BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Aqua Missouri, Inc.'s	)	
Request for an Increase in Rates for	)	
Water service Pursuant to the	)	Case No. WR-2008-0266
Commission's Small Company Rate	)	
Increase Procedure	)	Case No. WR -2008-0269
In the Matter of Aqua Missouri, Inc.'s	)	
Request for an Increase in Rates for	)	Case No. SR-2008-0267
Sewer Service Pursuant to the	)	
Commission's Small Company Rate	)	Case No. SR-2008-0268
Increase Procedure	)	

Amended Follow Up to Rate Settlement

ITEM NUMBER: 1

Complete.

ITEM NUMBER: 2

Complete.

ITEM NUMBER: 3

Complete.

ITEM NUMBER: 4

Complete.

ITEM NUMBER: 5

Complete.

ITEM NUMBER: 6

WATER ONLY

Field Operators will routinely monitor their facility subdivisions for any new construction activity and provide information on procedure to hook into AMO.

An authorized representative (builder, plumber, home owner) of the location must complete an application and pay the necessary fees that apply at the then current rates outlined in AMO tariff. This application and fees must be submitted to the Jefferson City Office.

The Jefferson City Regional Office will complete an inspection of the service location to be performed by AMO Field Operator staff. We require a 24 to 48 notice to schedule inspection of the connection to AMO.

Upon completion of application, the necessary fees and a completed approved inspection of the service connection the location will be entered into the customer billing system.

This information will be logged on the necessary records of fees being paid, meter installation, customer name, address, date of connection, and CIAC charges. These logs will be kept at the Jefferson City Regional Office.

If water service is on at the location the account will be marked to start billing. If the water service is not on it will be made inactive until such time we are notified by the customer.

Field Operators will continue to monitor all new construction even after connection has been made on the inactive accounts to monitor when someone moves in so that they can be provided information to request service.

The Company has developed and implemented records of all new construction connections and including name, address, date of connection, dollar amount of tap-on fees, CIAC charges, connection fees and inspection fees.

Please see attached documents. Additional documents containing highly confidential customer information is not filed with the Commission but has been submitted to the Staff and Office of Public Counsel.

SEWER ONLY

The Jefferson City Regional Office will obtain construction building permits from Cole County Public Works Department.

The Jefferson City Regional Office will send out form letter to all interested parties listed on the building permit. Please see form letter attached.

The Jefferson City Regional Office will provide Cole County Public Works Department with an updated list of facilities currently owned and operated by AMO.

Field Operators will routinely monitor their facility subdivisions for any new construction activity and provide information on procedure to hook into AMO.

An authorized representative (builder, plumber, home owner) of the location must complete an application and pay the necessary fees that apply at the then current rates outlined in AMO tariff.

The Jefferson City Regional Office will complete an inspection of the service location to be performed by AMO Field Operator staff. We require a 24 to 48 notice to schedule inspection of the connection to AMO.

Upon completion of application, the necessary fees and a completed approved inspection of the service connection the location will be entered into the customer billing system.

This information will be logged on the necessary records of fees being paid, Elder Valve installation, customer name, address, date of connection, and CIAC charges. These logs will be kept at the Jefferson City Regional Office.

If water service is on at the location the account will be marked to start billing. If the water service is not on it will be made inactive until such time we are notified by the customer.

Field Operators will continue to monitor all new construction even after connection has been made on the inactive accounts to monitor when someone moves in so that they can be provided information to request service.

The Company has developed and implemented records of all new construction connections and including name, address, date of connection, dollar amount of tap-on fees, CIAC charges, connection fees and inspection fees.

3

Please see attached documents. Additional documents containing highly confidential customer information is not filed with the Commission but has been submitted to the Staff and Office of Public Counsel.

ITEM NUMBER: 7

Item 7 procedures will be followed for both water and sewer by the Jefferson City Office.

The billing department will run a monthly exception report and provide it to the Jefferson City office.

The report will include move-ins, move-outs and final bill customers by rate division.

The exception report will be compared to all new construction applicants received in the Jefferson City office to verify they are now in the system.

The Jefferson City Office will notify the billing department of any discrepancies and provide information for appropriate action to be taken by the billing department.

Please see attached documentation. Additional documents containing highly confidential customer information is not filed with the Commission but has been submitted to the Staff and Office of Public Counsel.

ITEM NUMBER: 8

The maps have been updated are available for inspection.

ITEM NUMBER: 9

An updated customer count was filed with the Commission and OPC on November 17th.

ITEM NUMBER: 10

Ongoing. Nothing to report at this time.

ITEM NUMBER: 11

The quality monitoring program allows for review of customer calls randomly selected for each CSR in the call centers. Each CSR participates in a monthly coaching session with their supervisor with specific feedback from the quality assurance team. This feedback is used to identify areas of both good performance and areas where improvement is needed. Systemic issues are identified and rolled into the new training program.

A new call center communications tool has been introduced on the company's intranet site to alert CSRs to training tips, procedural changes and emergency information that might impact customers.

Training consists of both corporate and local resources. Formal new hire training is conducted by a centralized team that travels quarterly to each call center site. Each of the call centers has a cadre of senior CSRs who sustain the knowledge transfer by providing side-by-side peer training.

The call center management teams have specific goals designed to focus the activities of themselves and their CSR teams. These goals are part their formal performance reviews and include goal statements typical of call centers, i.e. abandon call rate, service level (percent of calls answered in 90 seconds) and average handle time. Please see attached documents.

ITEM NUMBER 12:

Ongoing.

ITEM NUMBER: 13

Please see attached documents that are being used to distinguish time spent on capital improvement projects versus operation and maintenance expense.

ITEM NUMBER 14

Complete.

ITEM NUMBER: 15

The Company has sent reports to the Commission staff that demonstrate the separation of the assets into the 13 divisions for review. The upload into PowerPlant – our fixed asset management software – in December and was completed on December 31st. This report was provided electronically due to its voluminous size and confidential nature.

ITEM NUMBER: 16

Ongoing.

ITEM NUMBER: 17

Ongoing.

5

ITEM NUMBER: 18

The Company has attached the log sheet it is utilizing for the skid loader.

ITEM NUMBER: 19

Missouri approved Capital Budget items will be loaded into Power Plant.

At the beginning of each year the approved projects will be opened and ready to receive invoice charges.

Projects will be assigned by Regional Manager to responsible employee by the districts they supervise.

Employee assigned to area of responsibility will start the projects by gathering all required information specific to each project such as engineering, construction permits, 3 bids per project or decline to bids, etc. These will be compared to approved dollars to make sure capital project is within budgeted dollars.

PO will be obtained from the JC office on each vendor working on Capital Project.

Project will be awarded.

Employee will visit the site and inspect all items unless inspection has been assigned to a duly authorized representative of the Company to perform these functions.

PO will be obtained from the JC office on each vendor working on Capital Project.

JC office Administration employee will code and enter the invoice by capital project.

Each invoice will be approved by Regional Manager up to $25,000 all invoices above this amount must be approved by Regional Manager and State President.

All documentation regarding each Capital Project will be filed in the JC Office by project number assigned.

A CWIP report is sent every month to the JC office. This report will be provided the information by the JC office to close and book the projects as they are completed so they can be closed, added new or retired. This process is done monthly.

ITEM NUMBER: 20

Please see attachments for Item Number 6.

ITEM NUMBER: 21

Calls are held approximately every two weeks to address any and all billing issues in Missouri.

Per the settlement, a report will be provided to the JC office of those bills falling outside the 26 to 35 day window. This report was provided on December 31, 2008. Additional documents containing highly confidential customer information is not filed with the Commission but has been submitted to the Staff and Office of Public Counsel.

Billing department and Aqua Missouri staff will work on fixing each issue after review the report on a monthly basis.

ITEM NUMBER: 22

Ongoing

ITEM NUMBER: 23

Information was submitted to Staff and of the Office of Public Counsel; such information contained Highly Confidential customer information and is thus not filed with the Commission.

ITEM NUMBER: 24

The Missouri Meter Inventory, showing meter ages was submitted to Staff and the Office of Public Counsel; such information contains Highly Confidential customer information and is thus not filed with the Commission.

ITEM NUMBER: 25

ACCOUNTS PAYABLE PROCEDURES

When an invoice is received from a vendor, it will need to be coded and entered into Lawson for payment. All invoices need to be coded and entered into Lawson within three (3) business days from the date they are received. The following forms are needed and are accessible from the G drive in the Procedure Manual folder:

ACCOUNTS PAYABLE PAYMENT APPROVAL AND CODING FORM
BATCH CONTROL REQUEST FORM
CODING INFORMATION, which includes:
    CHART OF ACCOUNTS LISTING
    ACCOUNT CATEGORY LISTING
    COMPANY INFORMATION

A blank Accounts Payable Payment Approval and Coding Form are set up on the G drive in the Procedure Manual folder and is an Excel spreadsheet. The blank Batch Control Request Form, also on the G drive, is a Microsoft Word document. There are also AP forms set up for specific vendors on the G drive under A/P. They are ready to be modified for the current invoice with the basic information whenever an invoice is received.

The BATCH CONTROL REQUEST FORM is also on the G drive, along with various letters written to vendors requesting W-9's. All of the forms that will be needed for Accounts Payable are in the folder named AP.

CODING AN INVOICE

To code an invoice, Open Excel by double clicking on the icon, go to FILE, OPEN, then use the drop down arrow by the LOOK IN box.

Go into the AP folder where there are both Excel and Word documents. Open the appropriate Excel document with the name of the vendor to be coded. Some of the worksheets are coded specifically for a company and a situation; such as the phone bills or the uniform bills while others will need more extensive coding done.

Some invoices do not have a specific invoice number, such as the electric bills. When there are no invoice numbers to use, a unique way of identifying the invoice needs to be done. If this is the case, use the account number followed by the month and year, example would be 39-07-999-Feb 08. This is for a Central Missouri Electric Co-op bill, account number 39-07-999, for February of 2008 (08). Since there may already be an invoice that used the 39-07-999 number, the invoice will somehow need to be changed to identify it as a different bill.

If it is a repetitive situation, the only changes that are needed are the invoice date, number and possibly the dollar amount. An example of a repetitive bill is the uniform bills. There is a form set up for each area we receive a bill from for Cintas, one for Capital Utilities and Riverside Utilities. Each areas invoice is already coded with all of the correct information. They even have the Dollar Amounts calculated with the TOTAL GL AMOUNT summing the column. In this situation, it will be necessary to change the invoice date, invoice number and the dollar amount. The rest will automatically calculate.

There are many of these types of invoices already set up with the vendor's number and name. Use the CODING INFORMATION Excel spreadsheet to properly code the invoices. Most of the information will come from information obtained when the operator or employee obtained a Purchase Order (PO) number. At that time, get the name of the vendor, what is being purchased, who is doing the purchasing, and the dollar amount. A PO must be issued before any purchases can be made. That information will then transfer to the coding for the invoice. By using the PO information and the CODING INFORMATION, code the bills that are received. There are some invoices that are for Capital Improvements (CX) which are coded differently. Take these invoices to the person who is currently responsible for coding CX's.

Starting at the top line, code the invoice with the Vendor #, Vendor Name, Invoice Date, Invoice Number, and Invoice Total Amount. This information will come directly from the invoice. Other information necessary is the Company, Accounting Unit, Account, User Analysis, and possibly the Activity and Account Category. Activity and Account Category will need to be used for any Contract Operation invoice. The Activity will identify the location and the Account Category identifies the type of purchase.

The following information is found on the CODING INFORMATION spreadsheet. Different pages of the Excel spreadsheet will be necessary for different areas on the AP form. The first tab is the Chart of Accounts and this info is used to determine the Account necessary. The second tab is the Account Category list, which is mainly used for Contract Operation billing. Tab 3 is the Company Information. This page clarifies the Company and the Activity. The Activity information on this form is necessary for Payroll coding and the Activity coding is used mainly for Contract Operations. The fourth tab is NARUC Coding basic information, which is for the User Analysis field. There is a more descriptive Word document that will give a detailed description of each code combination.

When all of the invoices have been coded, they will need to be approved by the supervisor. The supervisor will check the coding for accuracy of accounts used, company charged to, amount charged etc. Once they have been approved, a batch number will need to be obtained. Add up the total dollar amount of all of the invoices. On a Batch Control Request Form – Revised, enter all the information in the top portion, such as OFFICE LOCATION, PERSON REQUESTING BATCH NUMBER, DATE, TIME, REQUESTER'S TELEPHONE, FAX, AND LOCATION SUPERVISOR APPROVAL. Also fill out the # OF INVOICES and DOLLAR AMOUNT for the batch request.

TO ENTER A BATCH INTO LAWSON

Once all of the necessary paperwork is together, open Lawson by going to Start, Programs, LAWSON INSIGHT Desktop, then Desktop Client, and Desktop Client Logon. This will open the Welcome to Lawson Software box. Enter the following information given with information given through IT:

Server Name:
User Name:
Password:
Form ID:

Once all of the invoices for that batch have been entered and reviewed. Press F8 for Form Transfer and go into form AP225. The instructions in the Lawson Handbook also explain how to set up the report for the first time and how to change it for future use. While performing the entry if an invoice number has already been used it will not accept it but notify that the invoice number already exists. Stop and make sure you are not double entering the same invoice.

Verify each invoice to the report from Lawson making sure each invoice coding was properly entered into Lawson. Then complete the next section on the BATCH CONTROL REQUEST FORM.

Once completed with the batch, the invoices can be filed in their appropriate file drawer. Any invoices for Capital Utilities, which is the Jefferson City Area, Maplewood, and Lake Carmel, go in YELLOW file folders in the top drawer of the filing cabinet in the hall. Any invoices for Riverside Utilities, which is Riverside Estates, White Branch, Rankin Acres, Spring Valley, LTA, Lakewood Manor and Ozark Mountain, go in the RED file folders in the second drawer. Ozark Meadows is purple. Any invoices that are shared by all companies such as UPS are in BLUE file folders and are in the third drawer. Every once in awhile we get a vendor that we will only use once. Each color has a miscellaneous file folder. At the end of the year, it is a good idea to go back through those folders to see if any of the vendors were used more than once, and then set up their own folder for the next year. Folders for vendors that were not used in a given year do not need to be created for the next year.

When processing credit invoices, pull the original invoice that was coded and paid to this vendor that created the credit (i.e., item returned). Enter the credit by taking this amount back out of the account (vendor) that it was originally coded to exactly to the numbers that you originally entered it, giving the credit to that facility (accounting unit) to use for another purchase. File this credit invoice in the A/P folders in the hall with the original invoice of the purchase and coding sheet.

ITEM NUMBER: 26

> At the local level, a Purchase Order number must be obtained and approved before any purchases can be made by any employee. This includes credit card purchases. Charge account credit cards for vendors are kept in the JC office and are only used after the Purchase Order number has been approved for the purchase. The charge account card is returned to the JC office with the receipt after the approved purchase has been made. Approval amounts are followed as in the procedure manual for purchasing from corporate which is attached. The attached manual covers procedures for all credit cards including local credit cards.

ITEM NUMBER: 27

Before ordering to making any purchases, every employee must obtain a PO number and receive approval from a Supervisor or the Regional Manager. A Supervisor may issue a PO number according to the list below. A PO book is kept in the JC office information required will be date, vendor name, system purchasing for, item purchased, part of system the item will be used for, amount if known and initials of employee making the purchase.

When invoices are coded they should all contain a PO number other than re-occurring invoices i.e., electric, phone etc. The PO book will be used to assist in coding all invoices that were assigned a PO number to make sure they are coded to proper location and proper use.

Invoices must be initialed by a Supervisor before the invoice is entered into A/P to be paid.

APPROVAL LEVELS

UP TO	APPROVAL BY
$5,000	Supervisor or Key Technician
$25,000	Manager of Department, Division Manager, Fin VP, Controller, and Corp. Controller
$200,000	Department Officer, CIO, Treasurer, State Presidents, (can designate Fin VP, Controller or Corp. Controller)
$500,000	Presidents, Executive VP, CFO (can designate Controller, Corp. Controller or Treasurer.)
OVER	Aqua America, Inc. Chairman (can designate CFO or Treasurer)

ITEM NUMBER: 28

This item was completed. Tena Hale-Rush is responsible for ensuring and reporting that each one of the items is completed.

ITEM NUMBER: 29

Complete.

ITEM NUMBER: 30

Complete.

ITEM NUMBER: 31

Ongoing. Please see attachment on call center statistics.

ITEM NUMBER: 32

Complete.

ITEM NUMBER: 33
Ongoing.

Respectfully submitted,

BLITZ, BARDGETT & DEUTSCH, L.C.

By: _____

Marc H. Ellinger, #40828
308 East High Street
Suite 301
Jefferson City, MO 65101
Telephone No.: (573) 634-2500
Facsimile No.: (573) 634-3358
E-mail: mellinger@blitzbardgett.com

CERTFICIATE OF SERVICE

I hereby certify that a copy of this Amended Follow Up to Rate Settlement was sent to the following counsel via electronic service on this 13th day of January, 2009.

Jennifer Hernandez   Christina Baker
Deputy General Counsel   Office of Public Counsel
Jennifer.hernandez@psc.mo.gov   Christina.baker@ded.mo.gov

_____
Marc H. Ellinger

AQUA
Missourism

P.O. Box 7017   800-624-5252 (MO only)
Jefferson City, MO 65102   573-634-2699
5402 Bus. Hwy. 50 W. Suite 3   573-635-2157 (fax)
Jefferson City, MO 65109

RE: Construction at

Dear

We have received information that you are constructing a home at   . Our company
owns and operates the sewer system for this subdivision. We require that an elder valve be
purchased and installed if applicable in the subdivision that you are building in. The Elder
Valves are available for purchase at our office. We also require a sewer inspection application
be filled out at our office. The inspection fee is $75.00 and the elder valve is $59.14 (*subject to
price change*). Payment for the inspection fee and the elder valve must be written separately.
We will then need a **48-hour** notice to inspect the sewer connection to our lines **before** the
connection is buried.

Please contact our office at 573-634-2699 or come by 5402 Business 50 West, Suite 3, Jefferson
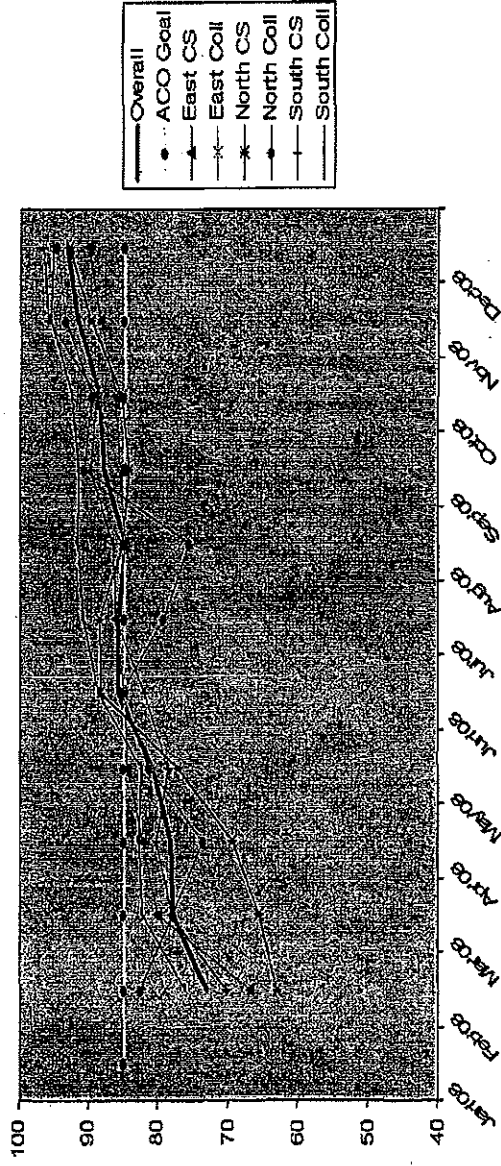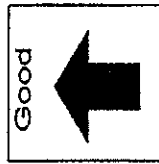City, MO 65109.

Sincerely,

Tammy Mouden
Administrative Assistant

Cc: Public Service Commission
        Department of Natural Resources

<u>Aqua Customer Operations Call Evaluation Form Descriptions - FINAL</u>

Section A: Greeting / Closing (16 points)

1) Uses proper greeting
   - ("Thank you for calling Aqua; my name is _____; May I have the last 7 digits of your account number OR if MIOT queue - How may I help you today? (2 pts)

2) Customer information verified including address and phone number (10 pts)

3) Verify customer is authorized to discuss account (2 pts)
   - If customer is not on the account as an authorized person, only balance information can be discussed.

4) Uses proper closing (2 pts)
   - (Thank you again for calling Aqua; Have I handled all of your concerns today?) (2 pts)

Section B: Soft Skills (40 points)

1) Speaks clearly and politely (5 pts)
   - Customer does not need to have information repeated

2) Controls the call (5 pts)
   - Expresses confidence to the customer

3) Listens, clarifies, and confirms understanding of issue (5 pts)

4) Empathizes with customer (5 pts)
   - "I am very sorry that happened; let's see how I can help resolve this for you". If a Collections call, rep does not assume the customer never pays the bill. Reviews account for mitigating circumstances.

5) Handles call using proper Aqua processes (5 pts)

6) Avoids use of Aqua jargon (5 pts)
   - Including "bench test", "RF", "EWQ", etc.

7) Minimal dead air during the conversation (5 pts)
   - Provides clarifying responses, repeats information to customer, and no longer than 10 seconds of silence.

8) Rep takes ownership of the call (5 pts)
   - Rep provides next steps and expectations to the customer; exhibits confidence and responsibility for the issue.

Section C: Analytical / Strategic Thinking (44 points)

1) Provides complete & accurate information to the customer (2 pts)

2) Educates the customer; does not talk down to the customer (2 pts)
   - High consumption kits, suggests use of ZIPCHECK, explains any billing questions, etc.

3) Notes account properly (10 pts)
   - Use proper note type (CUST, EWQ, etc.) in Banner. Avoid editorial comments in Banner. Our notes are legal and binding documents and should be professional, business communications.

4) Uses Customer Contact System (CCS) to log call properly (10 pts)
   - Our Top Ten breakdown comes from this application and this must be used.

5) Proper creation of Service Order? (8 pts) *If applicable*
   - Follows process, notifies Dispatch, division, or SE PA Lab if an emergency SO, prints SO if required, etc.)
   - If applicable

6) Proper creation of EWQ task? (8 pts) *If applicable*
   - If applicable

7) Used hold process appropriately? (2 pts) *If applicable*
   - If applicable

8) Warm transfer of call? (2 pts) *If applicable*
   - If applicable

If applicable -- Rep receives points if applicable does not apply

Employee Name: _____
Employee #: _____
Company: _____ 37

Location: MO
Pay Period Ending: _____
Pay Status: _____ Hourly

Pay Code	Regular Hours Worked								Total Hours	GL Co #	AU	System Description	GL Acct	Capital Activity Number	Capital Project Description
Mo.	Tu.	We	Th	Fr	Sa	Su									
								0.00	37	6430	CWIP	105020		
								0.00	37	6431	CWIP	105020		
								0.00	37	6432	CWIP	105020		
								0.00	37	6433	CWIP	105020		
								0.00	37	6434	CWIP	105020		
								0.00	37	6435	CWIP	105020		
								0.00	37	6436	CWIP	105020		
								0.00	37	2110	CWIP	105020		
								0.00	37	6385	CWIP	105020		
								0.00	37	6869	CWIP	105020		
								0.00	37	6870	CWIP	105020		
								0.00	37	6871	CWIP	105020		
								0.00						
Overtime Hours Worked								0.00	37		CWIP	105029		
								0.00	37		CWIP	105029		
								0.00	37		CWIP	105029		
								0.00	37		CWIP	105029		
								0.00						
0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00			GRAND TOTAL HOURS			

_____
EMPLOYEE SIGNATURE

_____
SUPERVISOR SIGNATURE

Item Number 13

SKID LOADER LOG SHEET									
Employee Name	Date of Use	Beginning Hour Reading	Ending Hour Reading	Amount of Time Used	R/M or Capital?	Description of Project	Facility Name	Describe work completed/Additional Comments
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								

Item Number 18

AQUA
Services, Inc.

PNC Bank
Corporate

Corporate Headquarters
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

CARDHOLDER RESPONSIBILITIES

Your Purchasing Card is a limited liability corporate charge card designed especially for and limited to the purchase of small dollar expenses (under $1,000 limit per purchase) from Aqua Services, Inc. Suppliers as outlined in section 4, (Using the Purchasing Card). Each card carries a single purchase limit and total monthly spending limit, which will be set by the Administrator of the Purchasing Card Program Lee Chain and with approved authorization levels.

Purchasing Cardholders must:

- Abide by the Purchasing Card transaction guidelines for permitted charges on their card.

- Read and understand the Purchasing Card Manual of Policies and Procedures.

- Use the Purchasing Card only for permitted purchases generally from approved suppliers of Aqua Services, Inc.

- Match receipts to monthly Purchase Card statement.

- Assure that the Senior Manager or Location Manager reviews and approves each monthly statement.

- File a copy of all monthly statement information for 7 years.

- Will promptly resolve returns, credits, or disputes with supplier and assuring that proper credits are received and credits are made to the proper card or account.

- Will notify PNC **immediately** to report his/her lost or stolen card.

- Will **notify Lee Chain, Administrator,** immediately to report his/her lost or stolen card. If Lee Chain is not available then report the lost or stolen card to James Meyer.

   Please contact James Meyer concerning any questions on the Purchasing Card Program.

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AQUA SERVICES, INC. CORPORATE PURCHASING CARD PROGRAM

1. OVERVIEW

A. PURPOSE

This program reduces the use of petty cash, departmental purchase orders, and check requests, thereby reducing cycle time, reducing costs and simplifying billing.

Benefits of the Purchasing Card Program include:

- Reducing invoicing since suppliers are paid by PNC directly and Aqua Services, Inc Accounts Payable Department receives one consolidated bill that is electronically processed to PNC Bank monthly.
- Reduction in processing petty cash and miscellaneous purchases through the Accounts Payable Vendor payment system.
- Opportunity for savings due to supplier consolidation.

B. DEFINITIION

Aqua Services, Inc. Purchasing Card is a limited liability Corporate Charge Card designed specifically for and limited to the purchase of small dollar expenses. The maximum purchase card limit will be $1,000.00 per transaction unless specifically exempt by the CFO and Program Administrator. The Purchasing Card is strictly for Aqua Services, Inc. BUSINESS USAGE ONLY and is not to be used for travel and entertainment charges. (See important note below). Unless specifically exempt by the CFO and Program Administrator.

Each card carries a single purchase limit and total monthly spending limit that will be set by Aqua Services, Inc. to match approved authorization levels. The single consolidated electronic payment received by Aqua Services, Inc. monthly is paid for maximum cash flow and costs efficiencies. **IMPORTANT THIS CARD IS NOT TO BE USED FOR TRAVEL AND ENTERTAINMENT UNLESS SPECIFICALLY APPROVED PERSONALLY BY THE CHAIRMAN OF THE BOARD IN WRITING TO THE CFO AND THE PROGRAM ADMINISTRATOR. (USE OF YOUR PURCHASING CARD FOR PERSONAL PURCHASES IS STRICTLY PROHIBITED).**

C. CONTROL MECHANISMS

Controls have been established by Aqua Services, Inc. to ensure proper and uniform usage of the Purchasing Card.

- Maximum dollar amount for a single transaction.
- The Program Administrator currently Lee Chain, Aqua Pennsylvania, Inc. Controller or David Smeltzer, CFO, determines individual monthly credit limit.
- Disallows cash advance, and business travel usage.

2. **RESPONSIBILITIES**

    A. CARDHOLDER

        The cardholder will receive an Aqua Services, Inc. Corporate Purchasing Card after the following conditions have been met.

        1. Cardholder completes a Purchase Card Individual Cardholder Application with approval.

        2. Program Administrator or CFO authorizes application.

        3. Cardholder has read through the Manual of Policies and Procedures.

        4. Cardholder signs and submits a Cardholder Agreement verifying acceptance and understanding of all policies and procedures.

    B. CARDHOLDER RESPONSIBILITIES

        The cardholder must perform the following:

        1. Maintain a copy of monthly statements that includes:
The purchasing card receipts, cash register tape and any other related paperwork.

        2. Match receipts to monthly Purchasing Card Statement.

        3. Monthly Purchasing Card statement must then be approved by the cardholder's direct report (manager approval). A copy of the monthly statement must be retained by the cardholder at their local office locations.

        4. The cardholder will not delegate the use of his/her card to any other person.

        5. The cardholder will immediately notify Aqua Services, Inc. to report his/her lost or stolen card.

        6. Call PNC Bank Immediately at 1-800-685-4039 - Also contact the Aqua Services, Inc. Purchasing Card Program Administrator within 24 hours. Lee Chain at 610-645-1091 or James Meyer at 610-645-1199.

C.   PROGRAM ADMINISTRATOR

The Aqua Services, Inc. Corporate Purchasing Card Program Administrator is Lee Chain and Assistant Program Administrator James Meyer.

1.   The Purchasing Card Program Administrator will verify application with approval from an Officer of the Company.

2.   Cardholder terminations are required to be called in or faxed in to PNC as soon as notification is received from the Division or Company CFO or Designee.

3.   The Purchasing Card Program Administrator will process all approved applications for Purchasing Cards after the following have been completed:

   a.   Cardholder has been issued a copy of the Policy and Procedures Manual.
   b.   Purchasing Card number has been recorded and maintained by the Assistant Program Administrator.
   c.   Cardholder has signed the Agreement to Accept Corporate Purchasing Card.
   d.   The Purchasing Card Program Administrator or Designee will maintain a confidential file of all cardholder agreements and original applications forms.
   e.   The Purchasing Card Program Administrator will assist the Subsidiary CFO or Designee and Cardholders in complying with policies and procedures.

4.   The Program administrator will comply with Company Policy by maintaining current copies of the PNC Purchasing Card Policies and Procedures, maintain a file of all-necessary forms and applications, and distribute Policy and Procedures to all individuals participating in the PNC Purchasing Card Program.

5.   The Purchasing Card Program Administrator will issue non-compliance letter based on documented infractions of the Policies and Procedures and will monitor the Purchasing Card Program process for continued improvement.

6.   The Purchasing Card Program Administrator will monitor the monthly reports.

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D.   ACCOUNTS PAYABLE DEPARTMENT

Aqua Services, Inc. Accounts Payable Department will pay PNC within contract guidelines.

1.   Aqua Services, Inc. Corporate Purchasing Card monthly billing will be paid without any prior approval from the Cardholder, the Subsidiary CFO or Designee or the Purchasing Card Program Administrator.

2.   PNC Accounts Payable department will process additions and changes within 5 business days of notifications from Aqua Services, Inc.

3.   PNC will process card terminations immediately upon a phone call or fax request from the Cardholder or the Aqua Services, Inc. Purchasing Card Program Administrator.

4.   PNC will forward program changes and other related information to Aqua Services, Inc's. Purchasing Card Program Administrator.

5.   PNC will provide a billing file to Aqua Services, Inc. Accounts Payable Department each month for electronic processing of all Aqua Services, Inc. Purchasing Card Transactions.

6.   PNC will provide a designated account representative for Aqua Services, Inc. Purchasing Card Program Account.

3.   **REQUESTING A CORPORATE PNC PURCHASING CARD**

A   NEW ACOUNT FORM

To apply for a Corporate Purchasing Card the employee must complete a Purchasing Card Individual Cardholder Application after receiving approval from his/her Subsidiary President. A copy should be sent to the State CFO. Submit the form to Aqua Services, Inc Purchasing Card Program Administrator in Bryn Mawr, Lee Chain or James Meyer.

B.   CORPORATE PURCHASING CARD POLICY AND PROCEDURES

Each Cardholder will be given a copy of the Policy and Procedures Manual.

C.   CARDHOLDER AGREEMENT

Each Aqua Services, Inc employee must sign a Cardholder Agreement. By signing this agreement, the employee is acknowledging receipt of the card and acceptance of responsibility for abiding by the terms and conditions of the agreement. The signed form should be sent to Lee Chain Purchasing Card Program Administrator in Bryn Mawr. Fax copies are unacceptable.

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ALL AQUA SERVICES, INC EMPLOYEES ISSUED A CORPORATE PNC PURCHASING CARD MUST UNDERSTAND THE CONSEQUENCES FOR FAILURE TO COMPLY WITH THE PROGRAM GUIDELINES SUCH AS:

- **Permanent revocation of card.**
- **Disciplinary actions that may include termination of employment.**
- **Possible legal action to recover money owed to the Corporation as a result of unauthorized use of card.**
- **Possible criminal charges for theft or fraud in the event of unauthorized use.**

4.   **USING A PURCHASING CARD**

A.   PURCHASE CARD PROCEDURES:

General Purchasing Card Procedures.

1. The cardholder will contact a supplier via phone or fax, and provide the following information:

   a. Employee Name

   b. A complete description of the item including stock/catalog numbers where applicable.

   c. Ship-To-Location, if different from the cardholder's mailing address.

   d. After the order is placed, the cardholder should ask for the order/reference number.

2. **If ordering by fax, the cardholder must still specify on the fax transmittal the above information with the EXCEPTION of the Purchasing Card Number. The cardholder must request the supplier to call to obtain the card number upon receipt of the fax transmittal. Under NO circumstances should a card number be written on a fax order.**

3. Any use of card for travel and entertainment must be approved by CFO & CEO of Aqua Services, Inc.

4. Cardholder will then directly receive the item and a sales receipt or packing slip.

5. All documentation including the sales receipt and/or packing slip must be maintained by the cardholder for reconciliation and auditing purposes.

6. At the end of each month, the cardholder will receive a memo statement of the month's purchases.

7. This statement is not an invoice for the cardholder to pay. PNC will directly debit the Company's bank account for payment.

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8. It is important to remember that each cardholder is responsible for the validity of the purchases.

9. The Purchasing Cardholder is responsible for changing the default accounting unit and general ledger account for any transaction that requires a change on the Visa web page transaction screen in the Visa information service web application. The Purchasing Cardholder is provided with active accounting unit and general ledger account combinations.

10. **All accounting unit and general ledger account changes must occur within 5 days of end of cycle of the month.** Under no circumstances will finance change accounting units and general ledger accounts on behalf of any Purchasing Cardholder.

11. **Continued failure to provide the appropriate alternative accounting unit and general ledger and activity number on the Purchasing Card transaction will cause the loss of Purchasing Card privileges.**

12. Purchasing Cardholder summary information is available as of close of business on the 20th day of the calendar month (CYCLE CLOSE). Formal Purchasing Cardholder statements are mailed to the cardholder 5 days following the close of the purchasing card calendar cycle. HOWEVER IT IS IMPORTANT TO MAKE ALL ACCOUNTING UNIT AND GENERAL LEDGER CHANGES WITHIN 5 DAYS AT THE END OF CYCLE CLOSE.

B. RETURNS, CREDITS AND DISTPUTED ITEMS.

1. Returns: If the purchased item needs to be returned for any reason, returns should be processed, indicating the reason for the return, on a standard shipping order.

2. Credits: The supplier should issue a credit for any item that has been returned. The credit will appear on a subsequent PNC Bank Purchasing Card memo statement.

3. Disputed Items: If there are any discrepancies, the cardholder should first contact the supplier to resolve the problem. If problems cannot be resolved, the cardholder should contact the Program Administrator and complete the dispute form located on the back of the memo statement.

C. PURCHASING CARD SECURITY

1. Card security should be treated with the same level of care as a personal charge card.

2. Storage of the card should be in a secure location, accessible only to the cardholder.

3. When faxing orders, the card number should never be written on the fax transmittal.

4. Use of the card by anyone other than the person whose name appears on the card is prohibited.

    a. If the cardholder is going to be absent for an extended period of time, the Manager may request that a new card be issued to a different person for the duration of the absence. The manager must direct the request to the Program Administrator.

    b. The cardholder, whose name appears on the card, may make purchases for any employee within the cost center, if approved by the cost center Manager.

    c. If the card is lost or stolen, the cardholder must IMMEDIATELY -notify the Program Administrator and PNC Bank at 1-800-685-4039.

D. TAX PROCEDURES

1. If tax is collected on the item purchased, no additional procedures are required for tax purposes.

2. **Use of the Purchasing Card with Vendors who refused to charge sales tax is not permitted.**

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E.   AUDITING PROCEDURES

1. The cardholder should review the memo statement to ensure that all transactions were initiated and approved and that the merchandise was received and or a service was performed.

2. It is the responsibility of each cardholder to ensure that any credits due from suppliers were received. (Note: a credit may not appear immediately on the statement; it may appear on the next statement. The cardholder should make a special note if this occurs to ensure that the credit is received.)

3. Receipts and memo statements must be maintained for all transactions by the Purchasing Cardholder for inspection or review by appropriate Company officials.

F   MANAGERIAL RESONSIBILITY

1. The Manager will receive a monthly memo statement for review through email, which will include all purchasing card transactions made by the employee during the billing cycle. The Manager must ensure that each cardholder reviews and verifies the accuracy of charges contained on the monthly memo statement. The Manager should initial the statement indicating that the charges were appropriate for the cardholder. Statement must be maintained for review by auditing.

2. Upon receiving the monthly memo statement, the Manager should review the statement for large and unusual charges. The Manager should be familiar with the vendors listed on the statement. The Manager should perform a random sampling of the charges to ensure that all of the following have been performed.

   a. Did the cardholder initiate and approve the transaction?

   b. Was the merchandise received or was the service performed?

   c. Is the charge being recorded to the proper general ledger account?

   d. Did the cardholder maintain the receipt or receiving document?

   e. If credits were due, were they received?

3   The Program Administrator must immediately be notified if there are any discrepancies, or if there are any changes in employee status (employee leaving the Company, employee changing departments, etc.). In the event the Purchasing Cardholder leaves the Company employment, it is the responsibility of the employee's immediate supervisor to obtain the card.

4   Human Resources will be notified of each employee who holds a Purchasing Card and the employee's final paycheck will not be processed until the card has been surrendered.

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5.   **ADMINISTRATION**

   A.   LOST OR STOLEN CARDS

   Like a personal credit card, if the PNC Purchasing Card is lost or stolen, the Cardholder shall immediately contact PNC at 1-800-685-4039

   The Cardholder shall contact Lee Chain at (610)-645-1091 or James Meyer at (610) 645-1199 Corporate Headquarters in Bryn Mawr within 24 hours.

   B.   TERMINATION AND CANCELLATIONS

   Cardholders who terminate their employment must surrender their PNC Corporate Purchasing Card at the time of his/her separation from the company to his/her Manager or CFO.

   The Subsidiary CFO or Designee is responsible for notifying Aqua Services, Inc.   Purchasing Card Program Administrator of Cardholder termination Aqua Services, Inc. Purchasing Card Program Administrator will notify PNC bank and the Cardholders account will be canceled.

   Cardholders who fraudulently use PNC's Purchasing Card after separation from the company will be subject to legal action as set forth in the Cardholder Agreement. Human Resources, will notify the Purchasing Card Program administrator's, Lee Chain & James Meyer.

   C.   RENEWAL OF PURCHASING CARD

   Aqua Services, Inc. Purchasing Card Program Administrator will have PNC automatically mail the cardholder's renewal card to the individual cardholder prior to the expiration date, unless otherwise notified.

Call Center Statistics	July-08	August-08	September-08
States	PA, NC, VA, TX, FL, NJ, IL, MO, IN	PA, NC, VA, TX, FL, NJ, IL, MO, IN	PA, NC, VA, TX, FL, NJ, IL, MO, IN
Customers (approx.)	849,027	849,027	849,027
Total Calls	90,062	84,003	95,298
Days Open	22	21	21
Average Calls/Day	4,094	4,000	4,538
Abandon Rate	4.3%	5.9%	9.2%
Calls Answered in < 90 seconds	71%	64%	52%
Average Speed to Answer	71 sec	93 sec	135 sec
Average Handle Time	4:55	5:03	5:07
Calls/Customer/Yr	1.2	1.2	1.3
Average #CSR/Day	61.6	61.0	64.9
Calls Answered	86,189	79,047	86,531