. To adjust Leases expense (Horton)		\$0	\$10,865		\$0	\$0	
	6. To adjust Dues & Donations expense (Branson)		\$0	\$3,003		\$0	\$0	
	7. To include a normalized level of electric and gas utilities expense (Niemeier)		\$0	\$3,830		\$0	\$0	
E-45	<b>ROW Permits</b>	921.100	\$0	\$7,202	\$7,202	\$0	\$0	\$0
	1. To annualize ROW Permit expense (Foster)		\$0	\$7,202		\$0	\$0	
E-47	<b>Outside Services Employed</b>	923.000	\$1,338	-\$57,378	-\$56,040	\$0	\$0	\$0
	1. To normalize advertising costs (Lesmes)		\$0	\$797		\$0	\$0	
	2. To adjust Tank Painting expense (Horton)		\$0	\$1,927		\$0	\$0	
	3. To adjust Leases expense (Horton)		\$0	-\$3,723		\$0	\$0	
	4. To adjust Outside Services expense (Horton)		\$0	-\$56,379		\$0	\$0	
	5. To include an annualized amount of Payroll (Niemeier)		\$1,338	\$0		\$0	\$0	
E-48	<b>Main GIS Mapping</b>	923.500	\$0	-\$1,717	-\$1,717	\$0	\$0	\$0
	1. To adjust Main GIS Mapping (Niemeier)		\$0	-\$1,717		\$0	\$0	
E-49	<b>Property Insurance</b>	924.000	\$0	\$6,220	\$6,220	\$0	\$0	\$0
	1. To adjust insurance expense (Branson)		\$0	\$6,220		\$0	\$0	
E-50	<b>Injuries &amp; Damages</b>	925.000	\$0	\$4,004	\$4,004	\$0	\$0	\$0
	1. To adjust Workers Comp expense (Branson)		\$0	\$4,004		\$0	\$0	
E-51	<b>Employee Pensions &amp; Benefits</b>	926.000	\$0	-\$21,691	-\$21,691	\$0	\$0	\$0
	1. To remove Holiday Bonuses (Niemeier)		\$0	-\$3,366		\$0	\$0	
	2. To annualize 401k employer contributions (McMellen)		\$0	\$2,343		\$0	\$0	
	3. To annualize health and dental insurance expense (Niemeier)		\$0	-\$20,668		\$0	\$0	

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
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A Income Adj. Number	B Income Adjustment Description	C Account Number	D Company Adjustment Labor	E Company Adjustment Non Labor	F Company Adjustments Total	G Jurisdictional Adjustment Labor	H Jurisdictional Adjustment Non Labor	I Jurisdictional Adjustments Total
E-53	Regulatory Commission Expenses	928.000	\$0	\$14,576	\$14,576	\$0	\$0	\$0
	1. To annualize PSC Assessment (Branson)		\$0	\$8,720		\$0	\$0	
	2. To normalize Rate Case expense (Lesmes)		\$0	\$5,856		\$0	\$0	
E-55	Board Reports & Directives	930.210	\$452	\$0	\$452	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$452	\$0		\$0	\$0	
E-56	Misc. General Expenses	930.200	\$0	-\$3,716	-\$3,716	\$0	\$0	\$0
	1. To adjust Board of Director Fees. (Niemeier)		\$0	-\$3,716		\$0	\$0	
E-57	R & D Expenses (Education)	930.300	\$1,027	-\$1,077	-\$50	\$0	\$0	\$0
	1. To adjust Education expense (Horton)		\$0	-\$1,077		\$0	\$0	
	2. To include an annualized amount of Payroll (Niemeier)		\$1,027	\$0		\$0	\$0	
E-60	Maint. of General Plant - AGE	932.000	\$934	\$0	\$934	\$0	\$0	\$0
	1. To include an annualized amount of Payroll (Niemeier)		\$1,090	\$0		\$0	\$0	
	2. To remove Labor from Transportation Clearing Charges (Niemeier)		-\$156	\$0		\$0	\$0	
E-63	Depreciation Expense, Dep. Exp.	403.000	\$0	\$0	\$0	\$0	\$160,419	\$160,419
	1. To Annualize Depreciation Expense		\$0	\$0		\$0	\$160,419	
	3. No Adjustment		\$0	\$0		\$0	\$0	
E-64	Plastic Meters Depreciation Offset		\$0	\$0	\$0	\$0	-\$29,288	-\$29,288
	To offset Plastic Meter Annual Depreciation Expense by 45.12% due to cooresponding addition of new AMI meters. (Niemeier)		\$0	\$0		\$0	-\$29,288	
E-68	Amortization of CIAC	421.000	\$0	-\$33,798	-\$33,798	\$0	\$0	\$0
	Amortization of CIAC (Niemeier)		\$0	-\$33,798		\$0	\$0	
E-73	Interest on Customer Deposits	431.100	\$0	\$7,999	\$7,999	\$0	\$0	\$0
	1. To normalize customer deposits interest (Lesmes)		\$0	\$7,999		\$0	\$0	
E-79	EIERA Issuance Costs	403.000	\$0	\$5,108	\$5,108	\$0	\$0	\$0
	1. To annualize EIERA issuance cost. (Branson)		\$0	\$5,108		\$0	\$0	
E-82	Property Taxes	408.100	\$0	-\$462	-\$462	\$0	\$0	\$0
	1. To adjust Property Taxes (Lesmes)		\$0	-\$462		\$0	\$0	
E-83	Employer FICA/FUTA/SUTA	408.000	\$1,597	\$0	\$1,597	\$0	\$0	\$0

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
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	1. To adjust Payroll Taxes (Niemeier)		\$1,597	\$0		\$0	\$0	
E-88	Current Income Taxes		\$0	\$0	\$0	\$0	-\$177,703	-\$177,703
	1. To Annualize Current Income Taxes		\$0	\$0		\$0	-\$177,703	
E-91	Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0	\$0	\$0	\$28,382	\$28,382
	1. To Annualize Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0		\$0	\$28,382	
E-93	Amortization of 2018 Deferred Tax (TCJA)	934.000	\$0	\$0	\$0	\$0	-\$34,588	-\$34,588
	1. To Annualize Amortization of 2018 Deferred Tax (TCJA)		\$0	\$0		\$0	-\$34,588	
Total Operating Revenues			\$0	\$0	\$0	\$0	-\$118,322	-\$118,322
Total Operating & Maint. Expense			\$92,595	\$235,457	\$328,052	\$0	-\$52,778	-\$52,778

Raytown Water Company  
Case No. WR-2023-0344  
Test Year 12 months Ending 12/31/22  
Updated Through 6/30/23  
Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 6.80% Return	E 6.80% Return	F 6.80% Return
1	TOTAL NET INCOME BEFORE TAXES		-452,044	722,738	722,738	722,738
2	ADD TO NET INCOME BEFORE TAXES					
3	Book Depreciation Expense		570,325	570,325	570,325	570,325
4	CIAC Amortization		-18,131	-18,131	-18,131	-18,131
5	TOTAL ADD TO NET INCOME BEFORE TAXES		552,194	552,194	552,194	552,194
6	SUBT. FROM NET INC. BEFORE TAXES					
7	Interest Expense calculated at the Rate of	1.9060%	174,297	174,297	174,297	174,297
8	Tax Straight-Line Depreciation		552,194	552,194	552,194	552,194
9	Excess Tax Depreciation		119,052	119,052	119,052	119,052
10	TOTAL SUBT. FROM NET INC. BEFORE TAXES		845,543	845,543	845,543	845,543
11	NET TAXABLE INCOME		-745,393	429,389	429,389	429,389
12	PROVISION FOR FED. INCOME TAX					
13	Net Taxable Inc. - Fed. Inc. Tax		-745,393	429,389	429,389	429,389
14	Deduct Missouri Income Tax at the Rate of	100.000%	-26,798	15,437	15,437	15,437
15	Deduct City Inc Tax - Fed. Inc. Tax		\$0	\$0	\$0	\$0
16	Federal Taxable Income - Fed. Inc. Tax		-718,595	413,952	413,952	413,952
17	Federal Income Tax at the Rate of	21.000%	-150,905	86,930	86,930	86,930
18	Subtract Federal Income Tax Credits					
19	Credits - Solar		\$0	\$0	\$0	\$0
20	Net Federal Income Tax	21.000%	-150,905	86,930	86,930	86,930
21	PROVISION FOR MO. INCOME TAX					
22	Net Taxable Income - MO. Inc. Tax		-745,393	429,389	429,389	429,389
23	Deduct Federal Income Tax at the Rate of	50.000%	-75,453	43,465	43,465	43,465
24	Deduct City Income Tax - MO. Inc. Tax		\$0	\$0	\$0	\$0
25	Missouri Taxable Income - MO. Inc. Tax		-669,940	385,924	385,924	385,924
26	Subtract Missouri Income Tax Credits					
27	Test MO State Credit		\$0	\$0	\$0	\$0
28	Missouri Income Tax at the Rate of	4.000%	-26,798	15,437	15,437	15,437
29	PROVISION FOR CITY INCOME TAX					
30	Net Taxable Income - City Inc. Tax		-745,393	429,389	429,389	429,389
31	Deduct Federal Income Tax - City Inc. Tax		-150,905	86,930	86,930	86,930
32	Deduct Missouri Income Tax - City Inc. Tax		-26,798	15,437	15,437	15,437
33	City Taxable Income		-567,690	327,022	327,022	327,022
34	Subtract City Income Tax Credits					
35	Test City Credit		\$0	\$0	\$0	\$0
36	City Income Tax at the Rate of	0.000%	\$0	\$0	\$0	\$0
37	SUMMARY OF CURRENT INCOME TAX					
38	Federal Income Tax		-150,905	86,930	86,930	86,930
39	State Income Tax		-26,798	15,437	15,437	15,437
40	City Income Tax		\$0	\$0	\$0	\$0
41	TOTAL SUMMARY OF CURRENT INCOME TAX		-177,703	102,367	102,367	102,367
42	DEFERRED INCOME TAXES					
43	Deferred Income Taxes - Def. Inc. Tax.		28,382	28,382	28,382	28,382
44	Amortization of Deferred ITC		\$0	\$0	\$0	\$0
45	Amortization of 2018 Deferred Tax (TCJA)		-29,939	-29,939	-29,939	-29,939
46	TOTAL DEFERRED INCOME TAXES		-1,557	-1,557	-1,557	-1,557
47	TOTAL INCOME TAX		-179,260	100,810	100,810	100,810

**Raytown Water Company**  
**Case No. WR-2023-0344**  
**Test Year 12 months Ending 12/31/22**  
**Updated Through 6/30/23**  
**Capital Structure Schedule**

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital 10.37%	F Weighted Cost of Capital 10.37%	G Weighted Cost of Capital 10.37%
1	Common Stock	\$5,923,376	47.20%		4.895%	4.895%	4.895%
2	Other Security Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
3	Preferred Stock	\$1,860,000	14.82%	3.25%	0.482%	0.482%	0.482%
4	Long Term Debt	\$4,765,000	37.97%	3.75%	1.424%	1.424%	1.424%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
6	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%	0.000%	0.000%
7	<b>TOTAL CAPITALIZATION</b>	<b>\$12,548,376</b>	<b>100.00%</b>		<b>6.801%</b>	<b>6.801%</b>	<b>6.801%</b>
8	PreTax Cost of Capital				8.333%	8.333%	8.333%

**Raytown Water Company**  
**Case No. WR-2023-0344**  
**Test Year 12 months Ending 12/31/22**  
**Updated Through 6/30/23**  
**Executive Case Summary**

<b>Line Number</b>	<b><u>A</u> Description</b>	<b><u>B</u> Amount</b>
1	Annualized Missouri Retail Revenues	\$4,309,019
2	Annualized Customer Numbers	6,597
3	Annualized Customer Usage	2,761,581
4	Profit (Return on Equity)	\$491,708
5	Interest Expense	\$174,297
6	Annualized Payroll	\$1,367,226
7	Utility Employees	0
8	Depreciation	\$599,613
9	Net Investment Plant	\$10,565,917
10	Pensions	\$0

**Disposition Agreement Attachment D**  
**Rate Base Worksheet**



**Raytown Water Company**  
**Case No. WR-2023-0344**  
**Test Year 12 months Ending 12/31/22**  
**Updated Through 6/30/23**  
**RATE BASE SCHEDULE**

Line Number	A Rate Base Description	B Percentage Rate	C Dollar Amount
1	Plant In Service		\$19,434,338
2	Less Accumulated Depreciation Reserve		\$8,868,421
3	Net Plant In Service		<u>\$10,565,917</u>
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		\$0
6	Contributions in Aid of Construction Amortization		\$224,212
7	Materials & Supplies		\$437,858
8	Prepayments		\$68,482
9	Meter Rerouting Project		<u>\$0</u>
10	TOTAL ADD TO NET PLANT IN SERVICE		<u>\$730,552</u>
11	SUBTRACT FROM NET PLANT		
12	Federal Tax Offset	0.0000%	\$0
13	State Tax Offset	0.0000%	\$0
14	City Tax Offset	0.0000%	\$0
15	Interest Expense Offset	0.0000%	\$0
16	Contributions in Aid of Construction		\$643,798
17	Customer Advances		\$5,000
18	Customer Deposits		\$174,045
19	Deferred Income Taxes		\$916,930
20	Excess Deferred Income Taxes		\$412,047
21	Accrued Pension Liability		<u>\$0</u>
22	TOTAL SUBTRACT FROM NET PLANT		<u>\$2,151,820</u>
23	Total Rate Base		<u><u>\$9,144,649</u></u>

**Disposition Agreement Attachment E**  
**Schedule of Depreciation Rates**

RAYTOWN WATER COMPANY  
Schedule of Depreciation Rates WATER  
WR-2023-0344

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
303	Misc. Intangible Plant	0.0%	N/A	N/A
340	Land and Land Rights	0.0%	N/A	N/A
342	Distribution Reservoirs & Standpipes	2.5%	40	0%
343	Transmission & Distribution Mains	2.0%	50	0%
343.1	Gateway Transmission Project	0.0%	N/A	0%
345	Services	2.5%	40	0%
346	Meters, Plastic	10.0%	10	0%
346.1	Meters, Bronze	0.0%	27	10%
346.2	Meters, Hot Rod	5.0%	20	0%
346.4	Meters, AMI	6.67%	15	0%
347	Meter Installations	5.7%	17.5	0%
348	Hydrants	2.0%	48	5%
389	Land and Land Rights	0.0%	N/A	N/A
390	Structures & Improvements	2.5%	40	0%
391	Office Furniture & Equipment	5.0%	20	0%
391.1	Office Electronic Equipment	0.0%	N/A	0%
392	Transportation Equipment	7.8%	12	7%
394	Tools, Shop, Garage Equipment	5.0%	20	0%
395	Laboratory Equipment	0.0%	20	0%
396	Power Operated Equipment	0.0%	14	6%
397	Communication Equipment	0.0%	15	0%

**Disposition Agreement Attachment F  
Rate Design Worksheet**

# THE RAYTOWN WATER COMPANY

## Development of Tariffed Rates-Water

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

<b>Revenues Generated by Current Tariffed Rates</b>	<b>\$ 4,309,019</b>
<b>Agreed-Upon Overall Revenue Increase</b>	<b>\$ 1,174,782</b>
<b>Percentage Increase Needed</b>	<b>27.263%</b>

### Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 12.86	\$ 20.53	\$ 8.08	\$ 9.56
1"	\$ 23.33	\$ 37.25	\$ 8.08	\$ 9.56
1.5"	\$ 40.54	\$ 64.73	\$ 8.08	\$ 9.56
2"	\$ 61.24	\$ 97.78	\$ 8.08	\$ 9.56
3"	\$ 109.46	\$ 174.78	\$ 8.08	\$ 9.56
4"	\$ 178.31	\$ 284.71	\$ 8.08	\$ 9.56

### Private Fire Hydrants and Automatic Sprinkler Systems

	Current Charge	Proposed Charge
<b>Fire Hydrant</b>	\$ 236.17	\$ 378.97

<b>Sprinkler Meter Size</b>	Current Charge	Proposed Charge
2" or less	\$ 28.18	\$ 45.73
4"	\$ 112.10	\$ 181.90
6"	\$ 236.17	\$ 383.22
8"	\$ 425.08	\$ 689.75
10"	\$ 631.28	\$ 1,024.34

**Disposition Agreement Attachment G  
Billing Comparison Worksheet**

# THE RAYTOWN WATER COMPANY

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## Residential Customer Bill Comparison-Water

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### Rates for 5/8" Meter

Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$12.86	\$20.53	\$8.08	\$9.56

Current service charge is monthly charge.

Usage rate is per 1,000 gallons used.

### MONTHLY BILL COMPARISON

4,000 gallons/month usage

#### Current Rates

Customer Charge	\$ 12.86
Usage Charge	\$ 32.32
<b>Total Bill</b>	<b>\$ 45.18</b>

#### Proposed Rates

Customer Charge	\$ 20.53
Usage Charge	\$ 38.24
<b>Total Bill</b>	<b>\$ 58.77</b>

#### INCREASES

##### Customer Charge

\$ Increase	\$7.67
% Increase	59.673%

##### Usage Charge

\$ Increase	\$5.92
% Increase	18.317%

##### Total Bill

\$ Increase	\$13.59
% Increase	30.089%

Disposition Agreement Attachment H  
Example Tariff



Name of Utility: The Raytown Water Company  
 Service Area: Raytown, MO & Territory Adjacent Thereto

**Rules and Regulations Governing Rendering of  
 Water Service**

Schedule of Rates

**Rules and Regulations:** The Rules and Regulations set forth in this Tariff shall cover the supply of service under this rate.

**Availability:** Any metered customer located in the Company's service territory.

**Water Rates:** There shall be a monthly minimum charge on the size of the water meters as follows: +

Meter Size	Charge	Meter Size	Charge
5/8"	\$20.53	2.0"	\$97.78
1.0"	\$37.25	3.0"	\$174.78
1.5"	\$64.73	4.0"	\$284.71

There shall be a metered usage charge applied on a monthly basis, and billed by the Company on a monthly basis of \$9.56 per 1,000 gallons.

**Bulk Water Service Rate:** Bulk Water sales shall be at the rate of \$0.25 per 43 gallons.

**Payment Terms:** Bills are due and payable within twenty-one (21) days after rendition of the bill. Online payment thru OPAY: third party fee assessed by and paid directly to OPAY.

\* Indicates new rate or text

+ Indicates change

ISSUE DATE: August 31, 2023  
 Month /Day/Year

EFFECTIVE DATE: October 16, 2023  
 Month /Day/Year

ISSUED BY Neal Clevenger, President  
 Name and Title of Issuing Officer

10017 E. 63<sup>rd</sup> Street, Raytown, MO 64133  
 Mailing Address

Name of Utility: The Raytown Water Company  
 Service Area: Raytown, MO & Territory Adjacent Thereto

**Rules Governing  
 Rendering of Water Service**

Private Fire Service Charges

Applicability: These rates are for fire hydrants and fire protection systems installed on private property.

Construction Provision: Expense of installation will be borne by the customer. A detector meter of Missouri Department of Natural Resources approved make and size must be incorporated in each fire protection system.

Contract Term and Billing: All bills under this schedule will be rendered monthly.

Rate Table:

Fire Hydrants

For each hydrant installed: \$272.77 annually

Automatic Sprinkler System

Rates +

Tap Size	Annual Charge
2.0" or less	\$45.73
4.0"	\$181.90
6.0"	\$383.22
8.0"	\$689.75
10"	\$1,024.34

Payment Terms: Bills are due and payable within twenty-one (21) days after remittance.

Special Provisions

1. Private fire protection hydrants and systems are to be used solely for the extinguishment of fires or for fire drills.
2. No connections for water service for uses other than fire protection shall be made to any private fire protection system.
3. The addition of any hydrants, sprinkler heads or other outlets shall be reported immediately to the Company.

\* Indicates new rate or text

+ Indicates change

ISSUE DATE: August 31, 2023  
 Month /Day/Year

EFFECTIVE DATE: October 16, 2023  
 Month /Day/Year

ISSUED BY Neal Clevenger, President  
 Name and Title of Issuing Officer

10017 E. 63<sup>rd</sup> Street, Raytown, MO 64133  
 Mailing Address

Name of Utility: The Raytown Water Company  
 Service Area: Raytown, MO & Territory Adjacent Thereto

Rules Governing  
 Rendering of Water Service

**Schedule of Service Charges**

Contractor Fire Hydrant Meter Rental: Contractors may rent a hydrant meter for use in construction. This meter may only be installed/uninstalled by Company personnel.

An application for service must be completed and a security deposit of the actual cost of a replacement meter must be paid in advance. Billing will include a minimum charge of \$25.00 plus water usage, based on the rate on file with the Missouri Public Service Commission, which will be deducted from the deposit and a final billing or refund will be issued upon return of the meter.

**Discontinuance of Service for non-payment of Bill, Bad Check or Non Compliance with Cross Connection/Backflow Prevention**

- 1. Collection Administrative Fee Chargeable on accounts which payment is received after the specified disconnect date and time but service has not yet been disconnected: \$15.00
- 2. Disconnect turn-off charge (meter still installed): \$25.00
- 3. Reconnect turn-on charge during regular restoration hours (meter still installed): \$25.00
- 4. A Reconnect turn-on charge of \$40.00 will be charged where the customer has requested the reconnection be made during times other than regular working hours. Payment must be received in the Company's office by 3:30 pm to ensure timely dispatch during regular working hours. A customer will be told the level of the charge in advance of the reconnect.

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If the customer or representative is not present, the Company will leave a Customer Notice advising that a company representative attempted to turn on water service; however, the meter showed water was running inside the property and no one was present to remedy the problem.

\$25.00 will be assessed for each additional restoration trip during normal business hours and \$40.00 will be assessed for each additional restoration trip after business hours.

**IF METER REQUIRES REINSTALLATION, AN ADDITIONAL FEE MAY APPLY.  
 SEE METER REINSTALL FEE SCHEDULE.**

- \* Indicates new rate or text
- + Indicates change

ISSUE DATE: August 31, 2023  
 Month /Day/Year

EFFECTIVE DATE: October 16, 2023  
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ISSUED BY Neal Clevenger, President  
 Name and Title of Issuing Officer

10017 E. 63<sup>rd</sup> Street, Raytown, MO 64133  
 Mailing Address

**Disposition Agreement Attachment I  
Customer Experience Department Report**

# CUSTOMER EXPERIENCE DEPARTMENT REPORT

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

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

The scope of this review will focus on the processes, procedures and practices related to:

1. Customer Billing
2. Meter Reading
3. Payment Remittance
4. Credit and Collections
5. Complaints and Inquiries
6. Customer Rights and Responsibility Brochure
7. Estimating Procedures

The CXD Staff reviewed the Company’s tariffs, Commission complaint and inquiry records, and other documentation related to the Company’s customer service and business operation. In preparation of this report, the CXD Staff submitted data requests (“DRs”) to Raytown Water Company throughout the review. A virtual local public hearing was held on May 23, 2023 and was attended by CXD Staff.

## **Overview**

The Company’s corporate office is located at 10017 E. 63rd St, Raytown, MO 64133. Business office hours are Monday-Friday 7am-4pm. Customers may call Raytown after its normal business hours by calling the office at (816)356-0333. Raytown Water Company uses Professional Answering Service Company for answering after hour calls. The Company is provided records of these calls via fax and emails daily. The General Manager, Neal Clevenger, is on call 24/7 to receive urgent messages such as water main break reports. As of March 31, 2023, the Company states it has 6,458 active water customers. Raytown Water Company employs 21 employees in various job titles. There are two methods a customer can use to obtain information about Raytown Water Company and/or to contact them. One is their website [www.raytownwater.net](http://www.raytownwater.net) and the other is their email address [Customer@raytownwater.net](mailto:Customer@raytownwater.net). The business office is closed on all federal holidays.

## **Customer Billing**

When initiating water service, Raytown Water Company requires the customer to complete an application for service which includes providing the service address, social security number, driver's license, if renting, a copy of the written lease/rental agreement, if a home owner, a copy of the mortgage/deed to show ownership, and finally a deposit may be required which a minimum of two times the highest bill for the history of the property. If the completed application is received by 12:00pm (noon), the water may be turned on same day otherwise it will be the next business afternoon.

Raytown Water's billing system, Cubic, is divided into four billing cycles. The meters are read each week per billing cycle. The meter reads are then uploaded to their billing system by a billing clerk. The billing clerk generates exception reports for any high-low water usage or no water usage reads. Once all readings have been verified, a bill is issued and mailed and/or emailed to the customer. The customer is given 21 days to make payment prior to any late charge being assessed. Bills are printed on blue card stock, stuffed in house and taken to the US Post office. The Customer Portal is also updated on the Company's website, [www.raytownwater.net](http://www.raytownwater.net), so customers have access to their bill online.

In case WR-2020-0264, a recommendation was made that the Company comply with Chapter 13 billing requirements. The Company had stated they were short staffed and the short billings happened in February of the last rate case. A normal billing period means a normal usage period of not less than twenty-six nor more than thirty-five days for a monthly billed customer.. Staff reviewed five residential customer bills over three consecutive billing periods and found all the billing statements were billed appropriately within Chapter 13 guidelines. The Company states it is near full staff status currently.

## **Meter Reading**

Raytown Water Company manually reads meters weekly using a hand-held meter reading device. One-fourth of the system is read each week. The meter reader brings the meter reading device back to the billing clerk to be uploaded to the Company's billing system called Cubic. Reports are generated for any exceptions such as high-low and no reads. If water usage is higher than normal, a High Usage letter is delivered to the customer advising to check for possible leaks and/or water loss and to notify the Company of any sudden increase in usage. If there is a low read, a work order is generated to check the meter's integrity and to verify occupancy. If the meter is working properly a Low Usage bill is delivered to the customer requesting them to notify the Company with any reason for the sudden decrease. If the meter is found to be not working properly, the old meter is replaced with a new meter. If there is no water usage, a meter reader is sent out to check the meter. If the meter is found to be not working properly, it is replaced and the customer is notified of the change out. The bill is then adjusted to normal average usage and the account is noted accordingly. The Company employs two full time meter readers.

## **Payment Remittance**

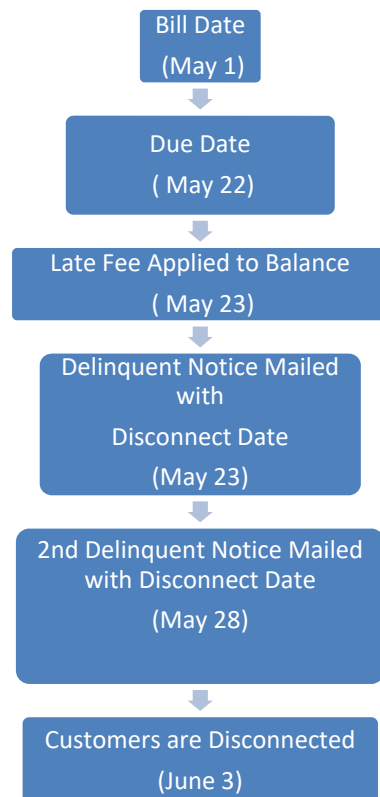
Customers can pay by check, cash or money order, traveler's check, cashier's check, debit or credit cards and ACH payments. Payments can also be made over the phone, online ([www.raytownwater.net](http://www.raytownwater.net)), in person or by mailing payments to the Company. There are 3 drop off boxes at the business office located at:

1. Walk up drop box on NW corner of the building which is available 24/7
2. Drive up box on west side of the building which is available 24/7
3. Drop off box inside lobby

Credit/Debit cards accepted are Visa, MasterCard, Discover and Amex. There is a 3<sup>rd</sup> party fee of \$2.45 charged to the customer per transaction when using a credit/debit card. All payments are posted in house the same day as received either in person or by mail during normal business hours. Drop box payments are collected twice a day at 7am and 12 pm. Online payments received after 7pm are posted on the next business day in the morning. The Company also offers budget billing to customers who are interested in this type of billing.

## **Credit and Collections**

Raytown Water Company has an established process for handling delinquent accounts. The chart below illustrates the action taken on an account that is unpaid if the bill rendition is the 1<sup>st</sup> day of May:



Source: Raytown Water Company

The table above illustrates the collections process for a customer disconnect. As stated in the process above, all accounts that are unpaid are subject to a disconnection after their account becomes delinquent. The Company may disconnect service after notice by first class mail is sent to the customer at least 10 days prior to the date of the proposed discontinuance. If written notice is hand delivered to the customer, it shall be done at least ninety-six hours prior to discontinuance. If service is disconnected and the delinquent amount is paid in full, service is connected the same day, unless it is late in the day then service will be restored immediately the next morning. Disconnect Notices are generated, exported as a pdf and saved on the server by disconnect date. The customer's account is automatically updated with the information so it is easily accessible by Customer Service. The notices are retained for a minimum of seven years.

There is a \$25 fee assessed at the time of shut-off after a customer's service is shut off for nonpayment. If the customer doesn't pay within 10 business days of disconnection, the account is forced final and a base fee is prorated to date of shut off. A late fee is assessed on all final bills if not paid by the due date. If the closed account is not paid after the due date, the account is flagged and sent to a collection agency. The customer could incur third-party fees as a result.

### **Complaints and Inquiries**

Customers with questions or concerns may call Raytown Water Company using the telephone number that is listed on their billing statement. The type of complaint depends on who will get the complaint. Customer Service can resolve most billing/account complaints but in the case they cannot, the complaint is escalated to the Vice President or President/General Manager to resolve. If the complaint is more of a technical issue, the complaint is sent to the Customer Service Technician for evaluation. In some cases such as low water pressure, a Field Technician is sent to the home for further inspection.

### **Customer Rights and Responsibility Brochure**

In the last rate case, WR-2020-0264, the Company needed to address Chapter 13 rules regarding their company brochure, specifically the methods for customer verification of billing accuracy and the explanation of meter reading procedures which would enable a customer to ready his/her own meter. Staff has reviewed the brochure and the Company has made the recommended changes accordingly. The brochure complies with all Chapter 13 rules.

The brochure is mailed out annually in January to all customers with their bills. New customers receive a copy of the brochure at the time of application for service. Brochures are available online, in the office and distributed at the Community Fair in April of year.

### **Estimating Procedures**

Meters are read monthly. If the Company is unable to read a customer's meter at its regularly scheduled time, the Company may estimate the meter reading in order to calculate a bill. Customer accounts which meters cannot read will be issued an estimated bill. The estimated bill is calculated on the previous 6 months usage. If the customer has no previous historical data, the bill will be issued for the number of days the account is active times 100 gallons/per day. Billing adjustments



will be made when the actual reading is obtained. If for some reason the Company is not able to access the customer's property to obtain an actual meter reading, the Company may discontinue service, unless and until the customer provides an accessible meter well inside the customer's property line. In 2020, the Company updated its tariff sheet, page thirty-five and thirty-six to reflect their updated estimating procedures so they are in compliance with Chapter 13 rules. This was a recommendation in the previous rate case, WR-2020-0264.

### **Findings and Conclusions**

Staff did not have any findings or recommendations for this report. Staff reviewed the previous recommendations in the last rate case, WR-2020-0264, and found that the Company had complied with the recommendations regarding estimating procedures, billing date issues, fees while in disconnect status and the customer brochure.

**Disposition Agreement Attachment J  
Water, Sewer, & Steam Department Report**

# WATER, SEWER, & STEAM DEPARTMENT FIELD OPERATIONS AND TARIFF REVIEW

## INTRODUCTION

Staff performed an inspection of the water system on Wednesday Thursday April 26, 2023 with the Owner / President, Neal Clevenger and Vice-President, Chiki Thompson. A description of the facilities and a listing of Staff's observations and suggestions for improvement is listed below. At the time of Staff's inspection the facilities appeared to be operating routinely.

## WATER SYSTEM OVERVIEW

The RWC certificated service includes approximately two-thirds of the City of Raytown and a small portion of the City of Independence, both of which are suburban communities in Jackson County, near Kansas City, MO. RWC reported 6,541 metered service connections.<sup>1</sup> RWC does not produce any of its own water, it purchases water wholesale from Kansas City (KC).

There are 379,210 feet of water main distributing water through the RWC service area. The majority of the pipe, 318,941 feet (84%), is cast iron. The rest of the distribution system is made up of various materials of pipes including: galvanized iron, polyvinyl chloride (PVC), ductile iron, and even some copper pipe. The pipes range in size from two-inches to twelve-inches in diameter. Water is received through any of eight metered connections which can be opened and closed as needed. Seven of the connections are six-inch water meters and the other is a four-inch water meter. The metering points are owned by RWC but the meters themselves are owned by KC.

On July 14, 2022, RWC signed a twenty year Purchase Water Agreement (PWA) with KC. This agreement guarantees RWC up to three million gallons of water per day (MGD) under normal operating conditions. The PWA allows for KC to restrict water use to RWC in the event KC is not able to provide more. It is written in the PWA that RWC maintain enough water in storage to "during normal and peak operating periods, storage facilities shall be available and used to the fullest extent for the purpose of offsetting peak demand." The PWA also includes language allowing the cost of water being purchased by RWC to be increased by KC as needed.

RWC customers use an average of 1.1 MGD. The availability of water to RWC and others who receive water from KC can depend on KC customer water use as well as emergency events that take place within KC's water system, such as main breaks and water flow for firefighting. Extraordinary usage caused by events such as these can affect available flow through several of

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<sup>1</sup> DR 0092

the metering points at the same time. Under normal operating conditions RWC should be able to receive more than adequate water supply from KC, but if flow is disrupted then it is good for RWC to maintain plenty of water in storage.

Since RWC is a wholesale customer, it is important to have sufficient storage in the event the event of a lack of supply. RWC has three elevated storage tanks, which in total can store 2.5 million gallons of water. KC delivers water to Raytown with enough pressure to push the water to the top of the storage tanks so pumping equipment is not required. In the event of a water main break or fire in the KC area or to one of the other districts to which it supplies water, the amount of water being provided to RWC could be limited. In that case, it would be beneficial to RWC to have additional water storage. A fourth elevated storage tank, built in 1925, stands near the old office building. This tank was taken out of service and removed from rates by the PSC several years ago after the large two-million gallon hydropillar storage tank was built, because it was determined by Staff to no longer be needed. According to RWC, the city fire department has urged RWC to place the fourth storage tank back in service to provide more consistent water pressure in the downtown area.

## SYSTEM OPERATIONS REVIEW

RWC has a contract with Suez, a specialty contractor, for storage tank maintenance. The contractor monitors tank condition, and undertakes minor and major repairs and rehabilitation when necessary. Suez has also been working with RWC to replace all of the water meters to new Advanced Meter Infrastructure (AMI) technology to increase reliability and decrease water loss reporting. RWC states that the contractor provides excellent response when called upon. The storage tanks are in generally good condition as detailed in 2019 tank inspection reports reviewed by Staff.

## OPERATIONS RECORDS

RWC maintains a Geographic Information System (GIS) record of its water mains along with locations of valves, fire hydrants and meter settings. Locations of these components are on photograph maps both on paper, and in electronic format available in the office on a computer or in the field on an electronic tablet. In addition to locations on the GIS map system, fire hydrant inventory with information regarding the make, condition, and maintenance work is kept in a paper document. RWC undertakes routine painting and maintenance checks every few years. Additionally, RWC states that it regularly corresponds with the city fire department, which is authorized to operate and test fire hydrants, and which keeps hydrant test flow records.

Similar to hydrants, valve inventory is shown on RWC's GIS map system, but RWC also has paper records of valve location and operation with information regarding size, location, direction and number of turns to open, normal position (open or closed), condition information of the valve and valve box, and date of exercise/inspection. Valves are inspected and operated as needed, and as such, there is not a regularly conducted valve exercise program. RWC states that

it has identified several areas where additional valves are desirable, in order to reduce the number of affected customers when work is conducted in the areas. Additional valves are being installed in conjunction with new mains or main replacements.

All RWC customers are metered. Meter records are kept in a searchable electronic database. RWC uses the meter size and age sort functions for the meter test program that meets Commission Rule 20 CSR 4240-10.030(38). This rule requires 5/8-inch meters used on most residential and small commercial customers to be tested every ten (10) years or 1.5 million gallons, whichever is first. Larger meters are required to be tested more frequently and with greater registered volumes, based on size.

Although in the past, water utilities, including RWC, would test and rebuild all meters on this schedule, now most utilities simply replace 5/8-inch and 3/4-inch size meters with new meters, because the low cost of new small meters makes this more economical. RWC has replaced approximately half of the old meters with new AMI meters which can be read remotely. AMI technology will save time for meter readers who can now perform other tasks. AMI meters allow RWC to give better information to customers who dispute high water bills. The data provided by AMI meters can determine down to the hour how much water was used by a customer.

Because of RWC's proximity to its wholesale water provider, KC, there are some sections of KC's or RWC's water mains that are located generally along city limit boundaries in streets, with KC residents/customers on one side of the street and RWC customers as either City of Raytown or City of Independence residents on the other side. According to the RWC staff, there are currently eleven RWC customers who are actually connected directly to a water main owned by KC and served through KC meters, where KC bills RWC for water service and RWC bills each customer using its approved water rates. Also the opposite scenario exists; there are currently twenty-six KC customers who are connected directly to a water main owned by RWC and served through RWC meters, where RWC bills KC for water service and then KC bills its customers using its water rates.

RWC maintains written operations plans that include: Operational Policy & Procedures, Main Leak and Repair Program, and Contractor Qualification Requirements. Copies of these plans were provided during the system inspection and they are adequate for the RWC system.

RWC states that it is understaffed to perform the work required and would greatly benefit from two additional field workers which would all the Company to have a fully staffed leak repair and main replacement crew as well as a fully staffed restoration crew in addition to the meter readers who also perform disconnections and reconnections as needed. Staff has encouraged RWC to hire two new field workers in order to do the work required and show evidence of the benefit to have these additional workers approved and have the additional salaries included in rates. To date, Staff has not received any documentation from RWC about the hiring of additional workers

or any information about the efforts made and the difficulties encountered in the attempt to hire qualified workers.

#### OTHER OPERATIONS MATTERS

RWC, and the City of Raytown, have an agreement that provides for discontinuance of water service by RWC for nonpayment of sewer bills to the City of Raytown as the sewer utility. This activity is authorized by state statutes, §§393.015 and 393.016, RSMo, and RWC tariff Rule 13A. RWC states that the agreement is exercised routinely, and seems to be working well.

#### TARIFF REVIEW

Staff reviewed a current copy of the tariff. Raytown's current tariff became effective September 8, 2020. Staff will work with Raytown to revise P,S.C. MO No. 5 4<sup>th</sup> Revised Sheet No. 9, 2<sup>nd</sup> Revised Sheet Nos. 10 – 11, and 1<sup>st</sup> Revised Sheet No. 12 if changes to rates are approved by the Commission.

#### RATE DESIGN

Staff reviewed the current rate design and is not making any recommendations in this rate case that would change the existing rate structure. Currently, all of the Company's customers pay a monthly fixed customer charge and a commodity rate per thousand gallons of water consumed. New rates have been calculated based on the increase and have been included in the supporting documents.

#### CONCLUSION AND RECOMMENDATIONS

Staff has no specific recommendations at this time regarding operations. Staff has not received any customer complaints nor customer comments that would indicate significant shortcomings from an operations perspective.

**Disposition Agreement Attachment K**  
**Summary of Case Events**

The Raytown Water Company  
MO PSC File No. WR-2023-0344  
Summary of Case Events

<b>Date Filed:</b>	April 3, 2023
<b>Day 150:</b>	September 14, 2023
<b>Extension?</b>	Yes. A 14 day extension was filed prior to Day 150 to allow Staff additional time for negotiations among the parties
<b>Amount Requested Water:</b>	\$735,103
<b>Amount Proposed Water:</b>	\$1,174,782
<b>Item(s) Driving Rate Decrease:</b>	The current rates have been in effect since the last Rate Case in 2020.
<b>Number of Customers: Return on Equity: Assessment</b>	6,541 service connections 10.37%
<b>Current:</b>	Yes
<b>Annual Reports Filed:</b>	Yes
<b>Other Open Cases before Commission:</b>	No
<b>Status with Secretary of State:</b>	Good Standing
<b>DNR Violations:</b>	None
<b>Significant Service/Quality Issues:</b>	None