STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held by telephone and internet audio conference on the 26th day of August, 2020.

In the Matter of The Raytown Water Company's Request for Annual Operating Revenue Increase	)))	**File No. WR-2020-0264** Tariff No. YW-2021-0022

ORDER APPROVING UNANIMOUS DISPOSITION AGREEMENT

Issue Date: August 26, 2020 Effective Date: September 8, 2020

The Raytown Water Company on March 2, 2020, submitted a letter requesting an increase in its annual overall operating revenues in accordance with the Commission's staff assisted rate case procedure.[1] Raytown Water provides water service to about 6,582 customers in and near Raytown, Missouri, in Jackson County. Raytown Water sought an increase of $663,332.92. In response to Raytown Water's request, as required by Commission Rule 20 CSR 4240-10.075(8), the Commission's Staff (Staff) audited the company's books and records, reviewed the company's customer service and business practices, reviewed the company's existing tariff, and inspected and reviewed company facilities and operations.

The Commission held a virtual local public hearing on July 9, 2020, and heard from three witnesses.[2] Additional written comments were submitted by the public and added to the record by Staff.[3] Additional comments have been posted to the case via the Commission's electronic filing and information system.

[1] Commission Rule 20 CSR 4240-10.075.
[2] *Transcript of Virtual Local Public Hearing*, File No. WR-2020-0264, (July 23, 2020).
[3] *Notice of Submission of Written Public Comments for the Case Record*, File No. WR-2020-0264 (July 31, 2020).

On August 4, 2020, Staff filed, on behalf of Staff, Raytown Water, and the Office of the Public Counsel (OPC), a Unanimous Disposition Agreement (Agreement) to resolve all the issues in this matter and provide for an increase in overall annual revenue. All of the parties signed the Agreement. The Agreement provides for a revenue increase of $482,575, a 12.3% increase, to be added to the existing final adjusted revenues of $3,917,699, resulting in a total annual revenue requirement of $4,400,274. The parties agree the revenue requirement is just and reasonable and designed to recover the cost of service.[4] Staff's analysis for an average customer indicates the rate increase under the Agreement will increase the minimum service charge from $11.31 to $12.86 monthly, with combined service and usage charges increasing from an average of $39.75 to $45.18 per month.[5]

The Agreement establishes a rate base of $5,314,088. The parties also agreed to a capital structure that includes an overall recommended rate of return of 7.24%, calculated based on a hypothetical capital structure consisting of 4.79% debt and 95.21% equity, with a cost of debt of 3.44% and a cost of equity of 7.50%. The Agreement also includes prescribed schedules of depreciation rates for water plant.

In addition, Raytown Water agrees to implement recommendations to improve its usage estimating and billing processes, discontinue minimum monthly charges after service termination and update written information provided to customers to reflect current Commission rules. The Agreement includes provisions for improvement of Raytown Water's system, including a requirement that the company file a new case with the

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[4] Items included in the cost of service calculation, including a line item for return on equity, are specified in Attachment A1 to the Agreement.

[5] *Unanimous Agreement Regarding Disposition of Small Utility Company Revenue Increase Request, The Raytown Water Company*, File No. WR-2020-0264, Attachment G: Billing Comparison Worksheet (August 4, 2020).

Commission to seek financing for system improvements; complete all leak repairs and right of way requirements within eight months of discovery, weather permitting; improve water loss tracking; and post to the company's website the results of annual leak detection surveys. The Agreement requires Raytown Water to mail to customers written notice of the rates and charges included in tariff revisions after issuance of a Commissioner order approving the Agreement.

On August 13, 2020, the Commission directed the parties to respond to a set of queries concerning the company's capital improvement plan; revenue figures stated in attachments to the Agreement; leak repairs, leak surveys and water loss; and the customer status of a business owned by the company's president. Staff, on behalf of all of the parties, submitted a *Joint Response to the Commission's Questions* (Joint Response) on August 20, 2020.

Section 393.150, RSMo (2016), authorizes the Commission to set rates after a hearing. The hearing requirement is met when the opportunity for hearing has been provided.[6] The parties' Agreement disposed of all of the issues among the parties, and no party has requested a hearing.[7]

As required by the Agreement, Raytown Water filed revised tariffs on August 10, 2020, bearing an effective date of September 8, 2020, which is 29 days after the date of filing.[8] Section 393.140(11), RSMo (2016), requires that a tariff change filing provide at least 30 days' notice to the Commission, except as modified by the Commission

[6] *State ex rel. Rex Deffenderfer Enters., Inc. v. Pub. Serv. Comm'n*, 776 S.W.2d 494, 496 (Mo. App. 1989).
[7] Commission Rule 20 CSR 4240-10.075(11) establishes time lines for requesting a hearing in a staff-assisted rate case.
[8] The Agreement calls for revision of five tariff sheets. Raytown Water filed seven tariff sheets, including two sheets not contemplated by the Agreement. Staff on August 18, 2020, recommended the Commission reject those two tariff sheets, and also recommended the Commission reject a third sheet that was contemplated by the Agreement, Second Revised Sheet No. 10, Cancelling First Revised Sheet No. 10. The company on August 19, 2020, withdrew the three tariff sheets disapproved by Staff.

upon a showing of good cause. In staff assisted rate cases, Commission Rule 20 CSR 4240-10.075(11)(B) requires a utility to submit to the Commission, within five business days of Staff's filing of a unanimous disposition agreement, new and/or revised tariff sheets bearing an effective date not fewer than 30 days later.

On August 24, 2020, Staff advised the errant effective date in Raytown Water's revised tariffs was the result of an inadvertent miscalculation. Staff suggests the Commission excuse the deviation of one day, given Staff's August 18, 2020 recommendation that four of the tariffs filed by Raytown are in compliance with the Agreement. OPC on August 24, 2020, stated no objection to Staff's recommendation to approve four of the revised tariffs. Because deviation from the 30-day requirement is minimal and Staff provided a reasonable explanation for the error, the Commission finds good cause to waive strict compliance with the 30-day notice requirement, pursuant to Section 393.140(11) and 20 CSR 4240-10.075(15).[9]

Staff on August 18, 2020, advised four of the tariff sheets filed by the company are in compliance with the Agreement and recommended approval of those sheets, filed under Tariff No. YW-2021-0022. The Commission has reviewed the Agreement, including its attachments, as well as Staff's recommendation concerning the revised tariffs, the Joint Response, and the parties' August 24, 2020 filings concerning the revised tariffs. The Commission independently finds and concludes that the Agreement is reasonable and should be approved. Furthermore, the proposed rates set out in the tariff sheets are just and reasonable.

[9] Effective dates may be revised by filing a revised tariff or by filing a notice extending an effective date, as allowed by Commission Rule 20 CSR 4240-2.065(6).

The Commission will approve the Agreement and revised tariff sheets, filed under Tariff No. YW-2021-0022. To allow the revised tariff sheets to take effect on September 8, 2020, this order will be effective fewer than 30 days from the date of issuance.

THE COMMISSION ORDERS THAT:

1. The Unanimous Disposition Agreement, filed on August 4, 2020, and attached to this order, is approved.

2. Raytown Water, Staff, and the Office of the Public Counsel shall comply with the terms of the Unanimous Disposition Agreement.

3. The 30-day notice requirement of Section 393.140(11) and 20 CSR 4240-10.075(11)(B) is modified and waived for good cause.

4. The tariff sheets specified below, filed in Tariff No. YW-2021-0022, are approved, effective September 8, 2020:

P.S.C. MO No. 5

Fourth Revised Sheet No. 9, Cancelling Third Revised Sheet No. 9
Second Revised Sheet No. 11, Cancelling First Revised Sheet No. 11
Second Revised Sheet No. 35, Cancelling First Revised Sheet No. 35
Second Revised Sheet No. 36, Cancelling First Revised Sheet No. 36

5. This order shall be effective on September 8, 2020.

BY THE COMMISSION

Morris L Woodruff

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC., concur.

Jacobs, Regulatory Law Judge

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of S.K. & M. Water and Sewer Company's Request For Increases in Annual Water and Sewer System Operating Revenues	))))	**Case No. WR-2020-0264**

NOTICE OF UNANIMOUS DISPOSITION AGREEMENT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, on behalf of itself, the Office of the Public Counsel ("OPC"), and Raytown Water Company ("Raytown" or "Company") collectively, the signatories, and, for this *Notice of Unanimous Disposition Agreement*, respectfully states as follows:

1. Raytown filed a letter with the Missouri Public Service Commission ("Commission") on March 2, 2020, requesting an increase in annual operating revenues.

2. In its request letter, Raytown set forth its request for an increase of $663,332.92 in its annual water service operating revenues. Raytown also acknowledged that as a part of its request, Staff would review the Company's customer rate design, service charges, customers service practices, general business practices and general tariff provisions, and could thus be the subject of Staff's recommendations.

3. Upon completion of Staff's investigation of the Company's request, Staff provided the Company and OPC with materials related to Staff's investigation, as well as Staff's initial recommendation for the resolution of the request.

4. Subsequent to Staff's investigation, and pursuant to negotiations the Company, OPC, and Staff have been able to reach a *"Unanimous Agreement Regarding Disposition of Small Utility Company Revenue Increase Request*" ("*Disposition Agreement")*, attached hereto as Appendix A, and incorporated by reference herein.

5. Included in Appendix A is a copy of the above-referenced *Disposition Agreement*, as well as a prescribed schedule of depreciation rates, that reflects the Company's agreement to implement Staff's recommendations. It also includes various other attachments related to the *Disposition Agreement*. Additionally, Appendix A contains affidavits from Staff members that participated in the investigation of this matter.

6. The *Disposition Agreement* provides for an increase of $482,575 (12.3%) for the water system. When added to the previous level of water revenues of $3,917,699, the increase in water operations results in overall annual revenues of $4,400,274.

7. Pursuant to Rule 20 CSR 4240-10.075(11)(B), "[i]f the disposition agreement provides for a full resolution of the small utility rate case and is executed by all parties, the utility will submit to the commission, within five (5) business days of staff's filing, new and/or revised tariff sheets bearing an effective date of not fewer than thirty (30) days later, to implement the agreement."

8. The Company is current on the filing of its annual report and the payment of all of its annual assessments.

WHEREFORE, Staff submits this *Notice of Unanimous Disposition Agreement* and the attached Appendix A for the Commission's information and consideration in this case and requests that the Commission enter an Order adopting the terms agreed upon by the parties and contained herein.

Respectfully submitted,

/s/ Travis J. Pringle
Missouri Bar No. 71128
Legal Counsel
Attorney for the Staff of the
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-4140 (Telephone)
(573) 751-9265 (Fax)
Travis.Pringle@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was delivered to the parties and or their counsel of record by U.S. Postal Service postage prepaid, or by hand, or served electronically, on this 4th day of August, 2020.

/s/ Travis J. Pringle

UNANIMOUS AGREEMENT REGARDING DISPOSITION OF SMALL UTILITY COMPANY REVENUE INCREASE REQUEST

THE RAYTOWN WATER COMPANY

MO PSC FILE NO. WR-2020-0264

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, Staff Assisted Rate Case Procedure ("Staff Assisted Procedure"). In its Request letter, which was received at the Commission's offices on March 1, 2020, the Company set forth its request for an increase of $663,332 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 6,582 water customers.

Pursuant to the provisions of the Staff Assisted 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, 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, Public Counsel, and the Company hereby state the following Unanimous Disposition Agreement:

(1) The agreed upon water revenue requirement increase of $482,575 (12.3% increase) added to the level of previous revenues of $3,917,699 results in overall annual revenues of $4,400,274. 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;

(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, 2019, updated through June 30, 2020, as the basis for the revenue requirement determined above. The audit findings can be found in Attachments B and C;

(3) The agreed upon net rate base is $5,314,088 for water service. The development of this amount is shown on the rate base worksheet that is found in Attachment D. This amount is included in the audit work papers in the ultimate determination of the revenue requirement shown in (1) above;

(4) Included in Attachment B is the agreed upon capital structure which includes the Company's overall recommended rate of return of 7.24%, which is calculated based on a hypothetical capital structure consisting of 4.79% debt and 95.21% equity, with a cost of debt of 3.44% and a cost of equity of 7.50%.

(5) The schedule of depreciation rates in Attachment E includes the depreciation rates used by Staff in its revenue requirement analysis and shall be the prescribed schedule of water 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 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;

(7) Included in the agreed to in the agreed to water revenue requirement is an increase to the Company's payroll expense. As part of this increase the Company agrees to increase its base wages for the listed positions to the minimum amount included in the accounting schedules that support this disposition agreement. These positions are:

i) Field Service Technician – Crew Chief,
ii) Field Service Technician,
iii) Assistant Service Technician, and
iv) Meter Reader.

The base wages by position and amount that are included in the revenue requirement have been provided to the Company, and shall be applicable to any employees in the listed positions. In the event an employee discontinues employment, the Company shall attempt to replace the employee in the same position. In the event that the Company does not employ a replacement for a continuous period of six months, the Company agrees that it shall be subject to a regulatory liability to return the funds to customers included in the revenue requirement for the incremental difference between the actual wages and salary paid, and the wage and salary expense for the listed positions during the period the position is vacant." Ratemaking treatment for any regulatory liability of this nature will be determined in the Company's next general rate proceeding.

(8) For the purposes of implementing the agreements set out in this disposition agreement, the Company will file with the Commission proposed tariff sheet revisions containing the rates, charges, and language set out in the example tariff sheet(s) attached hereto as Attachment H. The proposed tariff sheet revisions will contain rates, charges, and rules for water customers. The proposed tariff sheet revisions will bear an effective date of September 08, 2020;

(9) The following current PSC MO No. 5 Tariff Sheets will be cancelled:

- 3rd Revised Sheet No. 9
- 1st Revised Sheet No. 10
- 1st Revised Sheet No. 11
- 1st Revised Sheet No. 35
- 1st Revised Sheet No. 36

Canceled Tariff Sheets will be replaced with:

- 4th Revised Sheet No. 9
- 2nd Revised Sheet No. 10
- 2nd Revised Sheet No. 11
- 2nd Revised Sheet No. 35
- 2nd Revised Sheet No. 36

(10) Within thirty (30) days of the effective date of an order approving this Unanimous Disposition Agreement, the Company shall implement the recommendations contained within the Customer Experience Department (CXD) Report, attached hereto as Attachment I and outlined below, and subsequently provide proof of the implementation of the recommendations to the Manager of the Commission's CXD Department:

(a) Change its estimating usage process to comply with Chapter 13 or have a Commission-approved tariff;

(b) Bill customers according to the billing period defined in Chapter 13.015 (1) (C). Consider changing procedures to address staff shortages and short billing periods such as occurred in February, 2020;

(c) Discontinue charging a minimum monthly charge after water service has been shut off;

(d) Revise and distribute, to all current and future customers, written information specifying the rights and responsibilities of the Company and its customers as required by Commission Rule 20 CSR 4240-13.040(3).

Update Commission Rule numbers referenced in the brochure. This recommendation should be completed prior to mailing brochures following the conclusion of this rate case.

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

(12) The Company shall undertake the following measures for the purpose of improving the current state of its system:

i) The Company shall file a new case before the Commission within sixty (60) days of the effective date of an order approving this Unanimous Disposition Agreement in order to acquire financing needed to begin making necessary improvements to its system;

ii) The Company shall include in the filing identified in (i) a list of the improvements it seeks to make in a manner that is substantially similar in structure to the list of Proposed Capital Improvements that has been included as Attachment J;

iii) The same list of projects identified in (ii) shall be listed on the Company's publicly available website with monthly updates regarding the completion of projects - including description of work completed and benefits realized - once the Company begins work;

iv) The Company shall adopt a policy that all leaks and Right of Way (ROW) requirements will be completed within eight (8) months of the Company discovering the problem, weather permitting, which will include ROW requirements listed in Attachment J;

v) The Company agrees to develop a means to better track water loss arising from fire hydrants struck by automobiles (with Staff or Public Counsel's assistance, as necessary) and to consider possible means to mitigate these risks in the future;

vi) The Company shall track dividends paid to shareholders from the time rates go into effect until the improvements for which it seeks financing under (i) are completed with the understanding that the Public Counsel may argue these payments should be used as an offset to income in a future rate case in the event the Company fails to make timely improvements to its system;

vii) The Company shall continue to conduct an annual leak detection survey and shall post the results of that survey to its publicly available website and provide copies to Staff and Public Counsel;

viii) The Company shall seek information in its procurement of outside vendor services to complete the improvements for which it seeks financing under (i) regarding wage and benefits paid to contractor employees; and,

ix) The Company shall conduct and maintain a water rate study to be able to determine its standing with surrounding water distribution entities.

(13) 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 Unanimous Disposition Agreement;

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

(15) The Company, Staff, and Public Counsel agree that they have read the foregoing Unanimous 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 Unanimous Disposition Agreement; and

(16) The above agreements satisfactorily resolve all issues identified by Staff, Public Counsel, and the Company regarding the Company's request.

Additional Matters

Other than the specific conditions agreed upon and expressly set out herein, the terms of this Unanimous Disposition Agreement reflect compromises between the Staff, Public Counsel, 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 and Sewer Department Report, Attachment K. Staff has completed a Summary of Case Events and has included that summary as Attachment L to this Unanimous Disposition Agreement.

The Company, Public Counsel, and Staff acknowledge that Staff will be filing this 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 disposition 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 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 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 Aug 4 20

August 4, 2020

Neal Clevenger
President
Raytown Water Company

Date

August 4, 2020

Jim Busch
Manager – Water & Sewer Department
Missouri Public Service Commission Staff

Date

John Clizer

August 4, 2020

John Clizer
Senior Counsel
Office of the Public Counsel

Date

List of Attachments

Attachment A – Ratemaking Income Statements

Attachment B – Auditing Department Report

Attachment C – EMS Run

Attachment D – Rate Base Worksheets

Attachment E – Schedules of Depreciation Rates

Attachment F – Rate Design Worksheets

Attachment G – Billing Comparison Worksheet

Attachment H – Example Tariff Sheets

Attachment I – CXD Report

Attachment J – Proposed Capital Improvements

Attachment K – Water and Sewer Department Report

Attachment L – Summary of Events

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Raytown Water Company's Request for Annual Operating Revenue Increase	))))	Case No. WR-2020-0264

AFFIDAVIT OF GARY BANGERT, MATTHEW J. BARNES, JARED GIACONE, SCOTT J. GLASGOW, ANDREW HARRIS, JEREMY JULIETTE, KAREN LYONS, KEITH MAJORS, ANTONIJA NIETO, JARROD J. ROBERTSON, DARONN A. WILLIAMS, SEOUNG JOUN WON, PhD, AND MATTHEW R. YOUNG

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COME NOW Gary Bangert, Matthew J. Barnes, Jared Giacone, Scott J. Glasgow, Andrew Harris, Jeremy Juliette, Karen Lyons, Keith Majors, Antonija Nieto, Jarrod J. Robertson, Daronn A. Williams, Seoung Joun Won, PhD, and Matthew R. Young, and on their oath declares that they are of sound mind and lawful age; that they contributed to the foregoing *Unanimous Disposition Agreement*; and that the same is true and correct according to their best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

/s/ Gary Bangert
Gary Bangert

/s/ Matthew J. Barnes
Matthew J. Barnes

/s/ Jared Giacone
Jared Giacone

/s/ *Scott J. Glasgow*
Scott J. Glasgow

/s/ *Andrew Harris*
Andrew Harris

/s/ *Jeremy Juliette*
Jeremy Juliette

/s/ *Karen Lyons*
Karen Lyons

/s/ *Keith Majors*
Keith Majors

/s/ *Antonija Nieto*
Antonija Nieto

/s/ *Jarrod J. Robertson*
Jarrod J. Robertson

/s/ *Daronn A. Williams*
Daronn A. Williams

/s/ *Seoung Joun Won, PhD*
Seoung Joun Won, PhD

/s/ *Matthew R. Young*
Matthew R. Young

THE RAYTOWN WATER COMPANY
Rate Making Income Statement-Water

Operating Revenues at Current Rates		
Tariffed Rate Revenues *	$	3,532,292
Other Operating Revenues *	$	385,406
Total Operating Revenues	**$**	**3,917,698**
* See "Revenues - Current Rates" for Details		

Account No.	Cost of Service Item		Amount
602.000	Purchased Water	$	1,347,089
660.000	Operation Supervision & Engineering - T&D	$	77,117
662.100	Water Samples	$	4,532
663.000	Meter Testing	$	219
672.000	Maint. Of Towers / Tower Utilities	$	19,095
673.000	Maint. Of Mains / Tools Purch-Rpr / Gen. Supp. / Maint. Of Valves / Line Locates	$	211,279
675.000	Maint. Of Services - T&D / Maint of Customer Meter Wells	$	34,670
676.000	Maint. Of Meters - T&D / Meter Tools / Equipment	$	1,242
677.000	Maint. Of Hydrants - T&D / Hydrant Accident Repairs	$	860
902.000	Meter Reading Cust Acct Expense / Uniforms	$	117,712
903.000	Customer Accounting / Customer Turn On-Off	$	276,839
904.000	Uncollectible Customer Account	$	21,270
907.000	Safety Meetings / Safety Equipment	$	29,509
920.000	Admin. & General Salaries / Collection Fees Due	$	202,633
921.000	Office Supplies & Expenses / Utilities / Print / Postage / Communication Exp / ROW Permits / Leased Off. Equip / Bank Fees	$	235,311
922.000	Admin. Expenses Transferred - Credit / Capitalized Labor/ Overhead	$	(30,780)
923.000	Outside Services Employed / Tower Maint. / Vehicle Tracking Subscription / Line Locating / Equip. Maint. Contract / Acct. Svcs / Computer Maint. / Mapping Svc. Bond Iss. Cost	$	278,061
924.000	Property Insurance	$	39,452
925.000	Injuries & Damages / Mgmt & Empl. Liability	$	20,432
926.000	Employee Pensions & Benefits / Emplr 401k Contribution	$	339,073
928.000	Regulatory Commission Expense	$	30,407
930.100	Miscellaneous General Expense	$	1,862
930.200	Directors Fees and Expenses / Board Reports	$	16,089
930.300	Education Expense	$	5,302
930.400	Pre-Employment Drug Screening	$	2,916
932.000	Maint. Of General Plant	$	21,536
403.000	Depreciation Expense, Dep. Exp.	$	434,421
421.000	Amortization of CIAC	$	(19,476)

431.100	Interest on Customer Deposits	$	9,499
431.200	Other Penalty / Interest Expense	$	1,685
471.100	Sewer - Field Expense	$	172
471.270	Trash Bag Expense	$	2,841
408.100	Property Taxes	$	151,239
408.000	Employer FICA / FUTA / SUTA	$	63,610
	Sub-Total Operating Expenses	**$**	**3,947,718**
409.000	Current Income Taxes	$	59,273
0.000	Deferred Income Taxes - Def. Inc. Tax	$	46,539
9333.000	Amortization of Deferred ITC	$	(2,404)
934.000	Amortization of 2018 Deferred Income Tax (TCJA)	$	(38,993)
	Sub-Total Taxes	**$**	**64,415**
	Interest on Long-Term Debt [1]	$	4,942
	Interest on Short-Term Debt [2]	$	3,773
	Return on Equity [3]	$	379,426
	Sub-Total Long-Term Debt & Return On Equity	**$**	**388,141**
	Total Cost of Service	**$**	**4,400,274**
	Overall Revenue Increase Needed	**$**	**482,576**

[1] Rate Base x Cost of Long-term Debt
[2] Rate Base x Cost of Short-Term Debt
[3] Rate Base x Cost of Equity (Mid-point)

Rate Base	$	5,314,088
Cost of Long-Term Debt		0.093%
Cost of Short-Term Debt		0.071%
Cost of Equity		7.140%

AUDITING UNIT RECOMMENDATION MEMORANDUM

FROM: **Karen Lyons**
Keith Majors
Matthew Young
Antonija Nieto
Jeremy Juliette
Jared Giacone
Auditing Unit Staff

TO: **Jarrod Robertson**
Water and Sewer Department, Case Manager
Travis Pringle
Mark Johnson
Kevin Thompson
Staff Counsel's Office

SUBJECT: **Auditing Unit's Findings and Recommended Cost of Service**
Raytown Water Company
Case No. WR-2020-0264

DATE: **June 30, 2020**

Raytown Water Company's ("Raytown Water" or "Company") requested increase in its annual operating revenues is in the amount of $663,332, and, if approved, would result in an increase over current revenues of approximately 14.64%. Staff performed an initial audit of Raytown Water's operations to determine whether an increase was appropriate, and if so, the amount thereof that would be reasonable.

Based upon Staff's examination of Raytown Water's books and records and discussions with the Company's employees, Staff's recommended revenue requirement increase calculation for Raytown Water through June 30, 2020, using a return on equity ("ROE") of 7.5%, is $419,859, indicating an increase in Raytown Water's current rates is justified. An increase in rates by this amount would represent an approximate 10.8% increase from current rates. Attached to this Memorandum are Staff's Accounting Schedules and relevant workpapers related to its review and audit of Raytown Water's financial operations.

Test Year and Update Period

Staff used a test year consisting of the twelve months ending December 31, 2019, updated with known and measurable changes through June 30, 2020, to develop its revenue requirement recommendation in this case.

Rate Base

Staff's revenue requirement is based on a net rate base of $5,296,460 as of June 30, 2020. Plant in service and depreciation reserve balances as of June 30, 2020, were utilized for this recommendation. While Staff was on-site performing the audit, the Company provided copies of their manual general ledger for plant and reserve (not part of a specific data request). This ledger provided extensive detail of their plant records and additions.

Accumulated Deferred Income Taxes ("ADIT"), Materials and Supplies, Prepayments, Investment Tax Credit ("ITC") and Contributions in Aid of Construction ("CIAC") were updated for known and measurable changes through June 30, 2020, as appropriate.

Purchase of New Office Building

Raytown Water purchased a previously owned office building and moved its operations in January 2018. A new HVAC system was installed along with other various improvements at the new office in October 2019.

The former office building still houses the bulk water sales equipment and sale terminal and therefore is still included in plant in service. The former office building is currently listed for rent; Staff has included rental revenue for the attached garage that is rented separately, in the cost of service. Staff recommends that the former office remain in utility plant as it has been in rate base since the Company's inception and any future rental revenue associated with the building will reduce cost of service in future rate cases.

Depreciation Rates

The depreciation rates used in this case were provided by Staff member David Buttig of the Commission's Engineering Analysis Department. Total CIAC, accumulated CIAC amortization, and CIAC depreciation offset were also provided by the Engineering Analysis Department.

Revenues

For purposes of annualizing revenues, the average number of customers over a three year period ending December 31, 2019, was used to develop revenues in this case. The average number of final bills over a three year period ending December 31, 2019, was then subtracted from the average number of customers. A multi-year average of customers was used as the Company's monthly customer counts tend to be volatile because a portion of its customers are renters, and the numbers of renters are 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, 2019, was multiplied by the current monthly tariff rate (the rate effective from rate case No. WR-2015-0246), and then multiplied by twelve to derive the annualized customer charge revenue. Staff also used a three-year average, ending December 2019, to normalize Raytown Water's customer water usage revenue. Raytown Water's customers' water usage varied from one year to the next. A three-year average was used to normalize the effect of this fluctuation. Staff reviewed the customer numbers and usage for the test year and update period, but saw no significant changes. In addition, Staff normalized Raytown Water's miscellaneous revenues by using either a three year average or the test year amount for each item as of December 31, 2019. 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 the Company produced an annualized level of $3,516,623 for metered sales and $401,073 for miscellaneous revenues.

Raytown Water receives rental income from tower lease contracts with cellular phone companies. The annualized level of revenue from this rental income is $123,607 as of December 31, 2019 (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 twelve (12) 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 the Company 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 (4) year average of actual write-offs was the appropriate method to adjust Raytown Water'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 examined the financial and business risks of the Raytown Water Company. According to its financial statements, RWC consistently shows positive stable net income and Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), but reported negative Net Income and negative Regulated Net Revenue in 2019. This financial information places RWC's business risk profile ("BRP") between "Strong" and "Satisfactory." RWC has a debt-to-capital ratio less than 5% and a high equity ratio, indicating a "Minimal" financial risk profile ("FRP"). Based on these business and financial risk profiles, Staff assigns an equivalent credit rating of approximately 'A' for Raytown Water Company.

However, because of the COVID-19 pandemic, overall business, financial, and economic conditions in this region and nation-wide have been placed in a difficult situation. Staff analyzed the recent A Corporate Bond Index Effective Yield and confirmed that the corporate bond market is facing high volatility, indicating elevated risk. Raytown Water Company has reported that service turn-offs increased since the start of the pandemic.[1]

It is Staff's opinion that overall recommended ROR should be 7.31% calculated based on an actual capital structure consisting of 95.21% equity and 4.79% debt with an allowed return on equity of 7.50% and an embedded cost of debt of 3.44%. More detailed information is included in Staff's workpaper.

Purchased Water

The most significant item included in Raytown Water's operating expense is the cost of purchased water. Raytown Water purchases all of its water requirements from the Kansas City Water District ("KCWD"). KCWD water rates are increased annually. Between the last Raytown Water rate case and this current case, water rates have increased 9.6%. KCWD increased its water rates by 1.3% beginning May 1, 2019. Staff's annualized purchased water volumes were determined by annualized sales volumes, as calculated in Staff's revenue annualization. Staff used a three-year average percentage of nonrevenue water[2] experienced by the Company. Raytown Water incurred a loss of 28,125,000 gallons of purchased water in 2018 due to an accident which result in a hydrant leak. Staff removed the lost gallons of purchased water from its calculation of annualized purchased water volume. KCWD's water rate increase for wholesale customer class scheduled for May 1, 2020, was delayed until further notice due to impacts of COVID-19, as referenced in communication from KCWD to Raytown Water.

Payroll

Staff adjusted Raytown Water's test year payroll expense to reflect an annualized and normalized level of payroll and payroll taxes as of June 30, 2020. To account for labor that is associated with construction activities, Staff applied an 86% operation and maintenance expense ratio ("O&M expense ratio") to its annualized payroll amount. This percentage was determined by using the test year amount of Raytown Water's annual O&M expense ratio.

According to Raytown Water'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 Raytown Water was calculated based on a two-year average of the Company's overtime hours that was included on its books and multiplied by the test year overtime per hour rate.

In the previous rate case, Raytown Water developed a Defined Contribution Plan/401(k) for its employees in lieu of its previous lump-sum payments. During this case, Staff reviewed Raytown Water's Defined Contribution Plan and was briefed by the plan's representative in order to get a better understanding of the plan. The Company is matching up to 7% of each employee's

[1] The analysis results are presented in Staff's workpaper.
[2] Lost and unaccounted for water.

pay for the Company 401k plan. Each individual is also contributing to their 401k plan since the last rate case. Staff included the Company's match (7%) into its cost of service for Raytown Water. Payroll taxes were normalized by multiplying the current OASDI, Medicare, FUTA and SUTA rates to Staff's current annualized payroll.

In its review of Raytown Water's base salary and wage levels, Staff examined other available wage data from the Missouri Economic Research and Information Center ("MERIC"), Missouri Rural Water Association, and other local water utilities. Based on Staff's review of current market salary and wage information, Staff recommends an adjustment to the president/general manager's salary. Staff used the salary approved in the last rate case for this position , and used the Social Security Cost of Living Adjustment ("COLA") rate for each year to calculate an adjusted salary. Staff used the Social Security COLA rate because, according to Raytown Water's board of director minutes, all other employees' annual salary and wage increases are based on that rate.

Staff updated its payroll adjustment to include three new contract employees Raytown Water currently has contracted through a hiring agency. Staff also included employee benefit expenses, uniform expenses, and safety gear expenses for the new employees as these expenses were not included in the test year.

Employee Benefits

Raytown Water provides medical, life and dental insurance for their employees. Staff reviewed invoices for the benefits to determine the level of insurance to include in the cost of service.

In Staff's analysis, medical, life and dental insurance were annualized by multiplying the monthly premium in effect as of June 2020 by 12 months to arrive at a yearly total. Staff used the June 2020 amount because it is the most current rate.

Dental insurance was normalized by multiplying the monthly premium in effect as of June 2020 by 12 months to arrive at a yearly total. Staff used the June 2020 amount because it is the most current rate.

Staff also updated the annual premiums to include the three new contract employees and another new employee that was directly hired by Raytown Water.

Auto, Property and Workman's Compensation Insurance

Staff updated the test year balances for the year ending December 31, 2019, for auto, property, and workers' compensation insurance. Staff made adjustments for 2020 policies that were effective April 30, 2020.

Property Taxes

An adjustment was made to property taxes to include property taxes for plant in service for the test year ending December 31, 2019 balances. Staff developed a ratio of total property taxes paid in 2019 compared to the amount of total plant in service as of January 1, 2019. The ratio was then applied to the January 1, 2020, year-end balance of plant in service in order to determine the level of property taxes to include in Staff's recommendation.

The Company stated that they do not remit a value for inventory (materials and supplies) on their personal property tax declaration so materials and supplies was not included in the personal property tax adjustment.

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

Excess Deferred Income Taxes

Due to the passage of the Tax Cuts and Jobs Act, Raytown Water 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 the corporate tax rate from 6.5% to 4% of 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"). Staff calculated the deferred income tax balance before and after the change in tax rates to find the amount of excess deferred income tax. Staff recommends that, beginning with the change in rates resulting from this case, the balance of excess deferred income tax should be depleted over the remaining life of the December 31, 2017, plant in service in a manner consistent with IRS normalization requirements for protected tax timing differences.

Rate Case Expense

Staff used a two (2) case average of rate case expense. By using a two case average, Staff is normalizing rate case expense while capturing costs that Raytown Water will continue to incur in this proceeding. Staff is not recommending any sharing of rate case expenses between shareholders and ratepayers at this time for Raytown Water. Staff recommends normalizing this cost over a three-year (3-year) period. The normalized amount of rate case expense included in Staff's revenue requirement is $5,146.

Utilities Expenses

Electricity and natural gas costs were normalized using a two-year average of Raytown Water's electricity and natural gas expenses for tower utilities, and the test year amount for the headquarters as the test year included a full year of utility expense after Raytown Water moved to its new headquarters.

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

In Staff’s initial recommendation, Staff incorrectly used the prime rate as of May 11, 2020, to calculate customer deposit interest. Staff updated the test year customer deposit interest rate to accurately reflect the tariff which stated that the rate is set annually to the prime rate as of December 31, 2019, plus 1%.

Sewer Field Expense and Sewer Office Expense

Staff made an adjustment to correct accounts 471.100 Sewer-Field Expense and 471.120 Sewer-Office expense. These accounts were listed in the General Ledger as contra-revenue accounts and the account balances were negative. Two adjustments were made to reflect the non-payroll portion as expenses in order to properly offset the revenue from sewer activities.

Additional Adjustments

Staff has reflected adjustments in its cost of service to normalize amounts related to: 1) various O&M expenses; 2) operator training and certification; 3) telephone expenses; 4) costs associated with uniform rental; 5) Board of Directors fees and insurance; 6) Commission’s annual assessment; 7) tower painting and maintenance; and 8) storage lot rental.

Staff excluded from the cost of service amounts associated with: 1) dues and donations; 2) Christmas bonuses; 3) miscellaneous expenses; 4) non-regulated expenses; 5) director fees for Mr. Neal Clevenger and Ms. Chiki Thompson, who are both full-time employees of Raytown Water; 6) amortization of the Investment Tax Credit; and 7) depreciation expense on CIAC.

Exhibit No.: 0
Issue: Accounting Schedules
Witness: MO PSC Auditors
Sponsoring Party: MO PSC Staff
Case No: WR-2020-0264
Date Prepared: July 30, 2020

MISSOURI PUBLIC SERVICE COMMISSION

FINANCIAL & BUSINESS ANALYSIS DIVISION

SETTLEMENT FOR DISCUSSION PURPOSES ONLY

STAFF ACCOUNTING SCHEDULES

THE RAYTOWN WATER COMPANY

CASE NO. WR-2020-0264

Jefferson City, Missouri

July 2020

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
Revenue Requirement

Line Number	A Description	B 7.30% Return	C 7.30% Return	D 7.30% Return
1	Net Orig Cost Rate Base	$5,314,088	$5,314,088	$5,314,088
2	Rate of Return	7.30%	7.30%	7.30%
3	Net Operating Income Requirement	$388,141	$388,141	$388,141
4	Net Income Available	$20,612	$20,612	$20,612
5	Additional Net Income Required	$367,529	$367,529	$367,529
6	Income Tax Requirement			
7	Required Current Income Tax	$59,273	$59,273	$59,273
8	Current Income Tax Available	-$55,773	-$55,773	-$55,773
9	Additional Current Tax Required	$115,046	$115,046	$115,046
10	Revenue Requirement	$482,575	$482,575	$482,575
11	Allowance for Known and Measureable Changes/True-Up Estimate	$0	$0	$0
12	Miscellaneous (e.g. MEEIA)	$0	$0	$0
13	Gross Revenue Requirement	$482,575	$482,575	$482,575

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
RATE BASE SCHEDULE

Line Number	A Rate Base Description	B Percentage Rate	C Dollar Amount
1	Plant In Service		$14,841,346
2	Less Accumulated Depreciation Reserve		$7,599,302
3	Net Plant In Service		$7,242,044
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		$0
6	Contributions in Aid of Construction Amortization		$167,002
7	Materials & Supplies		$90,014
8	Prepayments		$38,900
9	TOTAL ADD TO NET PLANT IN SERVICE		$295,916
10	SUBTRACT FROM NET PLANT		
11	Federal Tax Offset	0.0000%	$0
12	State Tax Offset	0.0000%	$0
13	City Tax Offset	0.0000%	$0
14	Interest Expense Offset	0.0000%	$0
15	Contributions in Aid of Construction		$643,798
16	Additional Contribution in Aid of Construction (CIAC) June 30 plant		$3,197
17	Customer Advances		$0
18	Customer Deposits		$165,195
19	Deferred Income Taxes		$891,673
20	Excess Deferred Income Taxes		$520,009
21	Accrued Pension Liability		$0
22	TOTAL SUBTRACT FROM NET PLANT		$2,223,872
23	Total Rate Base		$5,314,088

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
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	100.00%	$0	$0
3	302.000	Franchises and Consents	$0	P-3	$0	$0	100.00%	$0	$0
4	303.000	Main GIS Project	$0	P-4	$25,753	$25,753	100.00%	$0	$25,753
5		TOTAL INTANGIBLE PLANT	$0		$25,753	$25,753		$0	$25,753
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	$0	$2,909,729	100.00%	$0	$2,909,729
36	343.000	Transmission and Distribution Mains	$6,312,398	P-36	$964	$6,313,362	100.00%	$0	$6,313,362
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	$225,432	P-39	$2,508	$227,940	100.00%	$0	$227,940
40	346.000	Meters - Plastic	$578,711	P-40	$0	$578,711	100.00%	$0	$578,711
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	347.000	Meter Installations	$393,271	P-44	$0	$393,271	100.00%	$0	$393,271
45	348.000	Hydrants	$1,092,262	P-45	$17,594	$1,109,856	100.00%	$0	$1,109,856
46	349.000	Other Transmission & Distribution Plant	$0	P-46	$0	$0	100.00%	$0	$0
47		TOTAL TRANSMISSION & DIST. PLANT	$12,213,955		$21,066	$12,235,021		$0	$12,235,021
48		GENERAL PLANT							
49	389.000	Land and Land Rights - GP	$140,051	P-49	$0	$140,051	100.00%	$0	$140,051
50	390.000	Structures and Improvements - GP	$935,523	P-50	$0	$935,523	100.00%	$0	$935,523
51	391.000	Office Furniture and Equipment	$126,162	P-51	$0	$126,162	100.00%	$0	$126,162
52	391.100	Office Electronic Equipment	$159,077	P-52	$0	$159,077	100.00%	$0	$159,077
53	391.200	New Computer Systems	$122,159	P-53	-$122,159	$0	100.00%	$0	$0
54	392.000	Transportation Equipment	$528,242	P-54	$8,568	$536,810	100.00%	$0	$536,810
55	393.000	Stores Equipment	$0	P-55	$0	$0	100.00%	$0	$0
56	394.000	Tools, Shop and Garage Equipment	$160,078	P-56	$1,398	$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	$475,676	P-58	$0	$475,676	100.00%	$0	$475,676
59	397.000	Communication Equipment	$40,137	P-59	$0	$40,137	100.00%	$0	$40,137

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
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
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	$2,692,765		-$112,193	$2,580,572		$0	$2,580,572
63		TOTAL PLANT IN SERVICE	$14,906,720		-$65,374	$14,841,346		$0	$14,841,346

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
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		$25,753		$0
	1. To include unamortized balance of the main GIS mapping project as of December 31, 2019 (Majors)		$25,753		$0	
P-36	Transmission and Distribution Mains	343.000		$964		$0
	NEW for post day 150 after settlement discussion, June 2020 plant addition replace valve-master pit work order #1383, no retirement (Giacone)		$964		$0	
P-39	Services	345.000		$2,508		$0
	NEW for post day 150 after settlement discussion, June 2020 plant addition 2" line split work order #1393, no retirement (Giacone)		$2,508		$0	
P-45	Hydrants	348.000		$17,594		$0
	1. NEW for post direct, plant addition in March 2020 to "replace hydrant" offset by retired plant of $405.00 (Giacone)		$3,454		$0	
	2. NEW for post day 150 after settlement discussion, June 2020 plant addition, replace 4 hydrants work order #1396, #1397, #1398 and #1399 (Giacone)		$15,760		$0	
	3. NEW for post day 150 after settlement discussion, June 2020 retirement related to replace 4 hydrants work order #1396, #1397, #1398 and #1399 (Giacone)		-$1,620		$0	
P-53	New Computer Systems	391.200		-$122,159		$0
	1. To remove plant that was retired in 2013 per blue manual general ledger plant record. Company made the adjustment in the G/L in March 2020 (Giacone)		-$122,159		$0	
P-54	Transportation Equipment	392.000		$8,568		$0

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
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
	1. NEW for post direct, plant addition in March 2020 for "small dump exhaust" no retirement (Giacone)		$6,892		$0	
	2. NEW for post direct after Day 150 settlement discussion, June 2020 plant, T-101 truck repair-intake manifold, work order #1394, no retirement		$1,676		$0	
P-56	Tools, Shop and Garage Equipment	394.000		$1,398		$0
	1. NEW for post direct, plant addition in February 2020 for "concrete saw" no retirement (Giacone)		$1,398		$0	
	Total Plant Adjustments			-$65,374		$0

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
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	$25,753	0.00%	$0	0	0.00%
5		TOTAL INTANGIBLE PLANT	$25,753		$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	$2,909,729	2.50%	$72,743	0	0.00%
36	343.000	Transmission and Distribution Mains	$6,313,362	2.00%	$126,267	0	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	$227,940	2.50%	$5,699	0	0.00%
40	346.000	Meters - Plastic	$578,711	10.00%	$57,871	0	0.00%
41	346.100	Meters - Bronze Chamber	$240,215	3.30%	$7,927	0	0.00%
42	346.200	Meters - Hot Rod	$96,364	5.00%	$4,818	0	0.00%
43	346.300	Meters - Ultrasonic	$0	0.00%	$0	0	0.00%
44	347.000	Meter Installations	$393,271	5.70%	$22,416	0	0.00%
45	348.000	Hydrants	$1,109,856	2.00%	$22,197	0	0.00%
46	349.000	Other Transmission & Distribution Plant	$0	0.00%	$0	0	0.00%
47		TOTAL TRANSMISSION & DIST. PLANT	$12,235,021		$319,938		
48		GENERAL PLANT					
49	389.000	Land and Land Rights - GP	$140,051	0.00%	$0	0	0.00%

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
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	390.000	Structures and Improvements - GP	$935,523	2.50%	$23,388	0	0.00%
51	391.000	Office Furniture and Equipment	$126,162	5.00%	$6,308	0	0.00%
52	391.100	Office Electronic Equipment	$159,077	0.00%	$0	0	0.00%
53	391.200	New Computer Systems	$0	0.00%	$0	0	0.00%
54	392.000	Transportation Equipment	$536,810	7.80%	$41,871	0	0.00%
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	0	0.00%
57	395.000	Laboratory Equipment	$5,660	5.00%	$283	0	0.00%
58	396.000	Power Operated Equipment	$475,676	6.70%	$31,870	0	0.00%
59	397.000	Communication Equipment	$40,137	6.70%	$2,689	0	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		TOTAL GENERAL PLANT	$2,580,572		$114,483		
63		Total Depreciation	$14,841,346		$434,421		

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

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
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	100.00%	$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	$1,852,017	R-35	$36,372	$1,888,389	100.00%	$0	$1,888,389
36	343.000	Transmission and Distribution Mains	$2,423,874	R-36	$63,124	$2,486,998	100.00%	$0	$2,486,998
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	$153,589	R-39	$2,818	$156,407	100.00%	$0	$156,407
40	346.000	Meters - Plastic	$427,067	R-40	$28,936	$456,003	100.00%	$0	$456,003
41	346.100	Meters - Bronze Chamber	$216,019	R-41	$3,964	$219,983	100.00%	$0	$219,983
42	346.200	Meters - Hot Rod	$15,182	R-42	$2,409	$17,591	100.00%	$0	$17,591
43	346.300	Meters - Ultrasonic	$0	R-43	$0	$0	100.00%	$0	$0
44	347.000	Meter Installations	$212,627	R-44	$11,208	$223,835	100.00%	$0	$223,835
45	348.000	Hydrants	$434,307	R-45	$8,930	$443,237	100.00%	$0	$443,237
46	349.000	Other Transmission & Distribution Plant	$0	R-46	$0	$0	100.00%	$0	$0
47		TOTAL TRANSMISSION & DIST. PLANT	$5,992,695		$157,761	$6,150,456		$0	$6,150,456
48		GENERAL PLANT							
49	389.000	Land and Land Rights - GP	$0	R-49	$0	$0	100.00%	$0	$0
50	390.000	Structures and Improvements - GP	$272,652	R-50	$11,694	$284,346	100.00%	$0	$284,346
51	391.000	Office Furniture and Equipment	$45,311	R-51	$3,154	$48,465	100.00%	$0	$48,465
52	391.100	Office Electronic Equipment	$159,077	R-52	$0	$159,077	100.00%	$0	$159,077
53	391.200	New Computer Systems	$122,159	R-53	-$122,159	$0	100.00%	$0	$0
54	392.000	Transportation Equipment	$317,662	R-54	$21,098	$338,760	100.00%	$0	$338,760
55	393.000	Stores Equipment	$0	R-55	$0	$0	100.00%	$0	$0
56	394.000	Tools, Shop and Garage Equipment	$131,200	R-56	$4,063	$135,263	100.00%	$0	$135,263
57	395.000	Laboratory Equipment	$5,245	R-57	$141	$5,386	100.00%	$0	$5,386
58	396.000	Power Operated Equipment	$428,934	R-58	$15,935	$444,869	100.00%	$0	$444,869
59	397.000	Communication Equipment	$31,335	R-59	$1,345	$32,680	100.00%	$0	$32,680
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

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
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
62		TOTAL GENERAL PLANT	$1,513,575		-$64,729	$1,448,846		$0	$1,448,846
63		TOTAL DEPRECIATION RESERVE	$7,506,270		$93,032	$7,599,302		$0	$7,599,302

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
Adjustments for Depreciation Reserve

A Reserve Adjustment Number	B Accumulated Depreciation Reserve Adjustments Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount	F Jurisdictional Adjustments	G Total Jurisdictional Adjustments
R-35	Distribution Reservoirs and Standpipes	342.000		$36,372		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$36,372		$0	
R-36	Transmission and Distribution Mains	343.000		$63,124		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$63,124		$0	
R-39	Services	345.000		$2,818		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$2,818		$0	
R-40	Meters - Plastic	346.000		$28,936		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$28,936		$0	
R-41	Meters - Bronze Chamber	346.100		$3,964		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$3,964		$0	
R-42	Meters - Hot Rod	346.200		$2,409		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$2,409		$0	
R-44	Meter Installations	347.000		$11,208		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$11,208		$0	
R-45	Hydrants	348.000		$8,930		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$8,930		$0	
R-50	Structures and Improvements - GP	390.000		$11,694		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$11,694		$0	

The Raytown Water Company
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Test Year Ending 12/31/2019
Updated Through June 30, 2020
Adjustments for Depreciation Reserve

A Reserve Adjustment Number	B Accumulated Depreciation Reserve Adjustments Description	C Account Number	D Adjustment Amount	E Total Adjustment Amount	F Jurisdictional Adjustments	G Total Jurisdictional Adjustments
R-51	Office Furniture and Equipment	391.000		$3,154		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$3,154		$0	
R-53	New Computer Systems	391.200		-$122,159		$0
	1. To remove plant that was retired in 2013 per blue manual general ledger plant record. Company made the adjustment in the G/L in March 2020 (Giacone)		-$122,159		$0	
R-54	Transportation Equipment	392.000		$21,098		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$21,098		$0	
R-56	Tools, Shop and Garage Equipment	394.000		$4,063		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$4,063		$0	
R-57	Laboratory Equipment	395.000		$141		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$141		$0	
R-58	Power Operated Equipment	396.000		$15,935		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$15,935		$0	
R-59	Communication Equipment	397.000		$1,345		$0
	1. To update depreciation reserve through June 30, 2020 (Giacone)		$1,345		$0	
	Total Reserve Adjustments			$93,032		$0

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
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	**OPERATION AND MAINT. EXPENSE**						
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	$3,518,576	0.00	0.00	0.00	0.000000	$0
12	TOTAL OPERATION AND MAINT. EXPENSE	$3,518,576					$0
13	**TAXES**						
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	TOTAL TAXES	$0					$0
22	CWC REQ'D BEFORE RATE BASE OFFSETS						$0
23	**TAX OFFSET FROM RATE BASE**						
24	Federal Tax Offset	$50,335	0.00	0.00	0.00	0.000000	$0
25	State Tax Offset	$8,938	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	$8,715	0.00	0.00	0.00	0.000000	$0
28	TOTAL OFFSET FROM RATE BASE	$67,988					$0
29	TOTAL CASH WORKING CAPITAL REQUIRED						$0

The Raytown Water Company
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Test Year Ending 12/31/2019
Updated Through June 30, 2020
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	M MO Adj. Juris. Non Labor
												L + M = K	
Rev-1		OPERATING REVENUES											
Rev-2	461.100	Residential	$3,026,153	See note (1)	See note (1)	Rev-2	See note (1)	$3,026,153	100.00%	$69,211	$3,095,364	See note (1)	See note (1)
Rev-3	461.110	Commercial	$400,006			Rev-3		$400,006	100.00%	$21,255	$421,261		
Rev-4	0.000	Industrial	$0			Rev-4		$0	100.00%	$0	$0		
Rev-5	462.000	Private Fire Protection	$17,686			Rev-5		$17,686	100.00%	-$2,018	$15,668		
Rev-6	0.000	Public Fire Protection	$0			Rev-6		$0	100.00%	$0	$0		
Rev-7	0.000	Other Public Auth.	$0			Rev-7		$0	100.00%	$0	$0		
Rev-8	0.000	Sales for Resale	$0			Rev-8		$0	100.00%	$0	$0		
Rev-9	0.000	Other Water Revenue - Oper. Rev.	$414,987			Rev-9		$414,987	100.00%	-$29,581	$385,406		
Rev-10		TOTAL OPERATING REVENUES	$3,858,832					$3,858,832		$58,867	$3,917,699		
1		SOURCE OF SUPPLY EXPENSES											
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	$1,513,915	$0	$1,513,915	E-4	-$166,826	$1,347,089	100.00%	$0	$1,347,089	$0	$1,347,089
5		TOTAL SOURCE OF SUPPLY EXPENSES	$1,513,915	$0	$1,513,915		-$166,826	$1,347,089		$0	$1,347,089	$0	$1,347,089
6		PUMPING EXPENSES											
7		TOTAL PUMPING EXPENSES	$0	$0	$0		$0	$0		$0	$0	$0	$0
8		WATER TREATMENT EXPENSES											
9		TOTAL WATER TREATMENT EXPENSES	$0	$0	$0		$0	$0		$0	$0	$0	$0
10		TRANSMISSION & DIST. EXPENSES											
11	660.000	Operation Supervision & Engineering - T&D	$61,666	$55,305	$6,361	E-11	$15,451	$77,117	100.00%	$0	$77,117	$71,152	$5,965
12	662.100	Water Samples	$3,076	$2,326	$750	E-12	$1,456	$4,532	100.00%	$0	$4,532	$2,993	$1,539
13	663.000	Meter Testing	$215	$15	$200	E-13	$4	$219	100.00%	$0	$219	$19	$200
14	664.000	Customer Installations Expenses - T&D	$0	$0	$0	E-14	$0	$0	100.00%	$0	$0	$0	$0
15	665.000	Miscellaneous Expenses - T&D	$0	$0	$0	E-15	$0	$0	100.00%	$0	$0	$0	$0
16	666.000	Rents - T&D	$0	$0	$0	E-16	$0	$0	100.00%	$0	$0	$0	$0
17	671.000	Maint. of Structures & Improvements - T&D	$0	$0	$0	E-17	$0	$0	100.00%	$0	$0	$0	$0
18	672.000	Maint. Of Towers / Tower Utilities	$17,255	$4,072	$13,183	E-18	$1,840	$19,095	100.00%	$0	$19,095	$5,239	$13,856
19	673.000	Maint. Of Mains / Tools Purch-Rpr / Gen. Supp. / Maint. Of Valves / Line Locates	$202,148	$31,978	$170,170	E-19	$9,131	$211,279	100.00%	$0	$211,279	$41,139	$170,140
20	675.000	Maint. of Services - T&D / Maint. Of Customer Meter Wells	$34,037	$2,293	$31,744	E-20	$633	$34,670	100.00%	$0	$34,670	$2,950	$31,720
21	676.000	Maint. of Meters - T&D / Meter Tools/Equipment	$754	$1,773	-$1,019	E-21	$488	$1,242	100.00%	$0	$1,242	$2,281	-$1,039
22	677.000	Maint. of Hydrants - T&D / Hydrant Accident Rprs	$735	$464	$271	E-22	$125	$860	100.00%	$0	$860	$597	$263
23		TOTAL TRANSMISSION & DIST. EXPENSES	$319,886	$98,226	$221,660		$29,128	$349,014		$0	$349,014	$126,370	$222,644
24		CUSTOMER ACCOUNTS EXPENSE											
25	901.000	Supervision	$0	$0	$0	E-25	$0	$0	100.00%	$0	$0	$0	$0
26	902.000	Meter Reading Cus Acct Expense / Uniforms	$97,656	$55,915	$41,741	E-26	$20,056	$117,712	100.00%	$0	$117,712	$71,936	$45,776
27	903.000	Customer Accounting / Customer Turn On-Off	$215,982	$213,370	$2,612	E-27	$60,857	$276,839	100.00%	$0	$276,839	$274,507	$2,332
28	904.000	Uncollectible Customer Account	$20,532	$0	$20,532	E-28	$738	$21,270	100.00%	$0	$21,270	$0	$21,270
29	905.000	Misc. Customer Accounts Expense	$0	$0	$0	E-29	$0	$0	100.00%	$0	$0	$0	$0
30		TOTAL CUSTOMER ACCOUNTS EXPENSE	$334,170	$269,285	$64,885		$81,651	$415,821		$0	$415,821	$346,443	$69,378
31		CUSTOMER SERVICE EXPENSES											
32	907.000	Safety Meetings / Safety Equipment	$26,520	$10,432	$16,088	E-32	$2,989	$29,509	100.00%	$0	$29,509	$13,421	$16,088
33		TOTAL CUSTOMER SERVICE EXPENSES	$26,520	$10,432	$16,088		$2,989	$29,509		$0	$29,509	$13,421	$16,088

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34		SALES PROMOTION EXPENSES											
35	910.000	Sales Promotion Expenses - SPE	$0	$0	$0	E-35	$0	$0	100.00%	$0	$0	$0	$0
36		TOTAL SALES PROMOTION EXPENSES	$0	$0	$0		$0	$0		$0	$0	$0	$0
37		ADMIN. & GENERAL EXPENSES											
38	920.000	Admin. & General Salaries / Collection Fees Due	$157,052	$159,077	-$2,025	E-38	$45,581	$202,633	100.00%	$0	$202,633	$204,658	-$2,025
39	921.000	Office Supplies & Expenses / Utilities / Print/Postage / Communication Exp / ROW Permits / Leased Off. Equip / Bank Fees	$227,723	$440	$227,283	E-39	$7,588	$235,311	100.00%	$0	$235,311	$566	$234,745
40	922.000	Admin. Expenses Transferred - Credit / Capitalized Labor/Overhead	-$30,780	$0	-$30,780	E-40	$0	-$30,780	100.00%	$0	-$30,780	$0	-$30,780
41	923.000	Outside Services Employed / Tower Maint. / Vehicle Tracking Subscription / Line Locating / Equip. Maint. Contract / Acct. Svcs / Computer Maint. / Mapping Svc. / Bond Iss. Cost	$265,425	$1,677	$263,748	E-41	$12,636	$278,061	100.00%	$0	$278,061	$2,186	$275,875
42	924.000	Property Insurance	$26,317	$0	$26,317	E-42	$13,135	$39,452	100.00%	$0	$39,452	$0	$39,452
43	925.000	Injuries & Damages / Mgmt & Empl. Liability	$17,081	$0	$17,081	E-43	$3,351	$20,432	100.00%	$0	$20,432	$0	$20,432
44	926.000	Employee Pensions & Benefits / Emplr 401k Contribution	$283,517	$0	$283,517	E-44	$55,556	$339,073	100.00%	$0	$339,073	$0	$339,073
45	928.000	Regulatory Commission Expenses	$32,815	$0	$32,815	E-45	-$2,408	$30,407	100.00%	$0	$30,407	$0	$30,407
46	929.000	Duplicate Charges - Credit	$0	$0	$0	E-46	$0	$0	100.00%	$0	$0	$0	$0
47	930.100	Miscellaneous General Expense	$2,647	-$652	$3,299	E-47	-$785	$1,862	100.00%	$0	$1,862	-$850	$2,712
48	930.200	Directors Fees and Expenses / Board Reports	$19,663	$2,603	$17,060	E-48	-$3,574	$16,089	100.00%	$0	$16,089	$3,349	$12,740
49	930.300	Education Expense	$3,773	$2,675	$1,098	E-49	$1,529	$5,302	100.00%	$0	$5,302	$3,442	$1,860
50	930.400	Pre-Employment Drug Screening	$2,916	$0	$2,916	E-50	$0	$2,916	100.00%	$0	$2,916	$0	$2,916
51	931.000	Rents	$0	$0	$0	E-51	$0	$0	100.00%	$0	$0	$0	$0
52	932.000	Maint. of General Plant	$19,794	$6,275	$13,519	E-52	$1,742	$21,536	100.00%	$0	$21,536	$8,073	$13,463
53	935.000	Prior Year Adjustment	$80,684	$0	$80,684	E-53	-$80,684	$0	100.00%	$0	$0	$0	$0
54	999.000	Vacation, Sick, Holiday, Comp/Grievance & Workers Comp Pay	$0	$0	$0	E-54	$0	$0	100.00%	$0	$0	$0	$0
55		TOTAL ADMIN. & GENERAL EXPENSES	$1,108,627	$172,095	$936,532		$53,667	$1,162,294		$0	$1,162,294	$221,424	$940,870
56		DEPRECIATION EXPENSE											
57	403.000	Depreciation Expense, Dep. Exp.	$433,926	See note (1)	See note (1)	E-57	See note (1)	$433,926	100.00%	$495	$434,421	See note (1)	See note (1)
58	403.200	CIAC - Depreciation Offset	$0			E-58		$0	100.00%	$0	$0		
59		TOTAL DEPRECIATION EXPENSE	$433,926	$0	$0		$0	$433,926		$495	$434,421	$0	$0
60		AMORTIZATION EXPENSE											
61		Plant - Main GIS Project	$0	$0	$0	E-61	$0	$0	100.00%	$0	$0	$0	$0
62	421.000	Amortization of CIAC	$14,492	$0	$14,492	E-62	-$33,968	-$19,476	100.00%	$0	-$19,476	$0	-$19,476
63		TOTAL AMORTIZATION EXPENSE	$14,492	$0	$14,492		-$33,968	-$19,476		$0	-$19,476	$0	-$19,476
64		OTHER OPERATING EXPENSES											
65	431.100	Interest on Customer Deposits	$14,587	$0	$14,587	E-65	-$5,088	$9,499	100.00%	$0	$9,499	$0	$9,499
66	431.200	Other Penalty / Interest Expense	$1,685	$0	$1,685	E-66	$0	$1,685	100.00%	$0	$1,685	$0	$1,685
67	418.200	Evanston House Expense	-$4,760	$0	-$4,760	E-67	$0	-$4,760	0.00%	$0	$0	$0	$0
68		Missouri Franchise Taxes	$0	$0	$0	E-68	$0	$0	100.00%	$0	$0	$0	$0
69	471.100	Sewer - Field Expense	-$3,075	$0	-$3,075	E-69	$3,247	$172	100.00%	$0	$172	$0	$172
70	471.120	Sewer - Office Expense	-$3,694	$0	-$3,694	E-70	$3,694	$0	100.00%	$0	$0	$3,694	-$3,694
71	471.270	Trash Bag Expense	$2,870	$0	$2,870	E-71	-$29	$2,841	100.00%	$0	$2,841	$0	$2,841
72	403.000	EIERA Issuance Costs	$0	$0	$0	E-72	$0	$0	100.00%	$0	$0	$0	$0

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												L + M = K	
73		TOTAL OTHER OPERATING EXPENSE	$7,613	$0	$7,613		$1,824	$9,437		$0	$14,197	$3,694	$10,503
74		TAXES OTHER THAN INCOME											
75	408.100	Property Taxes	$149,864	$0	$149,864	E-75	$1,375	$151,239	100.00%	$0	$151,239	$0	$151,239
76	408.000	Employer FICA / FUTA / SUTA	$46,777	$0	$46,777	E-76	$16,833	$63,610	100.00%	$0	$63,610	$16,833	$46,777
77		TOTAL TAXES OTHER THAN INCOME	$196,641	$0	$196,641		$18,208	$214,849		$0	$214,849	$16,833	$198,016
78		TOTAL OPERATING EXPENSE	$3,955,790	$550,038	$2,971,826		-$13,327	$3,942,463		$495	$3,947,718	$728,185	$2,785,112
79		NET INCOME BEFORE TAXES	-$96,958					-$83,631		$58,372	-$30,019		
80		INCOME TAXES											
81	409.000	Current Income Taxes	$0	See note (1)	See note (1)	E-81	See note (1)	$0	100.00%	-$55,773	-$55,773	See note (1)	See note (1)
82		TOTAL INCOME TAXES	$0					$0		-$55,773	-$55,773		
83		DEFERRED INCOME TAXES											
84	0.000	Deferred Income Taxes - Def. Inc. Tax.	$0	See note (1)	See note (1)	E-84	See note (1)	$0	100.00%	$46,539	$46,539	See note (1)	See note (1)
85	933.000	Amortization of Deferred ITC	-$2,404			E-85		-$2,404	100.00%	$0	-$2,404		
86	934.000	Amortization of 2018 Deferred Tax (TCJA)	-$13,949			E-86		-$13,949	100.00%	-$25,044	-$38,993		
87		TOTAL DEFERRED INCOME TAXES	-$16,353					-$16,353		$21,495	$5,142		
88		NET OPERATING INCOME	-$80,605					-$67,278		$92,650	$20,612		

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

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Rev-2	Residential	461.100	$0	$0	$0	$0	$69,211	$69,211
	1. To Annualize Residential Revenue		$0	$0		$0	$69,211	
	No Adjustment		$0	$0		$0	$0	
Rev-3	Commercial	461.110	$0	$0	$0	$0	$21,255	$21,255
	1. To Annualize Commercial Revenue		$0	$0		$0	$21,255	
	2. No Adjustment		$0	$0		$0	$0	
Rev-5	Private Fire Protection	462.000	$0	$0	$0	$0	-$2,018	-$2,018
	1. Normalize fire protection revenue (Juliette)		$0	$0		$0	-$2,018	
Rev-9	Other Water Revenue - Oper. Rev.		$0	$0	$0	$0	-$29,581	-$29,581
	1. To Annualize Other Water Revenue - Oper. Rev.		$0	$0		$0	-$29,581	
	2. No Adjustment		$0	$0		$0	$0	
E-4	Purchased Water	602.000	$0	-$166,826	-$166,826	$0	$0	$0
	1. To adjust purchased water expense (Nieto)		$0	-$166,826		$0	$0	
E-11	Operation Supervision & Engineering - T&D	660.000	$15,847	-$396	$15,451	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$15,847	$0		$0	$0	
	2. To remove labor from transportation clearing charges. (Young)		$0	-$396		$0	$0	
E-12	Water Samples	662.100	$667	$789	$1,456	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$667	$0		$0	$0	
	2. To remove labor from transportation clearing charges. (Young)		$0	-$26		$0	$0	
	3. To adjust laboratory fees (Nieto)		$0	$815		$0	$0	
E-13	Meter Testing	663.000	$4	$0	$4	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$4	$0		$0	$0	
E-18	Maint. Of Towers / Tower Utilities	672.000	$1,167	$673	$1,840	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$1,167	$0		$0	$0	
	2. To remove labor from transportation clearing charges. (Young)		$0	-$269		$0	$0	
	3. To include a normalized level of electric and gas utilities expense (Majors)		$0	$942		$0	$0	
E-19	Maint. Of Mains / Tools Purch-Rpr / Gen. Supp. / Maint. Of Valves / Line Locates	673.000	$9,161	-$30	$9,131	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$9,161	$0		$0	$0	

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	2. To remove labor from transportation clearing charges. (Young)		$0	-$30		$0	$0	
E-20	Maint. of Services - T&D / Maint. Of Customer Meter Wells	675.000	$657	-$24	$633	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$657	$0		$0	$0	
	2. To remove labor from transportation clearing charges. (Young)		$0	-$24		$0	$0	
E-21	Maint. of Meters - T&D / Meter Tools/Equipment	676.000	$508	-$20	$488	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$508	$0		$0	$0	
	2. To remove labor from transportation clearing charges. (Young)		$0	-$20		$0	$0	
E-22	Maint. of Hydrants - T&D / Hydrant Accident Rprs	677.000	$133	-$8	$125	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$133	$0		$0	$0	
	2. To remove labor from transportation clearing charges. (Young)		$0	-$8		$0	$0	
E-26	Meter Reading Cus Acct Expense / Uniforms	902.000	$16,021	$4,035	$20,056	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$16,021	$0		$0	$0	
	2. To remove labor from transportation clearing charges. (Young)		$0	-$675		$0	$0	
	3. NEW for post-direct, to include uniform and safety gear expense for new employees (Nieto)		$0	$4,710		$0	$0	
E-27	Customer Accounting / Customer Turn On-Off	903.000	$61,137	-$280	$60,857	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$61,137	$0		$0	$0	
	2. To remove labor from transportation clearing charges. (Young)		$0	-$280		$0	$0	
E-28	Uncollectible Customer Account	904.000	$0	$738	$738	$0	$0	$0
	1. To include a normalized level of bad debt expense (Juliette)		$0	$738		$0	$0	
E-32	Safety Meetings / Safety Equipment	907.000	$2,989	$0	$2,989	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$2,989	$0		$0	$0	
E-38	Admin. & General Salaries / Collection Fees Due	920.000	$45,581	$0	$45,581	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$45,581	$0		$0	$0	
E-39	Office Supplies & Expenses / Utilities / Print/Postage / Communication Exp / ROW Permits / Leased Off. Equip / Bank Fees	921.000	$126	$7,462	$7,588	$0	$0	$0
	1. To include a normalized level of advertising expense (Juliette)		$0	-$1,171		$0	$0	

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
	2. To disallow Raytown Main Street Association dues (Juliette)		$0	-$120		$0	$0	
	3. To include an annualized amount of payroll (Juliette)		$126	$0		$0	$0	
	4. To annualize leased office equipment (Nieto)		$0	$1,176		$0	$0	
	5. To adjust office supplies expense (Nieto)		$0	$3,842		$0	$0	
	6. To adjust printing and postage supplies expense (Nieto)		$0	$2,546		$0	$0	
	7. To include a normalized level of communications expenses (Majors)		$0	-$90		$0	$0	
	8. To include a normalized level of Right of Way permit fees (Majors)		$0	$1,279		$0	$0	
E-41	Outside Services Employed / Tower Maint. / Vehicle Tracking Subscription / Line Locating / Equip. Maint. Contract / Acct. Svcs / Computer Maint. / Mapping Svc. / Bond Iss. Cost	923.000	$509	$12,127	$12,636	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$509	$0		$0	$0	
	2. To annualized tower painting and maintenance expense (Young)		$0	$1,353		$0	$0	
	3. To annualized computer maintenance (Nieto)		$0	$2,688		$0	$0	
	4. To adjust outside services employed (Nieto)		$0	$1,622		$0	$0	
	5. To include a normalized amount of equipment maintenance (Majors)		$0	$6,464		$0	$0	
E-42	Property Insurance	924.000	$0	$13,135	$13,135	$0	$0	$0
	1. 1/3 of ERISA bond premium covering pension plan that was paid in 2018 and had a 3-year coverage term (Giacone)		$0	$90		$0	$0	
	2. NEW for post-direct, To adjust the test year to reflect 2020 insurance premiums for property/umbrella/liability insurance effective April 2020 (Giacone)		$0	$12,716		$0	$0	
	3. NEW for post-direct, To adjust the test year to reflect 2020 insurance premiums for auto insurance (Giacone)		$0	$329		$0	$0	
E-43	Injuries & Damages / Mgmt & Empl. Liability	925.000	$0	$3,351	$3,351	$0	$0	$0
	1. NEW for post-direct, To adjust the test year to reflect 2020 insurance premiums for worker's compensation and employee liability insurance (Giacone)		$0	$3,351		$0	$0	
E-44	Employee Pensions & Benefits / Emplr 401k Contribution	926.000	$0	$55,556	$55,556	$0	$0	$0
	1. To include an annualized level of insurance expense (Juliette)		$0	$58,472		$0	$0	
	2. To remove holiday bonuses (Majors)		$0	-$2,916		$0	$0	
E-45	Regulatory Commission Expenses	928.000	$0	-$2,408	-$2,408	$0	$0	$0
	1. To adjust for an annualized level of PSC Assessment (Juliette)		$0	-$7,554		$0	$0	

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	2. To include a normalized level of rate case expense (Juliette)		$0	$5,146		$0	$0	
E-47	Miscellaneous General Expense	930.100	-$198	-$587	-$785	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		-$198	$0		$0	$0	
	2. To remove costs for sporting event tickets (Majors)		$0	-$587		$0	$0	
E-48	Directors Fees and Expenses / Board Reports	930.200	$746	-$4,320	-$3,574	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$746	$0		$0	$0	
	2. To remove Board of Directors meeting fees for employee directors (Majors)		$0	-$4,320		$0	$0	
E-49	Education Expense	930.300	$767	$762	$1,529	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$767	$0		$0	$0	
	2. To adjust educational expense (Nieto)		$0	$762		$0	$0	
E-52	Maint. of General Plant	932.000	$1,798	-$56	$1,742	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$1,798	$0		$0	$0	
	2. To remove labor from transportation clearing charges. (Young)		$0	-$56		$0	$0	
E-53	Prior Year Adjustment	935.000	$0	-$80,684	-$80,684	$0	$0	$0
	1. To remove impact of prior year's adjustments (Majors)		$0	-$80,684		$0	$0	
E-57	Depreciation Expense, Dep. Exp.	403.000	$0	$0	$0	$0	$495	$495
	1. To Annualize Depreciation Expense		$0	$0		$0	$495	
	3. No Adjustment		$0	$0		$0	$0	
E-62	Amortization of CIAC	421.000	$0	-$33,968	-$33,968	$0	$0	$0
	1. To include an annualized level of CIAC amortization (Majors)		$0	-$33,968		$0	$0	
E-65	Interest on Customer Deposits	431.100	$0	-$5,088	-$5,088	$0	$0	$0
	1. To adjust interest expense on customer deposits (Giacone)		$0	-$5,088		$0	$0	
E-69	Sewer - Field Expense	471.100	$0	$3,247	$3,247	$0	$0	$0
	1. Contra revenue account--negative balance should be a positive expense but this account balance had $2,903 labor that was included in labor distribution so adjusting account balance to reflect non-labor portion of $172 (Giacone)		$0	$3,247		$0	$0	
E-70	Sewer - Office Expense	471.120	$3,694	$0	$3,694	$0	$0	$0

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	1. Contra revenue account--negative balance should be a positive expense but this account balance was all labor and was included in labor distribution so adjusting account balance to zero (Giacone)		$3,694	$0		$0	$0	
E-71	Trash Bag Expense	471.270	$0	-$29	-$29	$0	$0	$0
	1. To remove labor from transportation clearing charges. (Young)		$0	-$29		$0	$0	
E-75	Property Taxes	408.100	$0	$1,375	$1,375	$0	$0	$0
	1. To include an annualized level of property taxes (Giacone)		$0	$1,375		$0	$0	
E-76	Employer FICA / FUTA / SUTA	408.000	$16,833	$0	$16,833	$0	$0	$0
	1. To include an annualized amount of payroll (Juliette)		$16,833	$0		$0	$0	
E-81	Current Income Taxes	409.000	$0	$0	$0	$0	-$55,773	-$55,773
	1. To Annualize Current Income Taxes		$0	$0		$0	-$55,773	
E-84	Deferred Income Taxes - Def. Inc. Tax.		$0	$0	$0	$0	$46,539	$46,539
	1. To Annualize Deferred Income Taxes - Def. Inc. Tax.		$0	$0		$0	$46,539	
E-86	Amortization of 2018 Deferred Tax (TCJA)	934.000	$0	$0	$0	$0	-$25,044	-$25,044
	1. To Annualize Amortization of 2018 Deferred Tax (TCJA)		$0	$0		$0	-$25,044	
	Total Operating Revenues		$0	$0	$0	$0	$58,867	$58,867
	Total Operating & Maint. Expense		$178,147	-$191,474	-$13,327	$0	-$33,783	-$33,783

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020
Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 7.30% Return	E 7.30% Return	F 7.30% Return
1	TOTAL NET INCOME BEFORE TAXES		-$30,019	$452,556	$452,556	$452,556
2	ADD TO NET INCOME BEFORE TAXES					
3	Book Depreciation Expense		$434,421	$434,421	$434,421	$434,421
4	CIAC		-$19,476	-$19,476	-$19,476	-$19,476
5	TOTAL ADD TO NET INCOME BEFORE TAXES		$414,945	$414,945	$414,945	$414,945
6	SUBT. FROM NET INC. BEFORE TAXES					
7	Interest Expense calculated at the Rate of	0.1640%	$8,715	$8,715	$8,715	$8,715
8	Tax Straight-Line Depreciation		$414,945	$414,945	$414,945	$414,945
9	Excess Tax Depreciation		$195,212	$195,212	$195,212	$195,212
10	TOTAL SUBT. FROM NET INC. BEFORE TAXES		$618,872	$618,872	$618,872	$618,872
11	NET TAXABLE INCOME		-$233,946	$248,629	$248,629	$248,629
12	PROVISION FOR FED. INCOME TAX					
13	Net Taxable Inc. - Fed. Inc. Tax		-$233,946	$248,629	$248,629	$248,629
14	Deduct Missouri Income Tax at the Rate of	100.000%	-$8,411	$8,938	$8,938	$8,938
15	Deduct City Inc Tax - Fed. Inc. Tax		$0	$0	$0	$0
16	Federal Taxable Income - Fed. Inc. Tax		-$225,535	$239,691	$239,691	$239,691
17	Federal Income Tax at the Rate of	21.000%	-$47,362	$50,335	$50,335	$50,335
18	Subtract Federal Income Tax Credits					
19	Credits - Solar		$0	$0	$0	$0
20	Net Federal Income Tax		-$47,362	$50,335	$50,335	$50,335
21	PROVISION FOR MO. INCOME TAX					
22	Net Taxable Income - MO. Inc. Tax		-$233,946	$248,629	$248,629	$248,629
23	Deduct Federal Income Tax at the Rate of	50.000%	-$23,681	$25,168	$25,168	$25,168
24	Deduct City Income Tax - MO. Inc. Tax		$0	$0	$0	$0
25	Missouri Taxable Income - MO. Inc. Tax		-$210,265	$223,461	$223,461	$223,461
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%	-$8,411	$8,938	$8,938	$8,938
29	PROVISION FOR CITY INCOME TAX					
30	Net Taxable Income - City Inc. Tax		-$233,946	$248,629	$248,629	$248,629
31	Deduct Federal Income Tax - City Inc. Tax		-$47,362	$50,335	$50,335	$50,335
32	Deduct Missouri Income Tax - City Inc. Tax		-$8,411	$8,938	$8,938	$8,938
33	City Taxable Income		-$178,173	$189,356	$189,356	$189,356
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		-$47,362	$50,335	$50,335	$50,335
39	State Income Tax		-$8,411	$8,938	$8,938	$8,938
40	City Income Tax		$0	$0	$0	$0
41	TOTAL SUMMARY OF CURRENT INCOME TAX		-$55,773	$59,273	$59,273	$59,273
42	DEFERRED INCOME TAXES					
43	Deferred Income Taxes - Def. Inc. Tax.		$46,539	$46,539	$46,539	$46,539
44	Amortization of Deferred ITC		-$2,404	-$2,404	-$2,404	-$2,404
45	Amortization of 2018 Deferred Tax (TCJA)		-$38,993	-$38,993	-$38,993	-$38,993
46	TOTAL DEFERRED INCOME TAXES		$5,142	$5,142	$5,142	$5,142
47	TOTAL INCOME TAX		-$50,631	$64,415	$64,415	$64,415

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020

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 7.50%	F Weighted Cost of Capital 7.50%	G Weighted Cost of Capital 7.50%
1	Common Stock	$5,660,332	95.21%		7.140%	7.140%	7.140%
2	Other Security Tax Deductible	$0	0.00%	0.00%	0.000%	0.000%	0.000%
3	Preferred Stock	$0	0.00%	0.00%	0.000%	0.000%	0.000%
4	Long Term Debt	$185,000	3.11%	3.00%	0.093%	0.093%	0.093%
5	Short Term Debt	$100,000	1.68%	4.25%	0.071%	0.071%	0.071%
6	Other Security-Non Tax Deductible	$0	0.00%	0.00%	0.000%	0.000%	0.000%
7	TOTAL CAPITALIZATION	$5,945,332	100.00%		7.304%	7.304%	7.304%
8	PreTax Cost of Capital				9.539%	9.539%	9.539%

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020

Executive Case Summary

Line Number	A Description	B Amount
1	Annualized Missouri Retail Revenues	$3,917,699
2	Annualized Customer Numbers	6,582
3	Annualized Customer Usage	2,547,540
4	Profit (Return on Equity)	$379,426
5	Interest Expense	$8,715
6	Annualized Payroll	$728,185
7	Utility Employees	16
8	Depreciation	$434,421
9	Net Investment Plant	$7,242,044
10	Pensions	$0

The Raytown Water Company
Case No. WR-2020-0264
Test Year Ending 12/31/2019
Updated Through June 30, 2020

RATE BASE SCHEDULE

Line Number	A Rate Base Description	B Percentage Rate	C Dollar Amount
1	Plant In Service		$14,841,346
2	Less Accumulated Depreciation Reserve		$7,599,302
3	Net Plant In Service		$7,242,044
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		$0
6	Contributions in Aid of Construction Amortization		$167,002
7	Materials & Supplies		$90,014
8	Prepayments		$38,900
9	TOTAL ADD TO NET PLANT IN SERVICE		$295,916
10	SUBTRACT FROM NET PLANT		
11	Federal Tax Offset	0.0000%	$0
12	State Tax Offset	0.0000%	$0
13	City Tax Offset	0.0000%	$0
14	Interest Expense Offset	0.0000%	$0
15	Contributions in Aid of Construction		$643,798
16	Additional Contribution in Aid of Construction (CIAC) June 30 plant		$3,197
17	Customer Advances		$0
18	Customer Deposits		$165,195
19	Deferred Income Taxes		$891,673
20	Excess Deferred Income Taxes		$520,009
21	Accrued Pension Liability		$0
22	TOTAL SUBTRACT FROM NET PLANT		$2,223,872
23	Total Rate Base		$5,314,088

RAYTOWN WATER COMPANY
Schedule of Depreciation Rates
WATER
WR-2020-0264

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
303	Misc. Intangible Plant	0.0%	NA	NA
340	Land and Land Rights	0.0%	NA	NA
342	Distribution Reservoirs & Standpipes	2.5%	40	0%
343	Transmission & Distribution Mains	2.0%	50	0%
343.1	Gateway Transmission Project	0.0%	Fully Amortized	0%
345	Services	2.5%	40	0%
346.1	Meters, Bronze	3.3%	27	10%
346.2	Meters, Plastic	10.0%	10	0%
346.3	Meters, Ultrasonic	5.0%	20	0%
347	Meter Installations	5.7%	17.5	0%
348	Hydrants	2.0%	48	5%
389	Land and Land Rights	0.0%	NA	NA
390	Structures & Improvements	2.5%	40	0%
391	Office Furniture & Equipment	5.0%	20	0%
391.1	Office Electronic Equipment	0.0%	Fully Accrued	0%
392	Transportation Equipment	7.8%	12	7%
394	Tools, Shop, Garage Equipment	5.0%	20	0%
395	Laboratory Equipment	5.0%	20	0%
396	Power Operated Equipment	6.7%	14	6%
397	Communication Equipment	6.7%	15	0%

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.

Revenues Generated by Current Tariffed Rates	**$ 3,532,292**
Agreed-Upon Overall Revenue Increase	**$ 482,576**
Percentage Increase Needed	**13.662%**

Metered Customer Rates

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"	$ 11.31	$ 12.86	$ 7.11	$ 8.08
1"	$ 20.53	$ 23.33	$ 7.11	$ 8.08
1.5"	$ 35.67	$ 40.54	$ 7.11	$ 8.08
2"	$ 53.88	$ 61.24	$ 7.11	$ 8.08
3"	$ 96.30	$ 109.46	$ 7.11	$ 8.08
4"	$ 156.88	$ 178.31	$ 7.11	$ 8.08

Private Fire Hydrants and Automatic Sprinkler Systems

	Current Charge	Proposed Charge
Fire Hydrant	$ 186.06	$ 211.48
Sprinkler Meter Size		
2" or less	$ 24.79	$ 28.18
4"	$ 98.63	$ 112.10
6"	$ 207.78	$ 236.17
8"	$ 373.99	$ 425.08
10"	$ 631.28	$ 717.52

THE RAYTOWN WATER COMPANY

Residential Customer Bill Comparison-Water

Rates fo 5/8" Meter			
Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
$11.31	**$12.86**	**$7.11**	**$8.08**

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	$	11.31
Usage Charge	$	28.44
Total Bill	**$**	**39.75**
Proposed Rates		
Customer Charge	$	12.86
Usage Charge	$	32.33
Total Bill	**$**	**45.18**

INCREASES

Customer Charge	
$ Increase	**$1.55**
% Increase	**13.662%**
Usage Charge	
$ Increase	**$3.89**
% Increase	**13.662%**
Total Bill	
$ Increase	**$5.43**
% Increase	**13.662%**

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"	$12.86	2.0"	$61.24
1.0"	$23.33	3.0"	$109.46
1.5"	$40.54	4.0"	$178.31

There shall be a metered usage charge applied on a monthly basis, and billed by the Company on a monthly basis of $8.08 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 4, 2020
Month /Day/Year

EFFECTIVE DATE: September 08, 2020
Month /Day/Year

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

10017 E. 63rd 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: $211.48 annually

Automatic Sprinkler System

Rates +

Tap Size	Annual Charge
2.0"or less	$28.18
4.0"	$112.10
6.0"	$235.17
8.0"	$425.08
10”	$717.52

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

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10017 E. 63rd Street, Raytown, MO 64133
Mailing Address

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. Door Note charge: $20.00
3. Disconnect turn-off charge (meter still installed): $25.00
4. Reconnect turn-on charge during regular restoration hours (meter still installed): $25.00
5. 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.

   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

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

Rules Governing
Rendering of Water Service

F. Customers are responsible for furnishing the Company with their correct address. Failure to receive bills will not be considered an excuse for non-payment nor permit and extension of the date when the account would be considered delinquent. All bills will be sent to the address entered in the application unless the Company is notified in writing by the customer of any changes of address.

G. The use of water by the same customer in different premises or localities will not be combined and each installation shall stand by itself.

H. Water bills are rendered per meter and will not be subdivided.

I. Meters are to be 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 be read will be issued an estimated bill. *The estimated bill will be calculated on the previous 6 months of usage. If the customer has no previous historical data, bill will be issued for the number of days account is active x100 gallons/day.+ If necessary, billing adjustment will be made when an actual reading is obtained. When, during normal business hours, the Company is unable to read customer's meter for three consecutive months, the customer shall on request from the Company, provide access to the premises to obtain an actual reading. The access will be provided at an agreed to time during the Company's business hours. If the customer is unable to provide access to the premises during the Company's normal business hours, the Company will offer an appointment to read the meter during non-business hours on weekdays prior to 9:00 p.m. and on Saturday between the hours of 9:00 a.m. and 12:00 p.p., excluding holidays. The customer will be charged per rate on the Service Charge Schedule for meter readings performed during non-business hours. Should the customer fail to provide access to the premises in order for the Company to obtain an actual meter reading, the Company may discontinue service, unless and until the Customer provide an accessible meter well just inside the customer's property line.

* Indicates new rate or text
\+ Indicates change

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

Rules Governing
Rendering of Water Service

J. If access to a meter is denied due to any obstruction, which can be directly attributed to the customer, the obstruction will be removed at the customer's expense.

K. The Company may render a bill based on estimated usage due to extreme weather conditions or emergencies.

L. If a customer account is turned over to a 3rd party collection agency, all prudent fees/costs associated with collecting this debt are assessed to the customer's account and are the sole responsibility of the Customer.

M. Billings will be made and distributed on a monthly interval and will bear the last date on which payment will then be considered delinquent. The period after which the payment is considered delinquent is twenty-one (21) days after rendition of the bill. A late payment charge will be added to the delinquent amount. Late payment charges shall accrue and be billed monthly.

N. If payment is not received by the specific disconnect time and date on the Final Disconnect Notice and a trip to a customer premise is necessary, the minimum administrative collection fee will be assessed to the customer account. If the service is disconnected for non-payment, payment of the past due balance and the additional fee for restoration will be required in cash, money order, Visa, Master Card or cashier' check.

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\+ Indicates change

ISSUE DATE: August 4, 2020
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Name and Title of Issuing Officer

10017 E. 63rd Street, Raytown, MO 64133
Mailing Address

<u>REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW</u>

Customer Experience Department

Small Company Rate Increase Request

Case No. WR-2020-0264

The Raytown Water Company

Scott Glasgow and Gary Bangert

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

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

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

- Meter Reading
- Customer Billing
- Deposits
- Estimating Procedures
- Payment Remittance
- Credit and Collections
- Record Storage and Retention

CXD Staff initiated an informal review of the Company's customer service and business processes, procedures, and practices in March 2020 following Raytown's request to increase its annual operating revenues. The CXD Staff examined the Company's tariffs, annual reports, and Commission complaint and inquiry records, along with other documentation related to the Company's customer service and business operations. In preparation of this report, the CXD

Staff submitted data requests to the Company throughout this review. CXD Staff also conducted a conference call interview on May 5, 2020, with Company personnel.

Comprehensive customer service and business office operations reviews of RWC have been previously performed by CXD Staff in 2003, 2008, 2010, and 2015, with additional implementation reviews in 2009 and 2012. The Company has implemented CXD Staff's recommendations after each review. CXD Staff has four recommendations to make in this report.

Overview

The Company's corporate office is located at 10017 East 63rd Street, Raytown, Missouri, 64133. Business office hours are 7 a.m. to 4 p.m., Monday through Friday. Customers can contact the Company after normal business hours by calling the office at (816) 356-0333. After normal business hours, calls are routed to a company called Professional Answering Service Company. A record of the call is faxed and emailed to the Company. The Company's General Manager, Neal Clevenger, is on call 24/7. RWC's web site address is https://raytownwater.net/.

The Company provides water service to 6,582 customers in a service area located mostly in Raytown, Missouri, with some customers located in Independence, Missouri. According to the Company's General Manager, RWC's long-term plans include infrastructure improvement and possible implementation of an Automated Metering Infrastructure ("AMI") system.

Meter Reading

RWC manually reads meters and records readings using electronic handheld devices for most of its customers; although it also uses about 600 radio read meters. The readings from the handhelds are uploaded to the Company's billing software called Comprehensive Utility Billing Control System ("CUBIC"). The Company's customer base is divided into four quadrants, with each quadrant's meters being read once a month on a rotating basis. RWC has two full-time meter readers and an additional full-time technician that assists both meter readers, field technicians and office functions as needed.

Approximately 1,600 meters are read each week in four days, and rechecks and rereads are conducted on the fifth day. All meters are read, whether active or inactive.

RWC indicates they replace an average of 600 meters every year through their meter replacement program. Additional meters are replaced when they break or malfunction. A few are replaced with an automated meter reading ("AMR") meter, but due to the expense of AMR meters, most are replaced with a standard meter.

Customer Billing

When initiating service, RWC requires customers to complete an application for service and provide photo identification, along with a copy of their rental agreement, lease, or proof of home ownership. In the event the customer does not have a written rental agreement, RWC contacts the property manager or landlord for verification. When applications are received by noon, RWC generally turns on service that business day. As applications for service are accepted, RWC searches its system for prior customer records. If a customer is transferring service to a new location within RWC's service territory, a new application is required to update customer information. Additionally, the customer service representative checks to see if a deposit or final bill also needs to be transferred.

RWC divides its monthly billing into four cycles. Bills are generally mailed on the Thursday of the week the customers' meters are read. In accordance with the Company's tariffs and the Commission's Chapter 13 rules, payment is due 21 days after rendition or mailing of the bill. The Company utilizes a Billing Journal Report to track billing and to send to the City of Raytown for sewer billing purposes. The Billing Journal Report shows the previous reading, current reading, and comments section that notes any reasons for estimation.

Deposits

No deposit is required at the time of a service application if the customer is a property owner and has no prior bad pay record or bad debt with RWC. Customers are required to provide proof of ownership such as a deed. The Company stated that those customers required to pay a deposit according to the Company's tariff are charged a deposit that does not exceed two times the highest bill of the customer at the same address during the preceding twelve months. If no prior usage history is available for the Customer, the deposit will be two times the highest bill of the previous customer.

Interest is credited at the rate of the prime bank lending rate as of January 1st of that year plus one percent. If a customer had a bad debt with RWC, the Company requires the customer to pay the bad debt, as well as any collection fees along with a deposit before initiating service.

Estimating Procedures

The Company indicated that it only estimates usage when there is no access to the meter well, temperatures/wind chills are below 30 degrees, it has staff shortages due to illness, or there are emergency water breaks. RWC stated that when a meter cannot be read in a timely manner, estimation is done automatically thru the CUBIC billing system. CUBIC takes the last six months of usage into consideration. New customers that have not established any usage history will need a manual read. If a manual read is not possible, the company will estimate a usage of 100 gallons per day multiplied by the number of days active. The Company indicated that any over or under estimates should level out by the following month when the meter is read.

After bills are estimated, a high/low report is generated to review accounts for exceptions. If there is an exception that is incredibly high or low, a manual read may need to be done. If a meter reader is unable to read a meter on the first effort, they will try again later in the week, typically the next day.

Payment Remittance

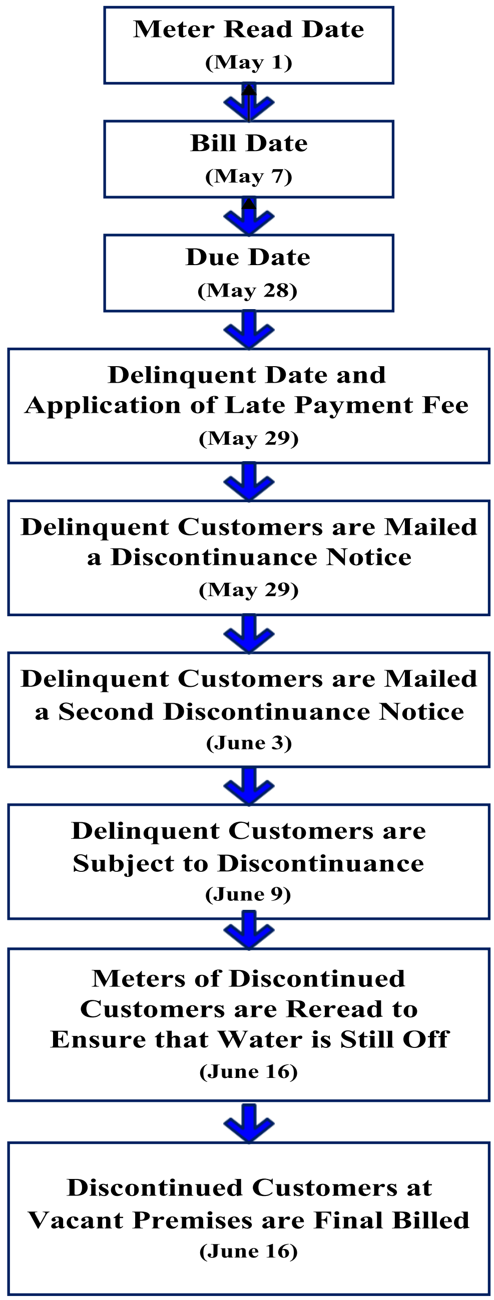
Payment options include cash, check, credit or debit cards (Visa, MasterCard or American Express)[1], money orders, and automatic bank account withdraw (otherwise known as automatic clearing house or ACH). Payment methods include mail, online thru the Company website,[2] by phone, or in person at the Customer Service Counter. RWC also has two drop boxes located outside of the building and one drop box located inside the building by the customer service entry way. Payments are only collected in the field after 4:00 p.m. for restoration of service on the same date customers have been disconnected. Payments for restoration must be in the form of a money order made payable to Raytown Water Company. Payments are posted to customer accounts several times each day, Monday through Saturday, with the exception of holidays.

Credit and Collections

RWC has an established procedure for handling delinquent accounts. The following illustration shows the actions that would be taken on an account that remains unpaid if the bill was mailed on May 1:

[1] Customer is charged a third party convenience fee of $1.95
[2] Service provided by Official Payments (O-Pay)

Delinquent Account Actions



Source: RWC Management Interview Information

As shown in the above illustration, accounts that remain unpaid are subject to disconnection after they become delinquent. The Company asserts that after proper customer notification, RWC disconnects service for nonpayment of customer accounts. Company management represented to the CXD Staff that a service that is disconnected for nonpayment is usually reconnected the day the bill is paid in full, including the extra fees, unless it occurs late in the day.

During the May 5, 2020, conference call with RWC and CXD Staff, RWC indicated that after a customer's service is disconnected for nonpayment, the Company will continue to bill that customer a monthly minimum charge. The Company stated and confirmed in data request 124 that it charges this fee because the meter is still in the well and the Company continues to read the meter for usage and to determine if the property is occupied.

RWC utilizes TSI Collections for all account balances that are written off from the account. The Company asserts it makes sure the customer does not have another account so the balance can be transferred to the active account. Before sending the balance to TSI Collections, all fees that need to be removed or adjusted are taken off the account (duplicate turn-off/turn-on fees, deposits).

Record Storage and Retention

RWC asserts that CUBIC is backed up a minimum of once a day in-house to the local server. The server is backed up automatically throughout the day to Results Technology and sent to three offsite servers in the US that are strategically located. The retention of the backup records varies, but RWC can view customer information as far back as 2005 and even earlier in some circumstances.

A separate file is sent to a separate server to DR Frey & Company for customer view only thru the Company's website. This allows customers to access their bill, usage, and make online payments, but no other vital customer or Company information can be accessed from the server.

Findings, Conclusions, and Recommendation

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

- Estimating Procedures
- Billing Customers No Less Than 25 Days and No More Than 35 days
- Monthly Service Charge While Disconnected
- Customer Brochure

Estimating Procedures

In reviewing the Company's estimation procedures compared to Chapter 13 of the

Commission's Rules, the Company is not following Chapter 13 in several areas. RWC indicated there is no Company tariff on estimating procedures and that the Company's estimating procedures follow Chapter 13 guidelines.

Guidelines for what time periods to use for estimating usage are addressed in Commission Rule 20 CSR 4240-13.020 (2) (C):

> *A utility that does not have an approved estimating procedure shall base the estimate on that customer's historical average usage at the same premises for the same billing periods during any or all of the past three (3) years for which actual usage data is available. In the event the customer was provided utility service at the premises for less than one (1) year, then the estimate shall be based on usage from the average of the customer's actual usage for the previous three (3) billing periods. If the customer has not had utility service for three (3) billing periods or if actual usage during that time is not available, the utility shall base the estimate on the average usage of available actual usage data for the months the customer has had utility service. In cases where no prior actual usage information is available or the prior usage is estimated and cannot be determined by subsequent actual meter readings, the utility shall base the estimate upon average usage of similarly situated customers;…*

RWC only takes the last six months of usage in consideration, even if information for a longer period is available to it. Estimating procedures for the time utilized to render an estimated bill should follow the above guidelines or have a Commission-approved Company tariff.

THE CXD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

> *Change its estimating usage process to comply with Chapter 13 as mentioned above or have a Commission-approved tariff.*

Billing Customer No Less Than 26 Days and No More Than 35 Days

CXD Staff reviewed informal complaints from 2017 to the date of this report. CXD Staff found in four of the 17 complaints that the Company billed the customer for usage outside Chapter 13 guidelines.[3] As a usual procedure in a rate case review, CXD Staff requested sample billing statements and billing statements from five RWC customers for three consecutive months of service. One of the five customers was billed for a period contrary to Chapter 13 guidelines on two occasions.[4] CXD Staff inquired about the two statements and the Company indicated staffing issues caused the two bills to be out of compliance. CXD Staff reviewed a total of 54 billing statements during this rate case review. Six of the statements were billed outside the

[3] C201901137 Billed for 38 days, C201901462 Billed for 36 days, C201901398 Billed for 37 days, and C201900764 Billed for 38 days

[4] Data Request 82

billing period as defined in Chapter 13. Commission Rule 20 CSR 4240-13.015 (1) (C) defines a billing period as:

> *Billing period means a normal usage period of not less than twenty-six (26) nor more than thirty-five (35) days for a monthly billed customer nor more than one hundred (100) days for a quarterly billed customer, except for initial, corrected, or final bills;…*

CXD Staff requested an explanation on why one customer was billed outside the required guidelines and RWC stated that staffing was short and the bills occurred in a short month (February).

THE CXD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

> *Bill customers according to the billing period defined in Chapter 13.015 (1) (C) as mentioned above. Consider changing procedures to address staff shortages and short billing periods such as occurred in February.*

Monthly Minimum Charge While Disconnected

As discussed earlier in this Memorandum, RWC will continue to bill a monthly minimum charge after a customer's service is disconnected for nonpayment. Section 393.130(1), RSMo states that:

> *All charges made or demanded by any such gas corporation, electrical corporation, water corporation or sewer corporation for gas, electricity, water, sewer or any service rendered or to be rendered shall be just and reasonable and not more than allowed by law or by order or decision of the commission. Every unjust or unreasonable charge made or demanded for gas, electricity, water, sewer or any such service, or in connection therewith, or in excess of that allowed by law or by order or decision of the commission is prohibited.*

The Company admitted in response to DR 124.1 that continuing to charge the monthly minimum charge following disconnection is not listed in their tariff, and thus not allowed by order or decision of the Commission. In addition, Staff found no provision in Chapter 13 permitting the continuation of a monthly minimum charge after service is discontinued.

THE CXD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

> *Stop charging a minimum monthly charge after water service has been shut off.*

Customer Brochure

RWC has developed a letter detailing the rights and responsibilities of RWC and its customers,[5] but the letter does not include all the requirements of Commission Rule 20 CSR 4240-13.040(3). The subparts under CSR 240-13.040(3) that still need to be included in RWC letter consist of:

> *(B) Methods for customer verification of billing accuracy*
>
> And
>
> *(G) Explanation of meter reading procedures which would enable a customer to read his/her own meter*

The letter also references Commission rules as required by 4 CSR 240-13.040(3). Since the creation of the letter, the Commission's rules have been moved to a different chapter of the Code of State Regulations, and therefore need to be corrected in the letter.

THE CXD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

> *Revise and distribute, to all current and future customers, written information specifying the rights and responsibilities of the Company and its customers as required by Commission Rule 20 CSR 4240-13.040(3). Update Commission Rule numbers referenced in the brochure. This recommendation should be completed prior to mailing brochures following the conclusion of this rate case.*

[5] Data Request 99

Raytown Water Company
Proposed Capital Improvement
Three Year Project

Note: Athough there are 99 projects listed here, we estimate that there will be 125 projects but the last 26 projects have not be selected yet.

Description Of Project	Reason For Project	Cost of Project	Expected Benefits	Prioritization Criteria	Time Needed to complet the Project	Time of Year the Project Can Proceed
1 Hadley - 66th St	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
2 11201 East 63rd	Reconnect the Main	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
3 Railroad Street	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
4 Hunter Service Change Overs	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
5 11601 East 51st up to Blue Ridge Blvd.	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
6 49 Terrace to 50 Terrace on Woodside	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
7 Tie 49 Terrace into Crysler	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
8 11000 East 57th St. to Sterling on 57th	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
9 64 Terrace to 63rd Street on Harris	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
10 60th St. from Woodson East to End	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
11 5220 Cut off	New Hydrant	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
12 52nd Terrace & Elm Place	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
13 62nd Street from Woodson to Kc	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
14 60 Terrace from Elm to Crescent	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
15 Walgreens 350 Crossing	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
16 Delta Fab	Move Well Out	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
17 54th Street at Kentucky	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
18 Harvard Bluse Ridge Blvd to 54 Terrace	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
19 Appleton (a) 54 Terrace to Blue Ridge Blvd	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
(b) 54th Terrace Appleton to Harris	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.

20 Hadley to Woodson on 63rd St.	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
21 57 Terrace to 59th on Northern	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
22 11314 56 Terrace & Woodland	Discontinue 2" from	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
23 Woodson Village 63rd to Woodson	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
24 Woodson from 53rd Street to B.R. Blvd	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
25 Armber Glenn 62 Raytown Road to 61st	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
26 Northern to Serling on 57 Terrace	Replace old leaking pipes, valves and upsizing the main.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
27 Elm from 57 Terrace to 57th Street	Replace old 6" main with 8" PVC	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
28 From 53rd to 59th Street	Replace main on Raytwon Road with 12" PVC	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
29 West to Culdesac on 60th Terrace at Raytown Road	Replace 2" from Hydrant	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
30 11320 East 56 Terrace,. East to Woodson Transfer San's	Disconnect 2" from	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
31 From 53rd on Norther to Kc	Replace 2" main with 6" PVC	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
32 HyVee Parking Lot	Valve Replacements & Addition	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
33 From Master meter Valt to Norfleet	Replace old 6" main with 10" PVC m	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
34 From 74th Terrace to 74the Street	Replace 2" main and new Hydrant	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
35 On 60th Terrace from Cutoff West to Kc	Replace 2" main with 6" PVC, New Valve & Hydrant	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
36 On Sterling North of 53rd	Replace old 6" main to end with Hydrant	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
37 Cutoff from 63rd South	Replace old 6" main to end with new valve & Hydrant	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
38 From Blude Ridge Blvd to the hydrant @ 11405 East Terrace	Replace 2' from Blude Ridge Blvd. to Hydrant at 11405 East 55th	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
39 67 Terrace from Elm to Laure	Replace 2" main on 67th Terrace from Elm to Laure with 6" PVC 7	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
40 Cryslor Ave in from 51st Terrace to 52nd St.	Tie in Cryslor Ave in from 51st Terrace to 52nd Street to Circulaing	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
41 42nd St.	Upgrade 42nd Street Master Meter Vault including valves, check vlave	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
42 53rd from Raytown Road to Ash	Replace old 12" on 53rd from Raytown Rd. to Ash with new valves & hydrant	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
43 60 Terrace from Oxford to Cresent and up to Oxford	Replace old 6" on 60 Terrace from Oxford to Cresent and up to Oxford	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
44 49th St. from Norfleet ot 13007 East 49th	Replace old 6" on 49th St. from Norfleet ot 13007 East 49th hydrant	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
45 Sterling to Hydrant on 57th St	Replace 2" from Sterling to Hydrant on 57th St with 6 or 8" PVC	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
46 57th St. & Northern to Blue Ridge Blvd	Replace 57th St. & Northern to Blue Ridge Blvd & install new hydrant	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.

47	8855 East 53rd Terrace to 5316 Kentucky	Replace old sealed 6" main from hydrant at 8855 East 53rd Terrace to	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
48	Woodson from 62nd to 63rd and 62nd Terrace	Install new 8" PVD main on Woodson from 62nd to 63rd and	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
49	67 Terrace from Elm to Oxford	Replace 2" main on 67 Terrace from Elm to Oxford with 6" PVC & new	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
50	67th St. from Raytown Rd to Hardy	Replace old 6" main with 6 or 8" PVC on 67th St. from Raytown Rd	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
51	56th St. from Ash to Willow	Replace old 6 & 8 " main on 56th St. from Ash to Willow & hydrants	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
52	59th Street to 57th Terrace	Replace old 6" main on Northern from 59th Street to 57th Terrace	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
53	58 Terrace loop back to 59 on Hedges & Ralston	Replace old 2" main on the 58 Terrace loop back to 59 on Hedges	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
54	6105 Hardy to 10501 E. 60 Terrace	Install new 6" PVC main from hydrant 6105 Hardy to 10501 E. 60	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
55	55th from Ash to Maywood	Install new 6" PVC in 55th from Ash to Maywood	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
56	Hadley from 63rd St to end at 64103 Hadley (behind Raytown Plaza)	Replace old 6" main on Hadley from 63rd St to end at 64103 Hadley	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
57	On Cedar from 59th St. to 60 Terrace	Replace old 6" main on Cedar from 59th St. to 60 Terrace	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
58	59th Street from Raytown Rd to Cutoff	Replace old main on 59th Street from Raytown Rd to Cutoff master	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
59	Oxford from 59th St. to 9800 East 59th St.	Replace old 2" main on Oxford from 59th Street to 9800 East 59th Street.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
60	55th St to 57St on Cutoff	Replace old 8" main with new 10-12 PVC from 55th St to 57St on Cutoff	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
61	55th St. from Raytown Road to Cutoff	Replace old 8" main with new 10-12 " PVC on 55th St. from Raytown	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
62	56 Terrace from Woodson to 11320 E. 56 Terrace to Transfer Services	Eliminate 2" on 56 Terrace from Woodson to 11320 E. 56 Terrace to	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
63	Ditzler from 62nd St to 63rd St	Replace old 6" main on Ditzler from 62nd St to 63rd St with 6" PVC	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
64	Woodson from Blue Ridge Blve to 57th Street	Replace old 6" main on Woodson from Blue Ridge Blve to 57th Street	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
65	Cutoff from 62nd Terrace to 59th St.	Replace old 12" main on Cutoff from 62nd Terrace to 59th St. using	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
66	On woodson from Little Blue to 6570 Woodson	Install new 8" PVC main on woodson from Little Blue to 6570 Woodson 15 rental proprieties	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
67	65th St. from Railroad to Hadley	Replace old 6" main on 65th St. from Railroad to Hadley with 8 -10	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
68	Elm from Blue Ridge Blvd to Walgreens	Replace old 8" main on Elm from Blue Ridge Blvd to Walgreens with	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
69	350 at Laurel	Replace 8" main across 350 at Laurel with New 12" encased PVC	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
70	Across 350 at Lane	Replace 6" main across 350 at Lane with New 12" Encased PVC main	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
71	350 just of south of Maple	Replace 6 " main across 350 just of south of Maple with new 12"	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
72	52nd Terrace from Hunter to Laurel	Replace 6" main on 52nd Terrace from Hunter to Laurel with 8-10	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
73	58 Terrace from Sterling to 11320 East 58 Terrace	Replace old 6" main on 58 Terrace from Sterling to 11320 East 58	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.

74	On 69 Terrace from Laurel to Elm	Replace old 2" main on 69 Terrace from Laurel to Elm & add Fire	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
75	Properties facing 350 from Lane to Laurel	Replace 2" behind properties facing 350 with new 8" PVC from lane &	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
76	Blue Ridge Blvd from 62nd St to 59th St	Replace old 6" on Blue Ridge Blvd from 62nd St to 59th St with 12"	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
77	On 61st Terrace from Raytown Rd extending to Blue Ridge Blvd	Replace old 2" on 61st Terrace from Raytown Rd extending to Blue	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
78	Raytown Rd. from 63rd Terrace to 65th Street.	Replace old 6 -8" main on Raytown Rd. from 63rd Terrace to 65th	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
79	Cutoff and 72 Terrace from 73rd to Hunter	Replace 2" main on Cutoff and 72 Terrace from 73rd to Hunter with 8"	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
80	From 72nd St. to 71 Terrace on Cutoff and on 71st Terrace from Cutoff to	Replace 2" main from 72nd St. to 71 Terrace on Cutoff and on 71st	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
81	Gregory from 71st Terrace to 350 Highway	Replace & relocate old 8" main on Gregory from 71st Terrace to 350	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
82	On Ditzler from 74 terrace to 74th St.	Replace 2" on Ditzler from 74 terrace to 74th St. with 8" PVC	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
83	On 75th Street & Raytown Rd. from Hawthorne to 76th Terrace	Replace 6" on 75th Street & Raytown Rd. from Hawthorne to	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
84	Overton from 350 Highway to 75th St.	Replace old 6" main on Overton from 350 Highway to 75th St. with	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
85	350 from Quick Trip	Replace old main on 350 from Quick Trip New valve to 350 Cross	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
86	From 54th Street to 53rd Terrace on Cutoff	Replace 1" Capper from 54th Street to 53rd Terrace on Cutoff with 12"	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
87	On Maple from 67 Terrace extending to 68th S	Replace 2" main on Maple from 67 Terrace extending to 68th Street	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
88	brick yard from 65th Street to Railroad St.	Eliminate main through brick yard from 65th Street to Railroad St.	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
89	Harvard from 57th Terrace	Replace 2" main on Harvard from 57th Terrace to Hydrant at 5866	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
90	Blue Ridge Blvd from 59th to 5st St.	Replace old main on Blue Ridge Blvd from 59th to 5st St. with 12"	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
91	XX Lake that ran to sewer lift from Vaughn	Disconnect old 2" main at XX Lake that ran to sewer lift from Vaughn	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
92	Harris from 64th Terrace to 66st street	Replace old main on Harris from 64th Terrace to 66st street with 8-10	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
		Replace on 66th St. from Harris ot 66 Terrace	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
93	51st St.from Cottage to Delaware	Replace old main on 51st St.from Cottage to Delaware with 12"	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
94	McCoy from 51st St. South	Replace 2" main on McCoy from 51st St. South to end with 6 or 8"	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
95	On Cutoff from 62 Terrace to 57th Street	Replace 6" main on Cutoff from 62 Terrace to 57th Street with 12" PVC	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
96	Crisp from 53rd St North to 11300 Crisp	Replace 2" main on Crisp from 53rd St North to 11300 Crisp with 6"	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
97	Independence	Install new meter/vaulst for emergency water supply back up with Independence	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
98	On 50th Stret from Willis to Grand	Replace 1 1/2 " main on 50th Stret from Willis to Grand & move two	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.
99	On 46Terrace from Hydrant to end at Fuller	Replace 2" main on 46Terrace from Hydrant to end at Fuller with 6"PVC	$40,000 Estimate	Lesson leaks & breaks, larger pipe providing more volue & circulating feed along with reducing water loss.	All Important, All Priority, No particular order	125 projects in 3 years	Once Financing in place, we will start.

Raytown Water Company

Outstanding Right of Way Projects

For the year of 2020

Date	Work Order #	Outstanding ROW Project	Main Size	Description of the Problem	Permit Date Filed	Street Work	Dirt Work	Date Final Insp.	Inspected by whom	Date the ROW was completed	Time	Cost	Estimate	plans to restore the ROW
26-Feb	3212	9357 East 67th Terrace	6"	Break on the Water Main	26-Feb	No	Yes			Not Complete		1,671.20	890.00	Green
28-Apr	3216	6224 Ditzler	6"	Split	27-Apr	Yes	Yes			Not Complete		2,663.20	2,600.00	Concrete & Dirt work
22-Jun	3219	7241 Crisp	6"	Leak	22-Jun	?	Yes			Not Complete		Nothing Listec	890.00	Dirt Work
2-Jul	3220	9811 East 56th Street	8"	Leak	2-Jul	Yes	Yes			Not Complete		Nothing Listec	2,600.00	Street Work & Green
2-Jul	3221	5432 Woodson	6"	Leak	2-Jul	Yes	Yes			Not Complete		Nothing Listec	2,600.00	Street & Dirt Work
8-Jul	3222	6857 Lakshore Drive	6"	Leak	8-Jul	Yes	Yes			Not Complete		Nothing Listec	2,800.00	Street & Dirt Work
8-Jul	3223	9112 East 74th Street	6"	Blow out	8-Jul	Yes	Yes			Not Complete		Nothing Listec	2,600.00	Street & Dirt Work
6-Jan	3201	6120 Ditzler	6"	Leak on Main	6-Jan	Yes	Yes			Not Complete		3,203.10	350.00	Concrete Dirt Work
21-Feb	3209	55 & Cutoff	6"	Line hit by Boring Contractor	24-Feb	yes	Yes			Not Complete		3,035.20	500.00	Concrete & Dirt Work
20-Dec-19	1391	10017 East 63rd		New Over Head Door						Not Complete		2,866.50	14,000.00	Drawing for Overhead door
14-Jul	1400	59 & Cutoff		Replace Hydrant & Valve hit by a Vehicle	14-Jul	yes	No			Not Complete		Nothing Listec	3,500.00	Street
10-Sep	3182	10014 East 65th			10-Sep	Yes	Yes			Not Complete		1212.48	3,500.00	Broken Concrete
	Subtotal										$	14,651.68	36,830.00	

Estimated Total for Outstanding ROW Projects **$ 51,481.68**

Raytown Water Company

Right of Way Projects

For the year of 2020

Date	Work Order #	Outstanding ROW Project	Main Size	Description of the Problem	Permit Date Filed	Street Work	Dirt Work	Date Final Insp.	Inspected by whom	date the ROW was completed	Time	Cost	plans to restore the ROW
2-Dec	1390	F-150 T-102		New Motor									
20-Dec	1391	10017 East 63rd		New Over Head Door									
27-Jun	1392	New 14" Cutoff Saw		Replace Stolen one									
13-Apr	1393	9319 East 350		New 1" service Line tak out 3/4" Service									
13-Apr	1394	Small Dump Truck		Repair Midway Ford									
13-Apr	1395	Truck 101		Repair Arya Autoe									
9-Jun	1396	10000 East 56th Street		Replace hydrant hit by Police Department	June 9,201	No	Yes						
10-Jun	1397	9305 East 350 Highway		Replace Hydrant hit by a Vehicle	une 10 201	No	Yes						
11-Jun	1398	5636 Sterling		Replace Hydrant hit by a Vehicle	une 11 201	No	Yes						
14-Jun	1399	6109 Sterling		Replace Hydrant hit by a Vehicle	une 15 201	No	Yes						
14-Jul	1400	594 Cutoff		Replace Hydrant hit by a Vehicle	uly 14 201	yes	No						
15-Nov	3197	10117 East 64th Street	6"	Break on the Water Main	15-Nov	No	Yes						
26-Nov	3198	67 Terrace & maple	6"	Hydrabt Valve Leak	26-Nov	No	Yes						
9-Dec	3199	11201 East 64th Street	6"	Break on the Water Main	6-Dec	No	Yes						
3-Jan	3200	11304 East 57th Terrace	6"	Leak on Main 4" Split	3-Jan	No	Yes						
6-Jan	3201	6120 Ditzler	6"	Leak on Main	6-Jan	Yes	Yes						
8-Jan	3202	9300 East 67th Terrace	6"	Leak on Main	8-Jan	?	?						
24-Jan	3203	10100 East 65th Street	6"	Leak on Main	24-Jan	Yes	Yes						
27-Jan	3204	8959 East 52nd Terrace	6"	Break on Main	24-Jan	No	Yes						
1-Feb	3205	9355 East 68th Street	6"	Break on Main	1-Feb	Yes	Yes						
7-Feb	3206	11517 East 67th Street	6"	Leak on Main	7-Feb	Yes	No						
10-Feb	3207	6444 Blue Ridge Blvd	6"	Leak on Main	10-Feb	Yes	Yes						
19-Feb	3208	7215 Blue Ridge Blvd	6"	2 Leaks on Main	19-Feb	No	es & Side Walk						
21-Feb	3209	559 Cutoff	6"	Line hit by Boring Contractor	24-Feb	yes	Yes						
22-Feb	3210	10201 East 55th	6"	Leak on Main	25-Feb	No	Yes						
24-Feb	3211	9812 East 60th Terrace	6"	Split on Main	24-Feb	No	Yes						
26-Feb	3212	9357 East 67th Terrace	6"	Break on the Water Main	26-Feb	No	Yes						
25-Feb	3213	9812 East 56th Steet			28-Feb		Yes						
25-Feb	3214	10015 East 67th Street	1"	Gas Co bored into Service line	28-Feb	Yes	Yes						
2-Mar	3215	5300 Blue Ridge Blvd.	6"	Leak	2-Mar	Yes	Yes						
28-Apr	3216	6224 Ditzler	6"	Split	27-Apr	Yes	Yes						
3-Jun	3217	11701 East 51st	10"	Leak	3-Jun	Yes	Yes						
17-Jun	3218	11204 East 61st Terrace	6"	Leak	17-Jun	Yes	Yes						
22-Jun	3219	7241 Crisp	6"	Leak	22-Jun	?	?						
2-Jul	3220	9811 East 56th Street	8"	Leak	2-Jul	Yes	Yes						
2-Jul	3221	5432 Woodson	6"	Leak	2-Jul	Yes	Yes						
8-Jul	3222	6857 Lakshore Drive	6"	Leak	8-Jul	Yes	Yes						
8-Jul	3223	9112 East 74th Street	6"	Blow out	8-Jul	Yes	Yes						

WATER AND SEWER DEPARTMENT
FIELD OPERATIONS AND TARIFF REVIEW

Case No. WR-2020-0264

INTRODUCTION

The Water and Sewer Department conducted an investigation of Raytown Water Company's (RWC) system operations and recordkeeping practices in the context of RWC's pending rate case before the Public Service Commission (PSC or Commission).

During Staff's visit to RWC on May 7, 2020, RWC stated that it has plans to obtain bond financing to undertake several capital improvement and rehabilitation projects. A statement about the financing plan is also found in the RWC 2019 Annual Report. Although none of the cost of these projects are proposed to be included in this pending rate request, projects that are planned to be included with this upcoming capital improvements program are important for system operations, and for that reason will be mentioned within this report.

WATER SYSTEM OVERVIEW

RWC has a service area that includes approximately two-thirds of the City of Raytown, and also a small portion of the City of Independence, both of which are suburban communities near Kansas City, Missouri. RWC's source of supply is the City of Kansas City Water Department (KC), from which it receives water through seven 6-inch metering points and one 4-inch metering point. RWC borders KC and its municipal water system on its north, east, and west, and borders Jackson County Public Water Supply District No. 2, also a wholesale customer of KC, to the south. RWC's distribution system consists of cast iron, ductile iron, and polyvinyl chloride (pvc) pipe of 2-inch through 12-inch sizes, and some galvanized iron of the smaller sizes, 2-inch and less. RWC has three elevated storage tanks, totaling 2.5 million gallons volume.

SYSTEM CAPACITY EVALUATION

Source of supply capacity for RWC as a wholesale customer cannot be expressed as easily as for a water utility that operates a source facility, such as a treatment plant or a series of wells. The reason is because the availability of water through the KC meters depends upon KC customer water-using activity, and 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 the metering points at the same time. Although variable hydraulic flow conditions through KC's and RWC's distribution pipelines is a factor, simple meter flow capacity of approximately 1,200 gallons per minute (gpm) for six-inch meters and 600 gpm for four-inch meters, and with several metering points shut off, would suggest source capacity of approximately 7 million gallons per day (mgd) available at most times. RWC's maximum day demand is estimated by Staff to be approximately 1.2 to 1.5 mgd, so source capacity appears to be adequate, absent highly unusual hydraulic limitation. Average day demand is approximately 1.1 mgd.

Water in storage tanks normally is used to supplement source capacity during peak-hour flow times and also to maintain a reserve for fire protection. Since RWC is a wholesale customer, its own storage on most days is a supplement to storage from KC's water system which is available as well for peak flow and fire flow, again subject to unusual hydraulic flow limitations affecting flow through the metering points. As a result, unlike storage capacity design for most other water systems, RWC's storage capacity is designed to meet all peak day evening demand plus fire reserve and other contingencies, such as main breaks, without any flow through the metering points. Construction of an additional new storage tank for this purpose, along with distribution system upgrades to address flow from the storage tanks rather than from the metering points throughout the RWC distribution system, was completed to satisfy a condition in RWC's Water Purchase Agreement (WPA) with KC that was signed in the early 1990s.[1] According to information provided by RWC personnel, while there is no WPA in effect at this time, RWC is planning to pursue a new agreement with KC. RWC is currently purchasing water from KC on a month to month basis under general terms of service. Staff recommends that RWC pursue a formal WPA which would include the volume and pressure range of water supply that will be provided. Among the list of system upgrades RWC is proposing for bond financing is a tie-in to the City of Independence as an emergency source of supply. Both KC and Independence treat drinking water by a lime softening process, and these water supplies are compatible.

Staff takes the position that RWC has sufficient source of supply capacity, storage capacity, and distribution system capacity that is needed to provide safe and adequate water service.

SYSTEM OPERATIONS REVIEW

The KC metering points are owned by RWC. The meters installed in them are owned by KC. These facilities consist of concrete or mason vaults inside which an operator may access the valves and meters along with associated components. RWC states that KC occasionally shuts off individual metering points when KC experiences emergencies or when it has scheduled major repairs on its system. RWC also states that during times of normal water usage it sometimes chooses to turn off certain individual metering points on its own, in order to use water in its storage tanks. The reason this is necessary is because normal flow available through the KC metering points can largely meet average and peak flows, and as such water does not flow out of the storage tanks to a significant extent. Aged water in storage tanks is undesirable from a drinking water quality standpoint, and for this reason, some percentage of storage water turnover, usually approximately 25% of the volume, is incorporated into water system design[2] and/or operations practices.

A recently completed capital improvement was the installation of a Supervisory Control and Data Acquisition (SCADA) system. The SCADA system provides remote visual monitoring of

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[1] Construction of a new storage tank, and additional water mains to address distribution system hydraulics, were among the issues in Case Nos. WR-92-88 and WF-92-95.

[2] Water system design in Missouri most often follows the recommendations of the Missouri Department of Natural Resources *Minimum Design Standards for Missouri Community Water Systems*, publication number 2489, referred to as the "Design Guide." "One-quarter" turnover of the water in a storage tank is stated in Section 7.1.1.c. of the Design Guide.

the system, remote control of the storage tank valves and master meters, access to system status for flows and pressures, and historical data storage of operating conditions. While alarms are activated when setpoints are triggered, SCADA gives operations personnel the ability to see system trends and make adjustments prior to alarm conditions being reached. These adjustments can be made on the touch screen in the SCADA room or by smart phone technology. Vault improvements, new storage tank valves, and master meters with associated electrical upgrades were among the improvements with the SCADA installation. RWC has recently relocated their offices to a larger building that provides space for parts and equipment in addition to the SCADA room and other operational work areas.

RWC utilizes a specialty contractor for storage tank maintenance. The contractor monitors tank condition, and undertakes minor and major repairs and rehabilitation when necessary. 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.

As stated above, RWC's distribution system includes 2-inch galvanized iron water mains, most of which are located on cul-de-sac streets or other short, dead-end locations. Galvanized iron was used as water main material many years ago, and like other water utilities that utilize this material, RWC's galvanized water main pipelines are old and corroded, with leakage and restricted flow problems. RWC has been replacing galvanized pipe in past years as funds were available, with either ductile iron pipe or pvc pipe of appropriate size needed for the specific location. RWC reported more than 13,000 feet of galvanized iron pipe in its 2004 annual report, and reported a little more than 4,000 feet in its 2019 annual report. RWC states that it plans to complete additional 2-inch galvanized iron replacements with an upcoming capital improvements program. RWC has also undertaken replacements of larger size water main pipeline, often related to valve or fire hydrant repair or installation, or in conjunction with other projects such as street work.

In addition to water main replacements, RWC modified its water service line rules several years ago, converting the portion of the water service pipe between the water main and the customers' meter well, defined as the "service connection," from customer ownership to RWC ownership. Essentially, when an existing customer-owned service connection requires repair or replacement, RWC steps in and undertakes the work, and then after replacement owns the service connection. The customer retains ownership of the service line between the property line and the premises. Several of the service connections that RWC has replaced involved removal of obsolete galvanized iron pipe and replacement with copper pipe. Recent RWC Board decisions have resulted in pvc being the selected pipe for all future RWC system main replacements.
Staff received and investigated three customer complaints that were all related to the frequency of water main breaks in the aging distribution system and the disruptions that result. RWC has prepared a list of greater than one hundred locations and sections of the distribution system that it plans to upgrade during the next capital financed projects. These upgrades will be completed by contractor personnel.

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. RWC's communication with the fire department includes information regarding correct operation of fire hydrants, i.e. slowly open and close to prevent mechanical shock or water hammer, and do not leave hydrants flowing partially open. When partially opened, water will flow from the drainage orifice to clear dirt and debris, but underground water flow from the orifice can compromise the thrust block footing, and in extreme cases could cause the hydrant to blow off the water main.

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, sometimes in conjunction with new mains or main replacements, are future capital improvements to be included with its upcoming capital improvements program.

All RWC customers are metered. Meter records are kept by electronic database format that can be sorted for a necessary task, for example to look at meter/customer locations, meter serial numbers, meter size, and meter ages. RWC uses the meter size and age sort functions for the meter test/replacement 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 or replaced every ten (10) years or 1.5 million gallons indication;[3] larger meters are required to be tested or replaced on more frequent schedules 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 is more economical. Larger meters of 1-inch and greater size are more expensive, and that fact along with more frequent test schedules makes it more economical to test them and rebuild if necessary.

RWC manually reads most of its meters by opening the meter box lid, visually observing the reading and recording it, but for certain locations it uses "radio-read" meters. Radio read meters

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[3] 1.5 million gallons over ten years is about 400 gallons per day average use. Residential customers typically use less than that, approximately 180 gallons per day. Therefore, the ten year period is almost always the test/replacement frequency applied to residential customers.

have an electronic wireless transponder that permits electronic reading and recording while driving by the location in a service vehicle, without the need for visual access or physical contact. Radio reads are currently used by RWC where access is dangerous or difficult, such as along busy streets or in potentially obstructed areas like parking lots. According to RWC Staff, there are 689 radio read meters presently, with the remainder being manually read.

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 the RWC staff, there are currently eleven (11) 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 (26) 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 (presumably) 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. While RWC states that it has not used contractors significantly at present, RWC plans to implement the Contractor Qualification Requirements plan for future capital improvements as those improvements will be completed by contractors and not by in-house personnel.

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.

As a public water system that is subject to the Missouri Department of Natural Resources (DNR), as defined in DNR's regulations at 10 CSR 60-2.015(2)(P)8., RWC is required to comply with a number of regulations that pertain to drinking water quality, including the Missouri Safe Drinking Water Act. RWC operates under DNR permit MSOP MO1010676. DNR last conducted an inspection of RWC on July 13, 2017, and noted the following compliance issue:

1. The 2 million gallon hydropillar overflow flap screen was clogged with mud and debris. DNR also noted that the existing flap valve and screen in this pipe are not appropriate.

In addition, DNR added the following recommendations, which are **<u>not</u>** required:

1. The 250,000 gallon Gregory storage tank overflow terminates below ground and DNR recommends that it terminate above ground to avoid clogs and entry of dirt and debris, and;

2. The piping vault is not adequately protected from trespassing and vandalism. The access hatch for the piping vault was locked, but the overall lid was unlocked and can be removed. DNR recommends adding physical barriers, such as a fence, and installing a locking mechanism for the entire lid.

Based on feedback from DNR, the compliance issue has been rectified. The 2 million gallon hydropillar overflow pipe that originally connected to an underground drain was moved to discharge above ground and RWC equipped the overflow with an 18 inch mesh screen and an appropriate flap valve. In addition, the 250,000 gallon Gregory storage facility's overflow that originally terminated below ground was corrected to terminate above ground with a weighted flapper valve, as recommended by DNR. RWC has chosen not to add additional security for the piping vault.

Per DNR's Drinking Water Watch Web site (https://dnr.mo.gov/DWW/), RWC has not had a recent positive E. coli sample.

Among the DNR requirements directly affecting customers:

- RWC collects routine water samples for analysis of chemical and microbiological contaminant levels, as per 10 CSR 60-4.010 and 10 CSR 60-4.020. Other provisions of 10 CSR 60 Chapter 4, involving water quality, safety and characteristics, are undertaken by or with the cooperation of KC as the owner and operator of a surface water treatment facility.

- RWC is subject to public notice requirements of 10 CSR 60 Chapter 8 involving extraordinary conditions that adversely affect water quality, and also to annually publish a Consumer Confidence Report (CCR) that provides pertinent information to customers about the drinking water.

- RWC and some of its customers are required to comply with what is sometimes referred to as the "backflow prevention rule," 10 CSR 60 Chapter 11, which outlines requirements for the installation and testing of backflow prevention devices to protect the public water system from contaminants flowing from customers' premises. RWC keeps records of customers required to install and regularly test backflow devices. The City of Raytown has ordinances pertaining to backflow rule compliance and can assist with enforcement if necessary.

- RWC is subject to DNR's Lead and Copper rule, 10 CSR 60 Chapter 15, as is KC as the water supplier. RWC has a sampling site plan for monitoring of lead and copper, and also provides information to customers since a major source of lead and copper contamination is within house plumbing fixtures.

This report is not intended to be an all-inclusive overview of DNR's regulations regarding water quality and monitoring, treatment facility and distribution system operator certification, laboratory requirements, or construction approval. These items listed above are certain major points that directly involve customer service or impose requirements upon customers.

Tariff Review

Staff reviewed a current copy of the tariff. Raytown's current tariff became effective December 7, 2015. Current PSC MO No. 5 3rd Revised Sheet No. 9, 1st Revised Sheet No. 10 and 1st Revised Sheet No. 11 will be cancelled and replaced by PSC MO No. 5 4th Revised Sheet No. 9, 2nd Revised Sheet No. 10 and 2nd Revised Sheet No. 11.

Rate Design

Staff reviewed the current rate design and as a result, Staff 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.

Conclusion and Recommendations

Staff has no specific recommendations at this time for RWC regarding operations. Staff has not received any substantial number of customer complaints nor customer comments that would indicate significant shortcomings from an operations perspective. Staff notes that RWC appears to be undertaking adequate planning for future projects regarding repairs, rehabilitations and improvements that are necessary for continued safe and adequate service, but none of the projects are so critical as to be immediately needed.

Disposition Agreement Attachment L

Summary of Case Events

Raytown Water Company
Case #WR-2020-0264
Summary of Case Events

Date Filed:	March 02, 2020
Day 150:	July 30, 2020
Extension?	Yes, five (5) days
Amount Requested Water:	$633,332
Amount Agreed Upon Water:	$482,575
Item(s) Driving Rate Increase:	The current rates have been active and unchanged since last Rate Case in 2015 (WR-2015-0246)
Number of Customers:	6,582 water customers
Return on Equity:	7.5%
Assessment Current:	Yes
Annual Reports Filed:	Yes
Other Open Cases before Commission:	No
Status with Secretary of State:	Good Standing
DNR Violations:	None
Significant Service/Quality Issues:	None

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 26th day of August, 2020.

Morris L Woodruff

Morris L. Woodruff
Secretary

MOPSC Digitally signed by MOPSC
Date: 2020.08.27 07:48:01 -05'00'

MISSOURI PUBLIC SERVICE COMMISSION

August 26, 2020

File/Case No. WR-2020-0264

Missouri Public Service Commission
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Raytown Water Company, The
Legal Department
10017 E. 63rd Street
Raytown, MO 64133

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

Morris L. Woodruff
Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.