

Rogue Creek Utilities, Inc.

101 Windmill Drive
Potosi, Missouri 63644
Phone (573) 632-6007

September 11, 2002

Secretary to the Commission
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

RECEIVED⁶

SEP 24 2002

*Records
Public Service Commission*

RE: **Rogue Creek Utilities, Inc.**
Small Company Rate Increase Request
Mo. PSC Tracking No. **QW 2002 0009 (Water)**

Dear Mr. Secretary:

I am enclosing for filing with the Commission an original and three copies of revised tariff sheets that include rate and language changes reflected in an agreement between the Rogue Creek Utilities, Inc. (Company) and the Commission Staff (Staff) on the above subject. The Company initiated the subject rate increase request on April 18, 2002, under the Commission's small company rate increase procedure, and the request was assigned the above-referenced tracking number.

Additionally, consistent with the Commission's small company rate increase procedure, I am enclosing an Agreement Regarding Disposition of Small Company Rate Increase Request (Agreement). This Agreement reflects a "settlement" between the Company and the Staff regarding all matters related to the Company's water service rate increase request.

The Agreement calls for, and the revised tariff sheet contains, customer rates intended to produce an increase of \$8,549 (an approximate 103.6 % increase) in the Company's annual operating revenues for its water operations. The Agreement also calls for the Commission approval of revised depreciation rates.

The following are also contained in the Agreement:

The implementation of a Late Payment Charge; the implementation of a Bad Check Charge of \$20 per bad check; the implementation of a Door Collection Charge of \$15, to avoid disconnection; the implementation of an Emergency Call Out Charge of \$15 to shut off service where the emergency exists entirely on the customer owed facilities; the implementation of a Reconnection of Service for "Seasonal" Disconnects of \$25 plus the monthly customer charge times the number of months "off-system" (not to exceed 10 months); an increase in the Reconnection Charge after the Company has discontinued service from \$20 to \$25; an increase of the Temporary Turn-off Charge from 10:00 am to 6:30 pm (regular hours) from \$20 to \$25; an increase of the Temporary Turn-off Charge for after regular hours from \$30 to \$35; an increase of the Service Connection Fee from \$300 to \$425; that the Company agrees to start reading all meters on a monthly basis; that the Company agrees to start billing all customers on a monthly basis; that the Company agrees to put the date on the bill after which it will be considered delinquent on each customer's monthly billing; that the Company agrees to keep a monthly updated back-up of its customer billing records a location separate from its billing computer; that the Company agrees to keep and maintain a customer contacts log that includes the nature of the contact, the date of the contact, the name and address of the contact and how and when the issues of the contact are resolved; and, that the Company agrees to modify its 2001 Commission filed Annual Report to reflect CIAC balances as determined by the Staff in this proceeding.

This Agreement is between the Company and the Staff; therefore, the enclosed tariff sheets bear an effective date that is greater than 45 days from the issue date. The Office of the Public Counsel will probably request, and Staff concurs with such a request, that a second customer notice be accomplished because of the magnitude of these increases.

It is my understanding that the Staff will be providing additional information about the Company's rate increase request and the related Staff audit and investigation, for filing in the case papers following the creation of a formal docket.

Please contact me at your convenience if you need anything further.

Sincerely,

ROGUE CREEK UTILITIES, INC.

A handwritten signature in dark ink, appearing to read "W. J. Rummel". The signature is fluid and cursive, with the first name "W." and last name "Rummel" clearly distinguishable.

W. J. Rummel

President

enclosures

copies (w/enclosures):

Wendell R. Hubbs - PSC Staff

Office of the Public Counsel - Ruth O'Neill

Rogue Creek Utilities, Inc. For: **Certificated Water Service Areas in Washington County**
 Name of Issuing Company Community, Town or City

Schedule of Water Rates+

Availability+ – The following monthly water service charges are available to any water customer on the Company's main for supplying the service requested.

Monthly Minimum Water Service Charge+ - The following minimum monthly service charge must be paid regardless of the quantity of water metered.

\$ 11.51 per month (includes 1,000 gallons)

Water Service Commodity Charge+ The following shall be billed for all for all metered usage greater than 1,000 gallons per month:

\$1.189 per 1,000 gallons over metered usage of 1,000 gallons per month.

Taxes: +

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

Late Payment Charge: *

Billings will be made and distributed at monthly intervals. Bills will be rendered net, bearing the last date on which payment will then be considered delinquent. The period after which the payment is considered delinquent is 21 days after rendition of the bill. A charge of \$3.00 or three percent (3%) per month times the unpaid balance, whichever is more, shall be added to delinquent amounts. The unpaid balance shall include all amounts owed the Company plus all reconnection costs, all collection costs and reasonable attorney's fees for collection.

* indicates new rate or text

+ indicates change

Date of Issue:

9/23/02

Date Effective:

11/11/02

Issued By: W.J. Rummel

President

101 Windmill Drive, Potosi, Missouri 63644

Name of Officer

Title

Address

Rogue Creek Utilities, Inc. For: **Certificated Water Service Areas in Washington County**
 Name of Issuing Company Community, Town or City

Schedule of Service Charges

Bad Check Charge: *

A bad check charge of \$20 per check will be paid on all checks returned from the bank for insufficient funds. Where a bad check is applicable from a customer for both water and sewer service, only one bad check charge shall be billed the customer for both his water and sewer service, for each returned check.

Door Collection Charge:*

A door collection charge of \$15.00 will be applicable when a customer pays the serviceman at the time of scheduled disconnection (turn-off) of service to prevent such disconnection. Where a door collection charge is applicable from a customer for both water and sewer service, only one door collection charge shall be billed the customer for both his water and sewer service for each disconnection.

Emergency Call Out Charge:*

An Emergency Call-Out Charge of \$25.00 per occurrence will be assessed where a customer requests a shut-off of service and the emergency exists entirely on the customer owned facilities.

Reconnection of Service for "Seasonal" Disconnects:* - \$25.00 plus the monthly customer charge times the number of months "off-system" (not to exceed 10 months) where the owner of the premises being served discontinues and restores service to the same location within a 12-month period. Restoration of service of a non-payment disconnect after 45 days is deemed to be a seasonal reconnection of service.

Reconnection Charge+: after Company Discontinuance of Service: \$30.00

Temporary Turn-off Charge+: at meter for customer's convenience:

- \$25.00 during 8:00 am to 5:00 pm, and
- \$35.00 before 8:00 am to 5:00 pm.

Service Connection Fee: (from the 4" main to the customer's property line) \$425.00

* indicates new rate or text

+ indicates change

Date of Issue:

9/23/02

Date Effective:

11/11/02

Issued By: **W.J. Rummel** President 101 Windmill Drive, Potosi, Missouri 63644

Name of Officer

Title

Address

**Agreement Regarding Disposition of
Small Company Rate Increase Request**

Rogue Creek Utilities, Inc.

**MO PSC Tracking No. QW 2002 0009
WATER**

Background

Rogue Creek Utilities, Inc. ("Company") initiated the small company rate increase request ("Request") for water service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") "file" by submitting a letter to the Secretary of the Commission. The Company submitted its Request under the provisions of Commission Rule 4 CSR 240-2.200, Small Company Rate Increase Procedure ("Informal Rate Case Procedure"). The date that the Company's Request was received at the Commission's offices was April 18, 2002.

In its Request, the Company represented that it was asking for Commission approval of customer rates intended to generate an increase of \$9,500 in its total annual water service operating revenues. In its Request, the Company also noted that changes to the levels of its miscellaneous service charges should also be considered. The Company provides water service to approximately 100 customers, all of which are residential in nature.

Upon review and acceptance of the Company's Request, personnel in the Commission's Data Center assigned Tracking No. QW-2002-0002 to the Request, for purposes of identification and tracking, and forwarded the Request to the Commission's Water & Sewer Department for processing under the Informal Rate Case Procedure. At

some point during the last part of May 2002, the case was reissued Commission's Data Center assigned Tracking No. QW-2002-0009.

Pursuant to the provisions of the Informal Rate Case Procedure and related internal operating procedures, the Staff of the Commission ("Staff") initiated an audit of the Company's books and records, a review of certain of the Company's general business practices, an inspection of the Company's facilities and a review of the Company's operation of its facilities. (Hereafter, these activities will be collectively referred to as the Staff's "investigation" of the Company's Request.)

Upon completion of its investigation of the Company's Request, the Staff provided the Company and the Office of the Public Counsel ("OPC") various information regarding the results of the investigation, as well as its 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 the OPC's receipt of the above-referenced information regarding the Staff's investigation of the Company's Request, the Staff and the Company hereby state the following agreements.

- (1) That for the purpose of implementing the agreements set out herein, the Company will file tariff revisions with the Commission containing the rates, charges and language set out in the example tariff sheets attached hereto as Attachment A. Additionally, the Company will submit the original signed version of this document with its tariff filing.
- (2) That the ratemaking income statement attached hereto as Attachment B reflects the Company's annualized revenues generated by its current customer rates, the Company's total annualized cost of providing service and the annualized agreed-upon water service operating

revenue increase of \$8,549, which is required to recover the Company's cost of service.

- (3) That the rates set out in the attached example tariff sheets are designed to generate revenues sufficient to recover the Company's total annualized cost of service, and that the provisions of the attached example tariff sheets also properly reflect all other agreements set out herein, where necessary.
- (4) That the rates included in the attached example tariff sheets are just and reasonable.
- (5) That the depreciation rates set out on Attachment C for water service hereto should be the prescribed depreciation rates for the Company, as these were the depreciation rates used by the Staff in its revenue requirement analysis;
- (6) That the implementation of a Late Payment Charge is reasonable;
- (7) That the implementation of a Bad Check Charge of \$20 per bad check is reasonable;
- (8) That the implementation of a Door Collection Charge of \$15, to avoid disconnection is reasonable;
- (9) That the implementation of an Emergency Call Out Charge of \$15 to shut off service where the emergency exists entirely on the customer owed facilities is reasonable;
- (10) That the implementation of a Reconnection of Service for "Seasonal" Disconnects of \$25 plus the monthly customer charge times the number of months "off-system" (not to exceed 10 months) is reasonable;
- (11) That an increase in the Reconnection Charge after the Company has discontinued service from \$20 to \$25 is reasonable.
- (12) That an increase of the Temporary Turn-off Charge from 8:00 am to 6:30 pm (regular hours) from \$20 to \$25 is reasonable;
- (13) That an increase of the Temporary Turn-off Charge for after regular hours from \$30 to \$35 is reasonable;
- (14) That the increase of the Service Connection Fee from \$300 to \$425 is reasonable;

- (15) That the Company agrees to start reading all meters on a monthly basis;
- (16) That the Company agrees to start billing all customers on a monthly basis;
- (17) That the Company agrees to put the date a bill will become delinquent on each customer's monthly billing;
- (18) That the Company agrees to keep a monthly updated back-up of its customer billing records a location separate from its billing computer;
- (19) That the Company agrees to keep and maintain a customer contacts log that includes the nature of the contact, the date of the contact, the name and address of the contact and how and when the issues of the contact are resolved;
- (20) That the Company agrees to modify its 2001 Commission filed Annual Report to reflect CIAC balances as determined by the Staff in this proceeding;
- (21) That the above agreements satisfactorily resolve all issues identified by the Staff and the Company regarding the Company's Request, except as otherwise specifically stated.

Additional Matters

This Disposition Agreement is only between the Staff and the Company. OPC is requesting, and Staff agrees, that the Company should send a second customer notice to its customers. In compliance with the Informal Rate Case Procedure, the Company's second notice will reflect the terms of this Disposition Agreement, and will provide the Company's customers an opportunity to send comments to the OPC and the Staff within twenty (20) days after the date of that notice. In addition to this second customer notice, the Company acknowledges that the OPC also has the right to request that the Commission hold a local public hearing regarding the Company's Request and/or the provisions of this Disposition Agreement.

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

The Company acknowledges that it has consented to an extension of the “150-day” tariff filing date set forth in the Informal Rate Case Procedure.

The Company acknowledges that the Staff will be making an additional filing with the Commission regarding this matter. That filing will include the Staff's recommendation for approval of the subject tariff revisions, background information regarding the Company's Request and the Staff's investigation thereof, and certain Staff workpapers regarding the following items: (a) the ratemaking income statement referenced in item (2) above; (b) the agreed-upon design of the Company's customer rates; (c) a residential customer billing comparison reflecting the agreed-upon changes in the Company's rates; (d) a general overview of the Company; and (e) an overview of the Company's customer service procedures and practices.

Effective Date and Signatures

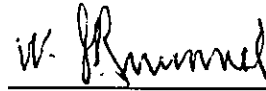
This Disposition Agreement shall be considered effective as of the date that it and the requisite tariff revisions are filed with the Commission.

Agreement Signed and Dated:



Dale W. Johansen
Manager - Water & Sewer Department
Missouri Public Service Commission Staff

9/6/02
Date



W. J. Rummel
President
Rogue Creek Utilities, Inc.

Sept 16, 2002
Date

List of Attachments

Attachment A	Example Tariff Sheets
Attachment B	Ratemaking Income Statement
Attachment C	Depreciation Rates

Rogue Creek Utilities, Inc. For: **Certificated Water Service Areas in Washington County**

Name of Issuing Company

Community, Town or City

Schedule of Water Rates+

Availability+ – The following monthly water service charges are available to any water customer on the Company's main for supplying the service requested.

Monthly Minimum Water Service Charge+ - The following minimum monthly service charge must be paid regardless of the quantity of water metered.

\$ 11.51 per month (includes 1,000 gallons)

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* indicates new rate or text

+ indicates change

Date of Issue:

Date Effective:

Issued By: W.J. Rummel President 101 Windmill Drive, Potosi, Missouri 63644

Name of Officer

Title

Address

Rogue Creek Utilities, Inc. For: **Certificated Water Service Areas in Washington County**
 Name of Issuing Company Community, Town or City

Schedule of Service Charges

Bad Check Charge: *

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* indicates new rate or text

+ indicates change

Date of Issue:

Date Effective:

Issued By: **W.J. Rummel** President 101 Windmill Drive, Potosi, Missouri 63644

Name of Officer

Title

Address

Rouge Creek Utilities, Inc.

Small Company Rate Filing - Water Service

W-1

Tracking No. QW-2002-0009

Rate Making Income Statement - Water

	As Adjusted		Minimum	Commodity
Revenue	\$8,250			
Expenses				
Payroll & Management Fee	\$5,940		\$5,940	
O & M Expense	\$1,350		\$1,350	
Office Rent Expense	\$960		\$960	
Electric Expense	\$880		\$220	\$660
Misc. Office Expenses	\$766		\$766	
DNR Water Fee	\$345			\$345
PSC Assessment	\$30		\$30	
Training Expense	\$50			\$50
Transportation Expense	\$718		\$718	
Chemical Expense	\$3,332			\$3,332
Outside Accounting Expense	\$200		\$200	
Secretary of State	\$23		\$23	
Office Supplies	\$30		\$8	\$23
Depreciation	\$713		\$713	
Tax & Return	\$1,462		\$1,462	
Total Operating & Maintenance Expenses	\$16,799		\$12,389	\$4,410
Less: Other Revenues	\$0			\$0
Total O&M Exp. Less other Rev.	\$16,799		\$12,389	\$4,410
Revenue Increase Needed	\$8,549	103.6%		

Revenue Increase Requested \$9,500

September 5, 2002
Missouri Public Service Commission Staff

Page 1 of 1
W. R. Hubbs

Attachment B

**ROGUE CREEK UTILITIES, INC.
DEPRECIATION RATES**

(WATER)

QW-2002-0009

<u>Acct. No.</u>	<u>Description of Account</u>	<u>Annual Rate</u>
313	Lake, River & Other Intakes	2.5%
321	Structures & Improvements	2.5%
325	Electric Pumping Equipment	10.0%
342	Distribution Reservoirs & Standpipes	2.5%
343	Transmission & Distribution Mains	2.0%
345	Services	2.9%
346.2	Meters - Plastic Chamber (10 yr, 0 salv)	10.0%
390	Structures & Improvements	2.9%
391	Office Furniture & Equipment	5.0%
391.1	Office Computer Equipment	20.0%
394	Tools, Shop, Garage Equipment	5.0%

Attachment C