

NORTH OAK SEWER DISTRICT, INC.

1801 W. N. Service Road
Wright City, MO 63390
Phone: (636) 456-2411

December 11, 2002

RECEIVED⁴

DEC 16 2002

*Records
Public Service Commission*

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

Dear Sir:

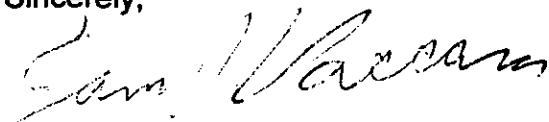
The North Oak Sewer District, Inc. (Company) holds a certificate of public convenience and necessity whereby it provides sewer service in an unincorporated area located in Warren County, Missouri. Pursuant to 4 CSR 240-2.200, the Missouri Public Service Commission's Small Company Rate Increase Procedure, the undersigned hereby request an increase in its sewer service. The Company is applying for an annual increase of \$8,000 for sewer service. These additional revenues are necessary to meet current operating expenses and provide an adequate return on investment.

Additionally, the Company is requesting that its miscellaneous service charges be reviewed and where necessary be enhanced or updated.

The Company is advising you that it is current and will remain current on its PSC assessments. Also, the Company has filed its year 2001 Annual Report for the Sewer Company as required by the Commission.

If you need additional information, please feel free to contact me by telephone at (636) 456-2411.

Sincerely,



James Vaccaro
President
North Oak Sewer District, Inc.

cc: Office of the Public Counsel

QS-2003-0019

Attachment A

North Oak Sewer District, Inc.
1801 W. N. Service Road
Wright City, MO 63390
(636) 456-2411

RECEIVED
FEB 03 2003

January 30, 2003


UTILITY OPERATIONS
DIVISION

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

To Whom It May Concern:

Attached please find a copy of the "Initial Customer Notice" that was mailed to our customers on January 30, 2003.

Sincerely,


James Vaccaro
President
NORTH OAK SEWER DISTRICT, INC.

JV:dw

Attachment

cc: Office of the Public Counsel, Attn: Ruth O'Neill
Missouri Public Service Commission, Attn: Wendell Hubbs

Attachment B - 1

NORTH OAK SEWER DISTRICT, INC.

1801 W. N. Service Road
Wright City, MO 63390
Phone (636) 456-2411

January 30, 2003

Dear Customer:

On December 16, 2002, North Oak Sewer District, Inc. (Company) submitted a request for permanent increase in its current sewer rates, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company is seeking an increase in its annual operating **sewer service** revenues of \$8,000 (an approximate 39.7% increase). The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses. Additionally, the Staff will review the adequacy of the Company's "miscellaneous service charges".

The example bill shown below set out a comparison of the Company's current residential customer rates for sewer service as if they were increased by the requested percentage increases. No taxes or other charges are included in examples below.

Sewer Rates – Single Family Dwellings	
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Current Monthly Rate	\$30.00
Proposed Increase Percentage	39.7%
Proposed Monthly Bill	<u>\$41.90</u>
Proposed Increase Amount	<u>\$11.90</u>

Sewer Rates – Mobile Homes In Parks	
--	--

Current Monthly Rate-Single Family Dwellings	\$26.00
Proposed Increase Percentage	39.7%
Proposed Monthly Bill	<u>\$36.32</u>
Proposed Increase Amount	<u>\$10.32</u>

Beginning sometime soon, the Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records and operations of the Company. Based upon that investigation, the Commission Staff will then makes its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public Counsel will

then make its own recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Any customer who has questions or comments regarding the Company's rate increase requests, or who has experienced recent service problems, should contact the Commission Staff and the Public Counsel ***within 30 days of the date of this notice***. To do so, please use the addresses, telephone numbers or fax numbers shown below. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations.

Missouri Public Service Commission
Water and Sewer Department
P.O. Box 360
Jefferson City, MO 65102
Phone: 573/751-3437 or 800/392-4211
Fax: 573/751-1847

Office of the Public Counsel
Attention: Ruth O'Neill
P.O. Box 7800
Jefferson City, MO 65102
Phone: 573/751-1304
Fax: 573/751-5562

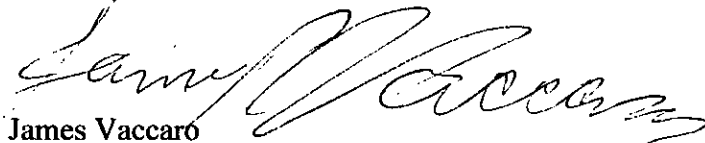
Upon completion of the Commission Staff's and the Public Counsel's investigations, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission hold a local public hearing.

However, neither a second customer notice nor a local public hearing will happen automatically.

Therefore, please take the time now to express your views about the Company's rate increase requests, and the operation of its system, to the Commission Staff and the Public Counsel.

Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the approval of the Public Service Commission.

Sincerely,



James Vaccaro
President

NORTH OAK SEWER DISTRICT, INC.

NORTH OAK SEWER DISTRICT, INC.

1801 W. N. Service Road
Wright City, MO 63390
Phone (636) 456-2411

November 12, 2003

Dear Customer:

On December 16, 2002, North Oak Sewer District, Inc. (Company) submitted a request for permanent increases in its current sewer rates, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company is seeking increases in its customer rates intended to generate an increase in the Company's annual operating revenues for sewer service of \$8,000 (approximately 39.7%). The Company believes these increases in its operating revenues are necessary to meet current expenses, and to provide adequate earnings on investment.

As a result of the Company's request, the Staff of the Public Service Commission (Commission Staff) conducted an investigation of the Company's books and records and the Company's operations. Based upon the results of its investigation, the Commission Staff is recommending an increase in the Company's annual operating sewer revenues of \$3,850 (approximately 19.7%).

The following have also been agreed to by the Staff and the Company: The modification of the Company's Late Payment Charge from \$6.50 per month to \$6.50 per month or three percent (3%) times the outstanding balance, whichever is greater.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of consumers before the Commission, has reviewed the results of the Commission Staff's investigation. However, the Public Counsel has not yet taken a final position regarding the Commission Staff's recommended increase in the Company's annual operating revenues.

Set out below is a comparison of the Company's current customer rates and the Commission Staff's recommended customer rates.

Sewer Rates – Single Family Dwellings

Current Monthly Rate	\$30.00
Proposed Increase Percentage	25.7%
Proposed Monthly Bill	<u>\$37.70</u>
Proposed Increase Amount	<u>\$ 7.70</u>

Sewer Rates – Mobile Homes In Parks/Apartment Buildings

Current Monthly Rate-Single Family Dwellings	\$26.00
Proposed Increase Percentage	16.0%
Proposed Monthly Bill	<u>\$30.16</u>
Proposed Increase Amount	<u>\$ 4.16</u>

Sewer Rates – Commercial Establishments
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Current Monthly Rate	\$30.00
Proposed Increase Percentage	38.25%
Proposed Monthly Bill	<u>\$41.47</u>
Proposed Increase Amount	<u>\$11.47</u>

Any customer that has questions or comments about the Commission Staff's recommended rate increase should contact the Staff and/or the Public Counsel *within 20 days of the date of this notice*. To do so, please use the addresses, telephone numbers or fax numbers shown at the bottom of this notice. Depending upon the response to this notice, the Public Counsel may request that the Public Service Commission hold a local public hearing. *Regardless of whether a local public hearing is held, no increase in rates will take effect without the approval of the Public Service Commission.*

Sincerely,



Mr. James Vaccaro
President
North Oak Sewer District, Inc.

Missouri Public Service Commission
Water and Sewer Department
P.O. Box 360
Jefferson City, MO 65102
Phone: 573/751-3437 or 800/392-4211
Fax: 573/751-1847

Office of the Public Counsel
Attention: Ruth O'Neill
P.O. Box 7800
Jefferson City, MO 65102
Phone: 573/751-1304
Fax: 573/751-5562

NORTH OAK SEWER DISTRICT, INC.

1801 W. N. Service Road
Wright City, MO 63390
(636) 456-2411

January 26, 2004

FILED

JAN 27 2004

**Missouri Public
Service Commission**

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

RE: North Oak Sewer District, Inc.
Sewer Utility Small Company Rate Increase Request
Mo. PSC Work ID No. QS 2003 0019

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 Regarding Disposition of Small Company Rate Increase Request (Disposition Agreement) between the North Oak Sewer District, Inc. (Company) and the Commission Staff (Staff) regarding the above subject. The Company initiated the subject rate increase request on December 16, 2002, under the Commission's sewer utility small company rate increase procedure, and the request was assigned the above-referenced tracking number. The Disposition Agreement reflects a "settlement" between the Company and the Staff regarding all matters related to the Company's sewer service rate increase request.

Additionally, please be advised that it is my understanding that the Staff will be filing the above-referenced Disposition Agreement with the Commission once a formal rate case has been established pursuant to this tariff filing.

Attachment D - 1

Consistent with the Company/Staff Disposition Agreement, the enclosed revised tariff sheets contain customer rates intended to produce a net increase of \$3,850 in the Company's annual operating revenues for its sewer service operations, and also include a modification to the Company's Late Payment Charge. The Disposition Agreement also calls for the Commission's approval of revised depreciation rates for the Company.

Since the Disposition Agreement is only between the Company and the Staff, the enclosed revised tariff sheets bear an effective date that is greater than 45 days from the issue date, as required by the applicable Commission rule. I am anticipating that the Office of the Public Counsel will request that a notice regarding the agreement between the Company and the Staff be sent to the Company's customers because of the magnitude of the proposed rate increase. If that occurs, I will provide a copy of that notice to the Staff for filing in the case papers.

Lastly, 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 establishment of the formal rate case related to this tariff filing.

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

Sincerely,



James Vaccaro
President
North Oak Sewer District, Inc.

enclosures

copies (w/enclosures):

Wendell R. Hubbs - PSC Staff
Office of the Public Counsel - Ruth O'Neill

FORM NO. 13 P. S. C. MO. No. 1 **1st Revised** Sheet No. 4

Cancelling P. S. C. MO. No. 1 **Original** Sheet No. 4

North Oak Sewer District, Inc.
Name of Issuing Company

For: Certificated Area in Warren County, MO
Community, Town or City

RULES GOVERNING
RENDERING OF **SEWER SERVICE** +

SCHEDULE OF SEWER RATES

Sewer Rate Schedule "A" – Single Family Dwellings

Availability: +

This rate is available to all customers located in the Company's MO PSC certificated service area that is located on the Company's collecting mains suitable for supplying the service requested. This service is available to single family residences and mobile homes not located in mobile home parks.

Rate:

Monthly Sewer Service Charge (payable in advance) **\$37.70**

Connection Charge: This charge may apply. See Connection Charge heading under the Schedule of Other Charges section.

Construction Contribution: This charge may apply. See Construction Contribution heading under Schedule of Other Charges Section.

Taxes: Any applicable Federal, State or local taxes shall be in addition to above charges. +

Sewer Rate Schedule "B.1" – Multiple Family Dwellings where collecting sewers serving each unit are owned by the utility.

Availability: +

This rate is available to all customers located in the Company's MO PSC certificated service area that is located on the Company's collecting mains suitable for supplying the service requested. This service is available to each unit of an apartment building or other multiple-family dwelling, and for mobile homes located in mobile home parks where the in-park sewer collecting system is owned by the utility.

Rate:

Monthly Sewer Service Charge (payable in advance) **\$30.16**

Connection Charge: This charge may apply. See Connection Charge heading under the Schedule of Other Charges section.

Construction Contribution: This charge may apply. See Construction Contribution heading under Schedule of Other Charges Section.

Taxes: Any applicable Federal, State or local taxes shall be in addition to above charges. +

* Indicates new rate or text

+ Indicates change

Date of Issue **1/27/04**

Date Effective **3/15/04**

Issued By: James P. Vaccaro Sr. President 1801 W. N. Service Road, Wright City MO 63390
Name of Officer Title Address

North Oak Sewer District, Inc.

For: Certificated Area in Warren County, MO

Name of Issuing Company

Community, Town or City

RULES GOVERNING
RENDERING OF SEWER SERVICE
+
SCHEDULE OF SEWER RATES

Sewer Rate Schedule "B.2" – Multiple Family Dwellings where collecting sewers are NOT owned by the utility.

Availability: +

This rate is available to all customers located in the Company's MO PSC certificated service area that is located on the Company's collecting mains suitable for supplying the multiple unit service requested at a premises. This service is available to the owner of the apartment buildings or other multiple-family dwellings, and owner of mobile home parks where the in-park collection system on the customer's facility is not owned by the utility.

Rate:

Monthly Sewer Service Charge (payable in advance) \$30.16 per unit

Billing: The Company will bill the owner of the premises (the customer) for the number of domestic use spaces that are physically connected to the Company's collection sewer. If the Company is not provided reasonable access to the customer's facility to ascertain the number of domestic use spaces that are connected, the Company shall bill the customer the total number of possible domestic use spaces for the facility.

Connection Charge: This charge may apply. See Connection Charge heading under the Schedule of Other Charges section.

Construction Contribution: This charge may apply. See Construction Contribution heading under Schedule of Other Charges Section.

Taxes: Any applicable Federal, State or local taxes shall be in addition to above charges. +

* Indicates new rate or text

+ Indicates change

Date of Issue

1/27/04

Date Effective

3/15/04

Issued By: James P. Vaccaro Sr. President

1801 W. N. Service Road, Wright City MO 63390

Name of Officer

Title

Address

FORM NO. 13 P. S. C. MO. No. 1 ☐ 1st ☒ Revised Sheet No. 5

Cancelling P. S. C. MO. No. 1 ☐ Original Sheet No. 5

North Oak Sewer District, Inc. For: Certificated Area in Warren County, MO
Name of Issuing Company Community, Town or City

RULES GOVERNING
RENDERING OF SEWER SERVICE +
SCHEDULE OF SEWER RATES

Sewer Rate Schedule "C" – Commercial Establishments

Availability: +

This rate is available to all customers located in the Company's MO PSC certificated service area that is located on the Company's collecting mains suitable for supplying the service requested. This service is available to commercial establishments but only for non-residential domestic type sewage from such.

Rate:

Monthly Sewer Service Charge (payable in advance) \$41.47

Connection Charge: This charge may apply. See Connection Charge heading under the Schedule of Other Charges section.

Construction Contribution: This charge may apply. See Construction Contribution heading under Schedule of Other Charges Section.

Taxes: Any applicable Federal, State or local taxes shall be in addition to above charges. +

Other Special Requirements: The Company may require installation of grease traps or pretreatment facilities when, in the opinion of the Company, such is necessary to prevent violation of effluent standards or other permits or cause excessive expense to the Company in relation to costs attributable to other customers (see Rule 11).

* Indicates new rate or text
+ Indicates change

Date of Issue **1/27/04** Date Effective **3/15/04**

Issued By: James P. Vaccaro Sr. President 1801 W. N. Service Road, Wright City MO 63390
Name of Officer Title Address

FORM NO. 13 P. S. C. MO. No. 1 ☐ 1st ☒ Revised Sheet No. 6

Cancelling P. S. C. MO. No. 1 ☐ Original ☒ Sheet No. 6

North Oak Sewer District, Inc.
Name of Issuing Company

For: Certificated Area in Warren County, MO
Community, Town or City

RULES GOVERNING
RENDERING OF **SEWER SERVICE** +
SCHEDULE OF SEWER RATES

Sewer Rate Schedule "D" – Industrial Waste

Availability: +

This rate is available to all customers located in the Company's MO PSC certificated service area that is located on the Company's collecting mains suitable for supplying the service requested. This service is available to industrial users discharging effluent other than domestic waste.

Rate: +

A Special Contract for service approved by the Missouri Public Service Commission shall set industrial waste rates. The Commission, prior to the provision of any such service, shall approve such Contract. The Contract will set a construction contribution and rates for treatment which will take into consideration the special requirements for treatment of other than domestic pretreatment facilities when, in the opinion of the Company, such is necessary to prevent violation of effluent standards or permits or cause excessive expense to the Company in relation to costs attributable to other customers (see Rule 11).

Taxes: Any applicable Federal, State or local taxes shall be in addition to above charges. +

* Indicates new rate or text
+ Indicates change

Date of Issue **1/27/04**

Date Effective **3/15/04**

Issued By: James P. Vaccaro Sr. President 1801 W. N. Service Road, Wright City MO 63390
Name of Officer Title Address

FORM NO. 13 P. S. C. MO. No. 1 1st Revised Sheet No. 7

Cancelling P. S. C. MO. No. 1 Original Sheet No. 7

North Oak Sewer District, Inc.
Name of Issuing Company

For: Certificated Area in Warren County, MO
Community, Town or City

RULES GOVERNING
RENDERING OF **SEWER SERVICE** +
SCHEDULE OF OTHER CHARGES

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 \$6.50 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

Returned Check Charge:

If a party tenders a check to the Company for payment of service and such check is returned unpaid by the Company's bank, the Company may assess a returned Check Charge of \$35. If a customer incurs a Returned Check Charge more than twice in any twelve month period, the Company may refuse to accept any further checks from that customer for a

(Continued on next tariff sheet)

* Indicates new rate or text

+ Indicates change

Date of Issue **1/27/04**

Date Effective **3/15/04**

Issued By: James P. Vaccaro Sr. President 1801 W. N. Service Road, Wright City MO 63390

Name of Officer

Title

Address

North Oak Sewer District, Inc.

Small Company Rate Filing - Sewer Service

Work ID # QS-2003-0019

Sewer

Rate Making Income Statement

	As Adjusted		Minimum
Revenue	\$19,584		
Expenses			Bill Allocated
Support Staff Salary & Empl PR Tax	\$2,580		\$2,580
Contract Operator	\$5,760		\$5,760
Waste Water Testing	\$600		\$600
Electricity-Treatment Plant	\$2,464		\$2,464
Sludge Hauling	\$750		\$750
Materials & Supplies	\$500		\$500
Professional Services - Accounting	\$350		\$350
Shared Office Costs	\$900		\$900
Postage	\$194		\$194
DNR Fees	\$800		\$800
Taxes & Licenses	\$45		\$45
Bank charges	\$80		\$80
Insurance	\$520		\$520
PSC Expense	\$1,807		\$1,807
Depreciation	\$1,557		\$1,557
Return On Investment	\$4,527		\$4,527
			\$0
Total Cost of Service	\$23,434		\$23,434
Less: Other Revenues	\$0		\$0
Cost to recover from Rates	\$23,434		\$23,434
Total COS	\$23,434		
Increase Needed	\$3,850	19.7%	

August 13, 2003

Missouri Public Service Commission Staff

Page 1 of 5

W. R. Hubbs

North Oak Sewer District, Inc.

Small Company Rate Filing - Sewer Service

Work ID # QS-2003-0019

Sewer

Sewer Rate Development

Sewer Rates

	Customer Numbers	Class Weighting	Class Equivalents	Annual Class Equivalents
Single Family Residential	16	1	16	192
Multi-Family Residential	10	0.8	8	96
Mobile Homes in a Park	32	0.8	25.6	307.2
Commercial - Small	2	1.1	2.2	26.4
Totals	60		51.8	621.6

Total Cost of Service
Divided by Class Equivalents
Equivalent Cost per Month

\$23,434 (from page 1 of 5)
621.6
\$ 37.70

Postage Allocation

RATE CLASSES

	Class Weighting	Equivalent Cost Per Month	Class Rates
Single Family Residential	1	\$ 37.70	\$37.70
Multi-Family Residential	0.8	\$ 37.70	\$30.16
Mobile Homes in a Park	0.8	\$ 37.70	\$30.16
Commercial - Small	1.1	\$ 37.70	\$41.47

August 13, 2003
Missouri Public Service Commission Staff

Page 2 of 5
W. R. Hubbs

North Oak Sewer District, Inc.

Small Company Rate Filing - Sewer Service

Work ID # QS-2003-0019

Sewer

Residential Sewer Customer Impact

Single Family Residential Rate	Monthly Charge	Monthly Charge
Proposed Rates	\$37.70	\$37.70
Current Rates	\$30.00	\$30.00
Difference	\$7.70	\$7.70
Percentage Difference from Current Rates	25.66%	25.66%

Multi-Family & Mobile Home Park RATES	Monthly Charge	Monthly Charge
Proposed Rates	\$30.16	\$30.16
Current Rates	\$26.00	\$26.00
Difference	\$4.16	\$4.16
Percentage Difference from Current Rates	16.00%	16.00%

Commercial Rate	Monthly Charge	Monthly Charge
Proposed Rates	\$41.47	\$41.47
Current Rates	\$30.00	\$30.00
Difference	\$11.47	\$11.47
Percentage Difference from Current Rates	38.23%	38.23%

August 13, 2003
Missouri Public Service Commission Staff

Page 3 of 5
W. R. Hubbs

Attachment E - 3

North Oak Sewer District, Inc.

Small Company Rate Filing - Sewer Service

Work ID # QS-2003-0019

Sewer

Proposed Charges

Annualized & Normalized Sewer Revenues

Sewer Revenues

Minimum Bill Revenues

Residential Customer Number - Single Family	16
Customer Bills	192
Times:	
Proposed Monthly Customer Charge	\$37.70
Equals:	
Annualized Minimum Bill Revenue	\$7,238
Residential Customer Number - Multi-Family	10
Customer Bills	120
Times:	
Proposed Monthly Customer Charge	\$30.16
Equals:	
Annualized Minimum Bill Revenue	\$3,619
Residential Customer Number - Mobile Home Park	32
Customer Bills	384
Times:	
Proposed Monthly Customer Charge	\$30.16
Equals:	
Annualized Minimum Bill Revenue	\$11,581
Commercial Customer Number	2
Customer Bills	24
Times:	
Proposed Monthly Customer Charge	\$41.47
Equals:	
Annualized Minimum Bill Revenue	\$995

Total Sewer Rate Revenues @ Current Rate	\$23,434
--	----------

Miscellaneous Revenues	\$0
------------------------	-----

Total Sewer Service Revenues @ Current Rates	\$23,434
--	----------

August 13, 2003
Missouri Public Service Commission Staff

Page 4 of 5
W. R. Hubbs

Attachment E - 4

North Oak Sewer District, Inc.

Small Company Rate Filing - Sewer Service

Work ID # QS-2003-0019

Sewer

Accounting Department

Test Year Annualized & Normalized Revenues

Sewer Revenues

Minimum Bill Revenues

Residential Customer Number - Single Family	16
---	----

Customer Bills	192
----------------	-----

Times:

Existing Minimum Monthly Charge	\$30.00
---------------------------------	---------

Equals:

Annualized Minimum Bill Revenue	\$5,760
---------------------------------	---------

Residential Customer Number - Multi-Family	42
--	----

Customer Bills	504
----------------	-----

Times:

Existing Minimum Monthly Charge	\$26.00
---------------------------------	---------

Equals:

Annualized Minimum Bill Revenue	\$13,104
---------------------------------	----------

Commercial Customer Number	2
----------------------------	---

Customer Bills	24
----------------	----

Times:

Existing Minimum Monthly Charge	\$30.00
---------------------------------	---------

Equals:

Annualized Minimum Bill Revenue	\$720
---------------------------------	-------

Total Sewer Rate Revenues @ Current Rate	\$19,584
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Miscellaneous Revenues	\$0
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Total Sewer Service Revenues @ Current Rates	\$19,584
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August 13, 2003

Missouri Public Service Commission Staff

Page 5 of 5

W. R. Hubbs

North Oak Sewer District, Inc
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
RATE DESIGN SCHEDULE

Rate Making Income Statement - Sewer

<u>A</u> Description	<u>B</u> Account Number (Optional)	<u>C</u> Staff Annualized	<u>D</u> Customer Charge	<u>E</u> Commodity
Annualized Revenues		\$19,584		
OPERATIONS EXPENSES				
Support Staff Salary & Employer's PR Tax (1)		\$2,580		
Contract Operator (1)		\$5,760		
Waste water testing		\$600		
Electricity- Treatment Plant (50% Allocation)		\$2,464		
Sludge Hauling		\$750		
Total Operations Expense		\$12,154		
MAINTENANCE EXPENSES				
Materials & Supplies		\$500		
Total Maintenance Expense		\$500		
ADMINISTRATIVE & GENERAL EXPENSES				
Professional Services- Accounting		\$350		
Shared Office Costs		\$900		
Postage		\$194		
DNR Fees		\$800		
Taxes & Licenses		\$45		
Bank Charges		\$80		
Insurance		\$520		
Total Administrative and General		\$2,889		
OTHER OPERATING EXPENSES				
Other Expenses				
PSC Assessment		\$1,230		
Depreciation		\$1,557		
TOTAL EXPENSES BEFORE INCOME TAX		\$18,330		
Return on Investment & Current Income Taxes 3		4,527		
TOTAL COST OF SERVICE		22,857	\$0	\$0
Less: Miscellaneous Revenues 4		0	0	0
COST TO RECOVER IN RATES		22,857	0	0
INCREMENTAL INCREASE IN RATE REVENUES		3,273	16.71%	
REQUESTED INCREASE IN REVENUES		\$18,000		

changed to 1,807
↓
added \$577

23,434

19.7%

+ \$5.77 = 3,850

North Oak Sewer District, Inc
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
REVENUE SUMMARY SCHEDULE

ANNUALIZED & NORMALIZED REVENUES

<u>A</u> Description	<u>Apt's & Mobile Homes</u>		<u>Single Family Resid.</u>		<u>Commercial</u>		<u>Total</u>	
	<u>B</u> Amount	<u>C</u> Amount	<u>D</u> Amount	<u>E</u> Amount	<u>F</u> Amount	<u>G</u> Amount	<u>H</u> Amount	<u>I</u> Amount
<u>Customer Charge Revenues:</u>								
Customer Number	42		16		2		60	
Customer Bills Per year	504		192		24		720	
Existing Monthly Customer Charge Tariff	<u>\$26.00</u>		<u>\$30.00</u>		<u>\$30.00</u>			
Annualized Customer Charge Revenues		\$13,104		\$5,760		\$720		\$19,584
<u>Commodity Charge Revenues:</u>								
Total Gallons Sold	-		-				-	
Less: Base Gallons Included In Customer Charge	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
Commodity Gallons	-		-				-	
Existing Commodity Charge / 1,000 gallons	<u>\$0.00</u>		<u>\$0.00</u>		<u>\$3.00</u>			
Annualized Commodity Charge Revenues		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
Total Annualized Sewer Rate Revenues		\$13,104		\$5,760		\$720		\$19,584
Miscellaneous Revenues		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
Total Annualized Sewer Service Revenues		<u>\$13,104</u>		<u>\$5,760</u>		<u>\$720</u>		<u>\$19,584</u>

North Oak Sewer District, Inc
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
EXPENSE SCHEDULE

A Description	B Account Number (Optional)	C Company/ Test Year Amount	D Staff Annualized	E Difference (1)	F Adjustment Number
OPERATIONS EXPENSES					
Support Staff Salary & Employer's PR Tax (1)		\$0	\$2,580	\$2,580	W-1
Contract Operator (1)		\$12,160	\$5,760	-\$6,400	W-2
Waste water testing		\$550	\$600	\$50	W-3
Electricity- Treatment Plant (50% Allocation)		\$12,929	\$2,464	-\$10,465	W-4
Sludge Hauling		\$0	\$750	\$750	W-5
Total Operations Expense		\$25,639	\$12,154	-\$13,485	
MAINTENANCE EXPENSES					
Materials & Supplies		\$777	\$500	-\$277	W-6
Total Maintenance Expense		\$777	\$500	-\$277	
ADMINISTRATIVE & GENERAL EXPENSES					
Professional Services- Accounting		\$2,010	\$350	-\$1,660	W-7
Shared Office Costs		\$2,800	\$900	-\$1,900	W-8
Postage		\$90	\$194	\$104	W-9
DNR Fees		\$1,450	\$800	-\$650	W-10
Taxes & Licenses		\$45	\$45	\$0	
Bank Charges		\$80	\$80	\$0	
Insurance		\$520	\$520	\$0	
Bad Debt Expense		\$26	\$0	-\$26	W-11
Total Administrative and General		\$7,021	\$2,889	-\$4,132	
OTHER OPERATING EXPENSES					
Taxes Other Than Income					
PSC Assessment		\$2,336	\$1,230	-\$1,106	W-12
Depreciation & Amortization		\$8,509	\$1,557	-\$6,952	
Total Other Operating Expenses		\$10,845	\$2,787	-\$8,058	
TOTAL EXPENSES BEFORE INCOME TAX		\$44,282	\$18,330	-\$25,952	

(1) Automatic Description Required Description Should Provide Breakdown of Salaries

(2) Explained in Expense Adjustments Schedule

North Oak Sewer District, Inc
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
Expense Adjustment Schedule

A Expense Adjustment Number	B Subset Adjustment	C Adjustment Description	D Account Number	E Adjustment Subtotal (2)	F Total Adjustment Amount
		<u>Salary Allowance</u>			
W-1		Staff Salary - 24hr./moth@\$8.00 per hour		2,304	
		+ 12% employer's PR tax		276	
		<u>Total Salary Allowance Adjustment</u>		<u>2,580</u>	
W-2		Allow Contract Sewer Plant Operator @\$480/month		(6,400)	
W-3		Allow Lab tests \$50 per month		50	
W-4		<u>Electricity - Treatment Plant</u>			
		Capitalize 3 phase installation		(8,000)	
		Allow 50% Allocation on remaining \$4929		(2,465)	
		<u>Total Electricity Adjustment</u>		<u>(10,465)</u>	
W-5		Allow Sludge Hauling 3 times/year @\$250 each		750	
W-6		Allow \$500 R & R and Supplies		(277)	
W-7		<u>Accounting Service Fees</u>			
		Remove Accrual Balance (Duplicate Expense)		(1,950)	
		Allow \$350 est. tax return prep.		290	
		<u>Total Accounting Adjustment</u>		<u>(1,660)</u>	
W-8		Allow shared office estimate (\$75/month)		(1,900)	
W-9		Allow postage 60 bills/month@\$.27 each		104	
W-10		Allow estimated 03 DNR fees		(650)	
W-11		Eliminate Bad Debt Expense (Cash Basis)		(26)	
W-12		<u>PSC Assessment</u>			
		Eliminate excess accrual for PSC Assessment		(2,048)	
		Allow Annual Estimated PSC Assessment (\$1230)		942	
		<u>Total PSC Adjustment</u>		<u>(1,106)</u>	

Attachment E - 9

Description Should Provide Breakdown of Salaries
in Expense Schedule

North Oak Sewer District, Inc
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
RATE BASE, RETURN on INVESTMENT
and INCOME TAX SCHEDULE

<u>A</u> Rate Base Description	<u>B</u> Dollar Amount	
Plant In Service	\$105,639	From Plant Schedule
Less Accumulated Depreciation Reserve	\$7,643	From Depreciation Reserve Schedule
Net Plant In Service	<u>\$97,996</u>	
Other Rate Base Items:	\$0	
Total Rate Base	<u>\$97,996</u>	
Total Weighted Rate of Return Including Income Tax	11.00%	From Return & Taxes
Allocation Factor	42.00%	
Required Return & Income Tax	<u>\$4,527</u>	

North Oak Sewer District, Inc
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
Rate of Return Including Income Tax

	<u>A</u>		<u>B</u>	<u>formulas</u>
State Income Tax Rate Statutory / Effective	0.00%	(2)	<u>0.00%</u>	$(1 - (B2 \times .5)) \times A1$
Federal Income Tax Rate Statutory / Effective	0.00%	(1) & (2)	<u>0.00%</u>	$(1 - B1) \times A2$
Composite Effective Income Tax Rate			<u>0.00%</u>	$B1 + B2$
Equity Tax Factor			<u>1.0000</u>	$1 / (1 - B3)$
Recommended Weighted Rate of Return on Equity - Common and Preferred			<u>11.00%</u>	From Capital Structure
Weighted Rate of Return on Equity Including Income Tax			<u>11.00%</u>	$B4 \times B5$
Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term			<u>0.00%</u>	From Capital Structure
Total Weighted Rate of Return Including Income Tax			<u><u>11.00%</u></u>	$B6 + B7$
			To Rate Base	

Tax Rate Table

<u>Net Income</u>	<u>Tax Rate</u>
\$0 - 50,000	15%
\$50,001 - 75,000	25%
\$75,001 - 100,000	34%
\$100,001 - 335,000	39%
\$335,001 - and over	34%

Attachment E - 11

North Oak Sewer District, Inc
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
Capital Structure Schedule

<u>A</u> Description	<u>B</u> Dollar Amount	<u>C</u> Percentage of Total Capital Structure	<u>D</u> Embedded Cost of Capital	<u>E</u> Weighted Cost of Capital
Common Stock	\$90,623	82.97%	11.00%	9.127%
Preferred Stock	\$0	0.00%	8.00%	0.000%
Advances From Affiliates	\$18,601	17.03%	11.00%	1.873%
Short Term Debt	<u>\$0</u>	<u>0.00%</u>		<u> </u>
TOTAL CAPITALIZATION	<u>\$109,224</u>	<u>100.00%</u>		<u>11.0000%</u>
To PreTax Return Rate				

North Oak Sewer District
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
Rate Base In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F As Adjusted Plant
		301 - INTANGIBLES				
		E.K. Williams - Accounting	\$985		\$0	\$985
		Brydon Swearington - Legal	\$6,310		\$0	\$6,310
		Sankpill - Consulting	\$2,758		\$0	\$2,758
		Undefined Others	\$817		\$0	\$817
		Total Intangibles	\$10,870		\$0	\$10,870
		310 - LAND				
		Land (pre 2001)	\$5,000		\$0	\$5,000
		Total Land	\$5,000		\$0	\$5,000
		311 - STRUCTURES & IMPROVEMENTS				
		Fence pre 2001	\$10,394		\$0	\$10,394
		Rock pre 2001	\$7,033		\$0	\$7,033
		Rock - 2001	\$8,660		\$0	\$8,660
		Total Structures & Improvements	\$26,087		\$0	\$26,087
		352.2 GRAVITY MAINS				
		Gravity Mains - pre-2001	\$4,314		\$0	\$4,314
		Total Gravity Mains	\$4,314		\$0	\$4,314
		373 - TREATMENT & DISPOSAL				
		Treatment & Disposal pre 2001	\$46,278		\$0	\$46,278
		Electrical Equipment 2001	\$1,090		\$0	\$1,090
		Capitalize 3 phase Electric 2001 & 2002	\$0	P-1	\$12,000	\$12,000
		Total Treatment & Disposal	\$47,368		\$12,000	\$59,368
		TOTAL PLANT IN SERVICE	\$93,639		\$12,000	\$105,639

To Rate Base & Depreciation Schedules

North Oak Sewer District, Inc
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
Schedule of Adjustments for
Plant In Service

<u>A</u> Plant Adjustment Number	<u>B</u> Plant In Service Adjustments Description	<u>C</u> Adjustment Subtotal	<u>D</u> Total Adjustment Amount
P-1	Capitalize 3 phase electric install-2001	4000	
	Capitalize 3 phase electric install-2002	8000	
			12,000

North Oak Sewer District, Inc
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F As Adjusted Reserve
1		310 - LAND				
2		Land (pre 2001)	\$0			\$0
3						
5		Total Land	\$0			\$0
6		311 - STRUCTURES & IMPROVEMENTS				
7		Structures & Improvements -pre-2001	\$1,307			\$1,307
8		Rock - 2001	\$390			\$390
9						
12		Total Structures & Improvements	\$1,697			\$1,697
13		352.2 GRAVITY MAINS				
14		Gravity Mains - pre-2001	\$215			\$215
15						
18		Total Gravity Mains	\$215			\$215
19		373 - TREATMENT & DISPOSAL				
19		Treatment & Disposal - pre-2001	\$5,207			\$5,207
20		Elec. Equipment	\$74			\$74
26		3 phase Electric	\$450			\$450
27		Total Treatment & Disposal	\$5,731			\$5,731
28		301 - INTANGIBLES				
29		E.K. Williams - Accounting	\$0			\$0
30		Brydon Swearington - Legal	\$0			\$0
31		Sankpill - Consulting	\$0			\$0
32		Undefined Others	\$0			\$0
33						
38		Total Intangibles	\$0			\$0
39						
40		TOTAL PLANT IN SERVICE	\$7,643			\$7,643
41						

To Rate Base

North Oak Sewer District, Inc
Informal Rate/Certificate Case
Tracking Number QS-2003-0019
Test Year Ending Dec, 31, 2002
Depreciation Expense

ALLOCATION FACTOR = 42%

Line Number	A Account Number	B Plant Account Description	C Adjusted Plant	D Depreciation Rate	E Depreciation Expense
1		310 - LAND			
2		Land (pre 2001)	\$5,000	0.0000% 42%	\$0
5		Total Land	\$5,000		\$0
6		311- STRUCTURES & IMPROVEMENTS			
7		Fence pre 2001	\$17,427	2.5000% 42%	\$183
8		Rock - 2001	\$8,660	2.5000% 42%	\$91
15		Total Land Improvements	\$26,087		\$274
16		352.2 - GRAVITY MAINS			
17		Gravity Mains - pre-2001	\$4,314	2.0000% 42%	\$36
19		Total Sewer Treatment Plant	\$4,314		\$36
20		373 - TREATMENT AND DISPOSAL			
22		Treatment & Disposal pre 2001	\$46,278	5.0000% 42%	\$972
23		Electrical Equipment 2001	\$1,090	5.0000% 42%	\$23
		3 phase electric -2001	\$4,000	5.0000% 42%	\$84
29		3 phase electric -2002	\$8,000	5.0000% 42%	\$168
30		Total Treatment & Disposal	\$59,368		\$1,247
31		301 - INTANGIBLES			
32		E.K. Williams - Accounting	\$985	0.0000% 42%	\$0
33		Brydon Swearington - Legal	\$6,310	0.0000% 42%	\$0
38		Sankpill - Consulting	\$2,758	0.0000% 42%	\$0
39		Undefined Others	\$817	0.0000% 42%	\$0
40					
41		Total Intangibles	\$10,870		\$0
42		Total Depreciation	\$105,639		\$1,557

North Oak Sewer District, Inc.
QS-2003-0019
Rate Base Analysis

Description	Per PSC			
	Land	Trtmt & Disposal	Structures & Imp	Mains
Per Company Detail List		46278	17427	4314
Add: Land	5000			
Add: Sankpill True Up				
Add: Unidentified		34		
Total Plant - SA-2000-417	5000	46312	17427	4314
at June 23, 2000				
2000 Subsequent Additions				
AJE's&RJE's After 06-23-2000				
E.K. Williams - Accounting				
Brydon Swerington - Legal				
Undefined Others				
Eliminate Above Unidentified		34		
Sewer Pipe Duplicated				
Sankpill \$2758 Duplicated				
Unidentified				
PSC Total Plant at 12-31-00	5000	46278	17427	4314
2001 Additions				
March 3 - Rock			420	
April 2 - Rock			163	
April 11 - Rock			312	
June 30 - Rock			425	
RJE from expense - Rock			7340	
RJE from expense - Elec. Eqp		1090		
PSC RJE 3 Phase Elec		4000		
PSC Total Plant at 12-31-01	5000	51368	26087	4314
2002 Additions				
PSC RJE 3 Phase Electric		8000		
PSC Total Plant at 12-31-02	5000	59368	26087	4314

Intangibles	Total Rate Base	Plant Not In Rate Base	Total Per Worksheet	Balance per GL	Worksheet Over (Under) G/L
2500	70519	5850	76369		
	0		0		
	5000		5000		
258	258		258		
	34		34		
	0		0		
2758	75811	5850	81661	N/A	
	0		0		
	0		0		
	0		0		
985	985		985		
6310	6310		6310		
817	817		817		
	34		34		
	0		0		
	0		0		
	0		0		
		2095	2095		
		2758	2758		
		210	210		
10870	83889	10913	94802	94802	0
	0		0		
	0		0		
	420		420		
	163		163		
	312		312		
	425		425		
	7340		7340		
	1090		1090		
	4000		4000		
			0		
10870	97639	10913	108552	108552	0
	8000		8000		
10870	105639	10913	116552	116552	0

North Oak Sewer District, Inc.
DEPRECIATION RATES

QS-2003-0019

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT</u>	<u>DEPRECIATION RATE %</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>
351	Structures & Improvements	2.5%	40
352.2	Collection Sewers (Gravity)	2.0%	50
372	Treatment & Disposal Facilities	5.0%	20
393	Stores Equipment	4.0%	25
394	Tools, Shop, and Garage Equipment	5.0%	20

Summary Overview of North Oak Sewer District, Inc. Customer Service Operations

By: Mr. John Kiebel

The Engineering and Management Services Department (EMSD) staff initiated a review of customer service processes, procedures and practices at North Oak Sewer District, Inc. (North Oak or Company or District) on April 3, 2003. Prior to on-site interviews, the EMSD staff examined Company tariffs, annual reports, Missouri Public Service Commission (Commission) complaint records and other documentation related to the Company's customer service operations.

The objectives of this review were to document and analyze the management control processes, procedures and practices used by the Company to ensure that its customers' service needs are met and to make recommendations, where appropriate, by which the Company may improve the quality of services provided to its customers. The scope of this review focused on processes, procedures and practices related to:

- Customer Billing
- Credit and Collections
- Complaint Handling and Recording
- Customer Communications

This overview contains an explanation of the Company's customer service operations.

Overview

North Oak provides sewer service to approximately 61 customers in the Three Shamrocks mobile home park and the surrounding areas in an unincorporated portion of Warren County. The mobile home park is just north of I-70 and about 1.5 miles east of Warrenton.

The Company's primary office and field reporting locations are based out of the business office near Warrenton. The president is responsible for the overall maintenance and operation of the District's sewer system. The office manager is responsible for the business office function and the plant operator is responsible for the daily operation of the sewer system.

According to the Company, there has been a slight decline in the number of customers since the District was incorporated in 2000. The office manager stated that the service territory currently consists of approximately 35 mobile home customers, about 15 single-family homes, a pair of five-unit apartment buildings and two commercial customers.

Customer Billing

North Oak bills its customers on a monthly basis. A single-family residence that is not located in the mobile home park pays \$30 and a single-family residence located in the mobile home park pays \$26 for sewer service.

The office manager maintains a monthly accounts receivable ledger, which is an automated listing of the current amount owed (either \$30 or \$26) by service address and customer name. As payments are received throughout the month, the office manager updates the ledger manually with the amount, date and method of payment (check, money order or cash).

The receivable ledger is reviewed prior to bill issuance to ensure that each customer is accurately billed. The billing system generates a pre-addressed postcard bill for each customer. If necessary, the office manager can adjust the bill manually to include the balance owed from the previous month. A corrected bill reflecting a past due balance or a late fee will be issued and stamped 'past due' with each amount adequately identified.

Customer bills are typically mailed on or around the 5th day of the month and are due on or around the 26th of the month. A past due letter is sent on the 10th of the following month and indicates that a \$6.50 late fee charge will be applied to the customer balance if the bill is not paid by the 20th of the following month.

There have been ongoing discussions between North Oak, the Commission staff's General Counsel Division (General Counsel) and the Water and Sewer Department regarding the mobile home park and its possible status as a commercial customer. The General Counsel issued an informal opinion on April 8, 2003 recommending that North Oak bill the mobile home park as a single commercial customer. The number of units to

be billed at this rate is based on the assumption that all 10 apartments are occupied and that 90% of the 47 mobile home units are occupied.

Accounts receivable and accounts payable records are sent to the external accounting firm on a monthly basis via floppy diskette. The hard copy paper records are maintained in a locked file cabinet behind the office manager's desk. The Company does not maintain this information on a back-up floppy diskette.

The office manager stated that customers normally pay their bill through the mail or in person at the business office. The Company is considering the installation of an after-hours payment drop box as the business office moved to its current location in March 2003.

Customer payments are posted to the billing system as they are received. The EMSD staff reviewed the bank statement for February 2003 and it appears that payments are deposited on a timely basis.

Credit and Collections

Credit and collection activities are managed through the business office in Warrenton. The Company stated that past due reminder letters are typically mailed to the customer 15 days after a bill is due. The letter requests the customer to come to the business office to resolve the matter.

According to the Company, disconnection notices are rarely used given the Company's timely review of past due customer accounts. The EMSD staff reviewed the monthly receivable ledger for March 2003 and found that only one customer currently has a past due balance of more than two months.

The Company imposes a \$6.50 late charge fee and a \$35 fee for handling returned checks. The late fee charge is added to the customer's bill when the Company does not receive payment by the delinquent date. The insufficient funds check charge is in addition to the charge assessed by the Company's bank for processing the check.

North Oak does not charge a deposit to secure service and does not believe that a deposit is necessary. According to the Commission staff's Accounting Department, the Company has charged off only \$26 since January 2002.

Complaint Handling and Recording

North Oak has experienced few complaints since the current owner acquired the Company in 2000. The Company's policy is to have the complaint addressed by the appropriate personnel as soon as possible. If the complaint is related to a field activity, the owner or the plant operator is dispatched to investigate and resolve. If the complaint is related to a billing or payment concern, the office manager is usually able to resolve the matter.

The office manager mailed a letter to each customer in January 2003 that described the current request for rate relief. According to the office manager, the Company has received one written complaint since customers were notified.

Customer Communications

The business office is typically open Monday through Friday from noon to 5 p.m. In addition to these hours, the office manager is in the office from 10 a.m. to 5 p.m. during the first and last weeks of the each month to handle billing and payment remittance activities. North Oak customers can also contact the business office on a 24/7 basis, as the president's pager handles after-hours calls.

Findings, Conclusions and Recommendations

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

- Lack of a back-up floppy diskette
- Lack of an after-hours payment drop box

Lack of a back-up floppy diskette

North Oak does not maintain a back-up diskette for its monthly receivable and payable functions. The hard copy receivable and payable information is maintained in a locked file cabinet behind the office manager's desk. The office manager stated that these records are currently sent to the external accounting firm each month on a floppy diskette.

The EMSD staff believes that this information should be saved onto a second diskette each month and that this diskette should be stored in the Company's locked fireproof safe. The locked fireproof safe is an appropriate place for overnight storage of monthly accounts receivable and accounts payable information.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Copy the monthly receivable and payable information onto a back-up floppy diskette.

Store the back-up floppy diskette overnight in the locked fireproof safe.

Lack of an after-hours payment drop box

North Oak does not have an after hours payment box for its customers. The EMSD believes that it is appropriate to offer this inexpensive payment option for customers who wish to pay in person at a time other than during regular business hours.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Install an after-hours payment drop box.

North Oak Sewer Dist., Inc.

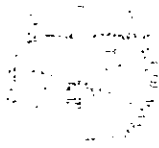
Commission File Nos. QS - 2003 - 0019 (SEWER)

Prepared by PSC staff: Steve Loethen, Utility Operations Technical Specialist

North Oak provides sewer service for the North Oak Subdivision.

	Name Address	Date Received	Mode of Contact	Contact to:		Complaint Summary
				PSC	OPC	
1	James O'Donnell 169 North Oak Road Wright City, MO 63390 636-456-8546	2/3/2003	EFIS	X		no improvements have been made to the system in 40 years since area was developed - rate increase is too high
2	Mike McBroom 168 North Oak Road Wright City, MO 63390 636-456-1191	2/4/2003	EFIS	X		increase is too high
3	Bud Garrett 636-456-8811	2/10/2003	phone	X		increase is too high; talke to Mr. Garret on 6/12/03
4	Larry Young P O Box 584 New Lenox, IL 60451	2/19/2003	letter	X	X	increase is too high
5	Randall P. Sutton 147 North Oak Road Wright City, MO 63390	2/19/2003	letter	X	X	increase is too high
6	Fay Richman 25 Park Place Estates Wright City, MO 63390	2/19/2003	letter	X		increase is too high
7	Joy McBride 163 North Oak Road Wright City, MO 63390 636-456-6673	2/24/2003	EFIS	X		increase is too high, thinks owner needs increase because of recent divorce - service calls are not handled in the best way
8	Lonnie Disterhauyst 135 North Oak Wright City, MO 63390	3/3/2003	letter	X		increase is too high

Attachment G - 1



Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
STEVE GAW
BRYAN FORBIS
ROBERT M. CLAYTON III

Missouri Public Service Commission

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ROBERT J. QUINN, JR.
Executive Director
WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. PRENGER
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

June 19, 2003

Mr. James O'Donnell
169 North Oak Road
Wright City, MO 63390

Dear Mr. O'Donnell:

We received your comments pertaining to the requested water rate increase for North Oak Sewer District, Inc.

The Staff of the Missouri Public Service Commission is conducting an independent audit of the books and records of the Company and any proposed rate increase will be based on the findings of that audit. Once the Staff audit is complete, you will be notified by mail of the results of the audit, and be given the opportunity to comment.

Your letter, along with a copy of this letter, will be given to the five-member Commission for their review and consideration in this matter. If you have any questions regarding this matter, contact me at (573) 522-2412.

Sincerely,

Steve Loethen
Utility Operations Technical Specialist
Water and Sewer Department

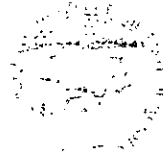
cc: Public Counsel

Attachment G - 2

Missouri Public Service Commission**Public Comments**

Utility Type	Sewer
Utility Company	North Oak Sewer District, Inc.
First Name	James
Middle Initial	N/A
Last Name	O'Donnell
Street Address	169 N. Oak Road
Mailing Address	N/A
City	Wright City
State	MO
County	N/A
Phone No.	636-456-8546 Ext -
Email	N/A
Case No.	N/A
Public Comments Description	No improvements in the 40 yrs since area developed. Septic systems are not allowed. Owner getting a divorce. Owner shows up with no advance notice and peeps in windows. \$30/month is the highest Mr. O'Donnell has ever paid in his 50 years.
Date Filed	02/03/2003 2:26:03 PM

Attachment G -3



Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
STEVE GAW
BRYAN FORBIS
ROBERT M. CLAYTON III

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

ROBERT J. QUINN, JR.
Executive Director
WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. PRENGER
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

June 19, 2003

Mr. Mike McBroom
168 North Oak Road
Wright City, MO 63390

Dear Mr. McBroom:

We received your comments pertaining to the requested water rate increase for North Oak Sewer District, Inc.

The Staff of the Missouri Public Service Commission is conducting an independent audit of the books and records of the Company and any proposed rate increase will be based on the findings of that audit. Once the Staff audit is complete, you will be notified by mail of the results of the audit, and be given the opportunity to comment.

Your letter, along with a copy of this letter, will be given to the five-member Commission for their review and consideration in this matter. If you have any questions regarding this matter, contact me at (573) 522-2412.

Sincerely,

Steve Loethen
Utility Operations Technical Specialist
Water and Sewer Department

cc: Public Counsel

Attachment G - 4

Missouri Public Service Commission**Public Comments**

Utility Type	Sewer
Utility Company	North Oak Sewer District, Inc.
First Name	Mike
Middle Initial	N/A
Last Name	McBroom
Street Address	168 North Oak
Mailing Address	N/A
City	Wright City
State	MO
County	Warren
Phone No.	636-456-1191 Ext -
Email	N/A
Case No.	N/A
Public Comments Description	2/4/03 12:46 (Cecilia) 39.7% increased (from \$30-\$41.90) within a yr/ nothing else increasing/outrageous.
Date Filed	02/04/2003 12:50:49 PM

Attachment G – 5



Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
STEVE GAW
BRYAN FORBIS
ROBERT M. CLAYTON III

Missouri Public Service Commission

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Director, Utility Services
DONNA M. PRENGER
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

June 19, 2003

Mr. Larry Young
P.O. Box 584
New Lenox, IL 60451

Dear Mr. Young:

We received your comments pertaining to the requested water rate increase for North Oak Sewer District, Inc.

The Staff of the Missouri Public Service Commission is conducting an independent audit of the books and records of the Company and any proposed rate increase will be based on the findings of that audit. Once the Staff audit is complete, you will be notified by mail of the results of the audit, and be given the opportunity to comment.

Your letter, along with a copy of this letter, will be given to the five-member Commission for their review and consideration in this matter. If you have any questions regarding this matter, contact me at (573) 522-2412.

Sincerely,

Steve Loethen
Utility Operations Technical Specialist
Water and Sewer Department

cc: Public Counsel

Attachment G - 6



John B. Coffman
Acting Public Counsel

State of Missouri

Bob Holden
Governor

Office of the Public Counsel
Governor Office Building
200 Madison, Suite 650
P.O. Box 7800
Jefferson City, Missouri 65102

Telephone: 573-751-4857
Facsimile: 573-751-5562
Web: <http://www.mo-opc.org>
Relay Missouri
1-800-735-2966 TDD
1-800-735-2466 Voice

February 19, 2003

Larry Young
PO Box 584
New Lenox IL 60451

Dear Larry Young:

I have received your letter regarding the request by North Oak Sewer District, Inc. to the Missouri Public Service Commission, seeking authorization to raise the rates it charges its customers for water service and sewer service. That request is being evaluated by the auditors on the Public Service Commission's Staff, and is also being monitored by my office.

While the Company has requested a 39.7 per cent rate increase, this does not mean that this request is reasonable. The audit will determine whether the Company needs any rate increase in order to deal with rising costs they have in providing you with service. It is not unusual for the audit to reveal that some, but not all of the requested increase is necessary. Occasionally, the audit will reveal that no increase in rates is necessary, or even that the request is reasonable under all the surrounding circumstances. Until the audit is complete, I will not know which category this request fall into, but my office will look carefully at this request.

After the auditing process has been completed, the Staff will make a recommendation regarding what should happen in this case, and my office will evaluate that recommendation, based on the evidence from the audit and any other investigation which we perform. My office may also decide to request a local public hearing, especially if it appears that a large rate increase is still likely to occur.

After the auditing process is completed, you may have another opportunity to voice your opinion, by letter, and/or by speaking to the Commission at a public hearing. However, if it appears that no increase, or a very small increase in rates is reasonable, we may not demand a second notice. If you have any additional concerns about this company, especially issues about the quality of the service you receive, please do not hesitate to contact me again. Thank you for taking the time to voice your opinion in this matter.

Sincerely,

M. Ruth O'Neill
Assistant Public Counsel

MRO:jb

Attachment G - 7

then make its own recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Any customer who has questions or comments regarding the Company's rate increase requests, or who has experienced recent service problems, should contact the Commission Staff and the Public Counsel **within 30 days of the date of this notice**. To do so, please use the addresses, telephone numbers or fax numbers shown below. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations.

Missouri Public Service Commission
Water and Sewer Department
P.O. Box 360
Jefferson City, MO 65102
Phone: 573/751-3437 or 800/392-4211
Fax: 573/751-1847


Office of the Public Counsel
Attention: Ruth O'Neill
P.O. Box 7800
Jefferson City, MO 65102
Phone: 573/751-1304
Fax: 573/751-5562

Upon completion of the Commission Staff's and the Public Counsel's investigations, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission hold a local public hearing.

However, neither a second customer notice nor a local public hearing will happen automatically. Therefore, please take the time now to express your views about the Company's rate increase requests, and the operation of its system, to the Commission Staff and the Public Counsel.

Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the approval of the Public Service Commission.

Sincerely,



James Vaccaro
President

NORTH OAK SEWER DISTRICT, INC.

2-14-03

I, Larry Young, protest this increase. It is too big of a jump. I have a hard enough time collecting rent from my tenants as it is. I would really have trouble collecting the increased amount.



Attachment G - 8

NORTH OAK SEWER DISTRICT, INC.

1801 W. N. Service Road
Wright City, MO 63390
Phone (636) 456-2411

January 30, 2003

Dear Customer:

On December 16, 2002, North Oak Sewer District, Inc. (Company) submitted a request for permanent increase in its current sewer rates, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company is seeking an increase in its annual operating **sewer service** revenues of \$8,000 (an approximate 39.7% increase). The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses. Additionally, the Staff will review the adequacy of the Company's "miscellaneous service charges".

The example bill shown below set out a comparison of the Company's current residential customer rates for sewer service as if they were increased by the requested percentage increases. No taxes or other charges are included in examples below.

Sewer Rates – Single Family Dwellings

Current Monthly Rate	\$30.00
Proposed Increase Percentage	39.7%
Proposed Monthly Bill	<u>\$41.90</u>
Proposed Increase Amount	<u>\$11.90</u>

Sewer Rates – Mobile Homes In Parks

Current Monthly Rate-Single Family Dwellings	\$26.00
Proposed Increase Percentage	39.7%
Proposed Monthly Bill	<u>\$36.32</u>
Proposed Increase Amount	<u>\$10.32</u>

Beginning sometime soon, the Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records and operations of the Company. Based upon that investigation, the Commission Staff will then makes its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public Counsel will

then make its own recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Any customer who has questions or comments regarding the Company's rate increase requests, or who has experienced recent service problems, should contact the Commission Staff and the Public Counsel **within 30 days of the date of this notice**. To do so, please use the addresses, telephone numbers or fax numbers shown below. The Commission Staff and/or the Public Counsel will respond to all such customer contacts, during the course of their investigations.

Missouri Public Service Commission
Water and Sewer Department
P.O. Box 360
Jefferson City, MO 65102
Phone: 573/751-3437 or 800/392-4211
Fax: 573/751-1847

Office of the Public Counsel
Attention: Ruth O'Neill
P.O. Box 7800
Jefferson City, MO 65102
Phone: 573/751-1304
Fax: 573/751-5562

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FEB 18 2003
UTILITY OPERATIONS
DIVISION


Upon completion of the Commission Staff's and the Public Counsel's investigations, the Company may be requested to send out a second customer notice regarding the results of the investigations. Additionally, the Public Counsel may request that the Commission hold a local public hearing.

However, neither a second customer notice nor a local public hearing will happen automatically.

Therefore, please take the time now to express your views about the Company's rate increase requests, and the operation of its system, to the Commission Staff and the Public Counsel.


Regardless of whether the Company sends out a second customer notice, or whether a local public hearing is eventually held, no increase in rates will take effect without the approval of the Public Service Commission.

Sincerely,


James Vaccaro
President
NORTH OAK SEWER DISTRICT, INC.

2-14-03

I, Larry Young, protest this increase. It is too big of a jump. I have a hard enough time collecting rent from my tenants as it is. I would really have trouble collecting the increased amount.



Attachment G - 10

NORTH OAK SEWER DISTRICT, INC.

1801 W. N. Service Road
Wright City, MO 63390
Phone (636) 456-2411

January 30, 2003

Dear Customer:

On December 16, 2002, North Oak Sewer District, Inc. (Company) submitted a request for permanent increase in its current sewer rates, under the Missouri Public Service Commission's (Commission) small company rate increase procedure.

By its request, the Company is seeking an increase in its annual operating **sewer service** revenues of \$8,000 (an approximate 39.7% increase). The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses. Additionally, the Staff will review the adequacy of the Company's "miscellaneous service charges".

The example bill shown below set out a comparison of the Company's current residential customer rates for sewer service as if they were increased by the requested percentage increases. No taxes or other charges are included in examples below.

Sewer Rates – Single Family Dwellings	
Current Monthly Rate	\$30.00
Proposed Increase Percentage	39.7%
Proposed Monthly Bill	<u>\$41.90</u>
Proposed Increase Amount	<u>\$11.90</u>

Current Monthly Rate	\$30.00
Proposed Increase Percentage	39.7%
Proposed Monthly Bill	<u>\$41.90</u>
Proposed Increase Amount	<u>\$11.90</u>

Sewer Rates – Mobile Homes In Parks	
Current Monthly Rate-Single Family Dwellings	\$26.00
Proposed Increase Percentage	39.7%
Proposed Monthly Bill	<u>\$36.32</u>
Proposed Increase Amount	<u>\$10.32</u>

Current Monthly Rate-Single Family Dwellings	\$26.00
Proposed Increase Percentage	39.7%
Proposed Monthly Bill	<u>\$36.32</u>
Proposed Increase Amount	<u>\$10.32</u>

Beginning sometime soon, the Staff of the Public Service Commission (Commission Staff) will conduct an independent investigation of the books, records and operations of the Company. Based upon that investigation, the Commission Staff will then makes its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

The Office of the Public Counsel (Public Counsel), a state agency responsible for representing the interests of the consumer before the Commission, may conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public Counsel will



Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
STEVE GAW
BRYAN FORBIS
ROBERT M. CLAYTON III

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

ROBERT J. QUINN, JR.
Executive Director
WESS A. HENDERSON
Director, Utility Operations
ROBERT SCHALLENBERG
Director, Utility Services
DONNA M. PRENGER
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

June 19, 2003

Mr. Randall P. Sutton
147 North Oak Road
Wright City, MO 63390

Dear Mr. Sutton:

We received your comments pertaining to the requested water rate increase for North Oak Sewer District, Inc.

The Staff of the Missouri Public Service Commission is conducting an independent audit of the books and records of the Company and any proposed rate increase will be based on the findings of that audit. Once the Staff audit is complete, you will be notified by mail of the results of the audit, and be given the opportunity to comment.

Your letter, along with a copy of this letter, will be given to the five-member Commission for their review and consideration in this matter. If you have any questions regarding this matter, contact me at (573) 522-2412.

Sincerely,

Steve Loethen
Utility Operations Technical Specialist
Water and Sewer Department

cc: Public Counsel

Attachment G - 12

RECEIVED

FEB 19 2003

February 18, 2003

UTILITY OPERATIONS
DIVISION

Missouri Public Service Com.
Water and Sewer Dept.
PO Box 360
Jefferson City, MO 65102

Office of the Public Counsel
Attn: Ruth O'Neill
PO Box 7800
Jefferson City, MO 65102

North Oak Sewer Dist., Inc.
1801 W. N. Service Road
Wright City, MO 63390

This is in response to the letter of January 30, 2003 regarding proposed sewer rate changes for the North Oak Sewer District, Inc. in Wright City, Missouri.

The single family dwelling rate in June 1998 was \$20.00 monthly (paid on a quarterly basis). In September 2000 the rate was increased to \$30.00 per month (a 50% increase). The \$41.90 rate now proposed would result in a 109.5% increase in less than 5 years. Some increase is no doubt warranted, but this appears to be excessive.

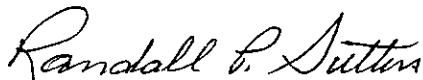
In addition, a flat rate may not be an equitable method of billing. Don't most sewer districts bill according to water usage? The PWSD No. 2 of St. Charles County in O'Fallon (the water source for North Oak Estates subdivision) notified us with our water bill that their sewer rates would be based on water usage for December through March. Attached is a profile of the MSD of St. Louis which appeared in the February 16, 2003 Post Dispatch. This shows the average sewer bill for that district as \$14.21.

Also, the letter stated that the examples shown do not include any taxes or other charges. Is this an indication of additional possible fees or assessments to be levied? If so, the above percentage is understated.

Please keep us informed regarding any progress or decisions made in regard to the sewer rate for the North Oak Sewer District.

Thank you.

Sincerely,



Randall P. Sutton

kjs

attachment

Attachment G-13

Profile of MSD

SQUARE MILES SERVED: 524

CUSTOMERS: 1.4 million

**AREA COVERED: St. Louis city
and St. Louis County**

NUMBER OF EMPLOYEES: 881

TOTAL MILES OF SEWERS: 7,200

**AVERAGE HOMEOWNER SEWER BILL:
\$14.21**

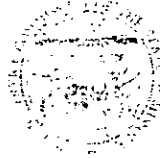
**CURRENT YEAR'S OPERATING BUDGET:
\$116 million**

**CURRENT CONSTRUCTION BUDGET:
\$93.2 million**

**TOTAL AMOUNT TO DKW LAW FIRM:
\$1.8 million over 14-month period**

Source: The Metropolitan St. Louis Sewer District

POST-DISPATCH



Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
STEVE GAW
BRYAN FORBIS
ROBERT M. CLAYTON III

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY, MISSOURI 65102
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Director, Utility Services
DONNA M. PRENGER
Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

June 19, 2003

Ms. Fay Richman
25 Park Place Estates
Wright City, MO 63390

Dear Ms. Richman:

We received your comments pertaining to the requested water rate increase for North Oak Sewer District, Inc.

The Staff of the Missouri Public Service Commission is conducting an independent audit of the books and records of the Company and any proposed rate increase will be based on the findings of that audit. Once the Staff audit is complete, you will be notified by mail of the results of the audit, and be given the opportunity to comment.

Your letter, along with a copy of this letter, will be given to the five-member Commission for their review and consideration in this matter. If you have any questions regarding this matter, contact me at (573) 522-2412.

Sincerely,

Steve Loethen
Utility Operations Technical Specialist
Water and Sewer Department

cc: Public Counsel

Attachment G – 15

RECEIVED

FAY RICHMAN

10025 ST. JOSEPH AVE.

FEB 19 2003

DRIGHT CITY, MO 63390

2-15-2003

UTILITY OPERATIONS
DIVISION

(636) 456-3427

To Whom It May Concern:

Concerning a letter recently recieved,
about a proposed monthly rate increase
by North Oak Sewer District, Inc.

My feelings are against such a high
increase. It seems like such a steep
increase so soon after the company began
collecting monthly payments. Also, I
certainly don't get anywhere near a
39.7% increase in my paycheck at
any one time.

This is hoping any investigations
into the Company will be in a lower, if
any, increase in monthly payments.

This is also a request for the
Company to send out a second customer
notice regarding the results of the
investigations. Also to notify us
of any public hearing that there may
be in the future.

Thank you for your consideration.

Attachment G - 16

Sincerely,
Fay Richman



Commissioners

KELVIN L. SIMMONS

Chair

CONNIE MURRAY

STEVE GAW

BRYAN FORBIS

ROBERT M. CLAYTON III

Missouri Public Service Commission

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JEFFERSON CITY, MISSOURI 65102
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WESS A. HENDERSON
Director, Utility Operations

ROBERT SCHALLENBERG
Director, Utility Services

DONNA M. PRENGER
Director, Administration

DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge

DANA K. JOYCE
General Counsel

June 19, 2003

**Ms. Joy McBride
163 North Oak Road
Wright City, MO 63390**

Dear Ms. McBride:

We received your comments pertaining to the requested water rate increase for North Oak Sewer District, Inc.

The Staff of the Missouri Public Service Commission is conducting an independent audit of the books and records of the Company and any proposed rate increase will be based on the findings of that audit. Once the Staff audit is complete, you will be notified by mail of the results of the audit, and be given the opportunity to comment.

Your letter, along with a copy of this letter, will be given to the five-member Commission for their review and consideration in this matter. If you have any questions regarding this matter, contact me at (573) 522-2412.

Sincerely,

**Steve Loethen
Utility Operations Technical Specialist
Water and Sewer Department**

cc: Public Counsel

Attachment G - 17

Missouri Public Service Commission**Public Comments**

Utility Type	Sewer
Utility Company	North Oak Sewer District, Inc.- (Sewer)
First Name	Joy
Middle Initial	N/A
Last Name	McBride
Street Address	163 N. Oak Road
Mailing Address	N/A
City	Wright City
State	MO
County	Warren
Phone No.	636-456-6673 Ext -
Email	N/A
Case No.	QS-2003-001951
Public Comments Description	Opposed to rate increase. Talked to owner & he admitted money was tight due to recent divorce. \$30.00 for sewer is enough. Service calls are not handled in the best way. Owner came out 12/31/02 to disconnect sewer. No bill or notice had been received
Date Filed	02/24/2003 10:03:23 AM

Attachment G - 18



Commissioners
KELVIN L. SIMMONS
Chair
CONNIE MURRAY
STEVE GAW
BRYAN FORBIS
ROBERT M. CLAYTON III

Missouri Public Service Commission

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Director, Administration
DALE HARDY ROBERTS
Secretary/Chief Regulatory Law Judge
DANA K. JOYCE
General Counsel

June 19, 2003

Mr. Lonnie Disterhauyst
135 North Oak Road
Wright City, MO 63390

Dear Mr. Disterhauyst:

We received your comments pertaining to the requested water rate increase for North Oak Sewer District, Inc.

The Staff of the Missouri Public Service Commission is conducting an independent audit of the books and records of the Company and any proposed rate increase will be based on the findings of that audit. Once the Staff audit is complete, you will be notified by mail of the results of the audit, and be given the opportunity to comment.

Your letter, along with a copy of this letter, will be given to the five-member Commission for their review and consideration in this matter. If you have any questions regarding this matter, contact me at (573) 522-2412.

Sincerely,

Steve Loethen
Utility Operations Technical Specialist
Water and Sewer Department

cc: Public Counsel

Attachment G - 19

RECEIVED

MAR 03 2003

March 1, 2003
135 N. Oak
Wright City, Mo.
63390

UTILITY OPERATIONS
DIVISION

Missouri Public Service Commission
Water & Sewer Department

Dear Sir:

I object to the rate increase which the north oak sewer District End of Wright City, is requesting.

The rate is \$30/mo and they are requesting a 39.7% increase or an increase of \$11.90 / month. The rate of \$30 is already outrageous.

I recently moved to 135 N. Oak Road, Wright City, Mo 63390 from Ellisville, Mo in St Louis Co. The sewer charge was \$8.96 / month.

The sewer charge at north oak sewer District is more than three times that rate.

Most of us in the north oak subdivision have three acres or more and are required by the city laws to be hooked to the north oak sewer District.

This is a "Cash Cow" for James Vickers and he wants to milk it for all its worth,

Sincerely
Lorraine Osterhout.

November 15, 2003

Missouri Public Service Com.
Water and Sewer Dept.
PO Box 360
Jefferson City, MO 65102

Office of the Public Counsel
Attn: Ruth O'Neill
PO Box 7800
Jefferson City, MO 65102

North Oak Sewer Dist., Inc.
1801 W. N. Service Road
Wright City, MO 63390

This is in response to the letter of November 12, 2003 from the North Oak Sewer District, Inc. (Company) in Wright City, Missouri regarding their December 16, 2002 request to the Missouri Public Utilities Commission (Commission) to increase sewer rates for its customers.

Customers were first notified January 30, 2003. We responded February 18, 2003 with some concerns. A follow-up letter dated June 19, 2003 from the Commission acknowledged our correspondence and assured us that an independent audit of the Company was in progress. Once the audit was complete, we were to be notified of the results of that audit. We interpreted that to mean that we would receive a copy of the staff audit from the Commission. To date that has not been received.

Instead we received another letter from the Company informing us of modifications to their initial request based on that audit. Apparently, the Commission and the Company have negotiated an agreement proposing a lesser increase.

We appreciate having sewer service (as opposed to a septic system); and, we do not expect the Company to operate at a deficit. However, we first question the flat rate billing and secondly question the way the proposed increase is apportioned between various customers.

First, a flat rate should be unacceptable. Internet research indicates that the accepted practice for sewer billings is a flat rate plus an additional amount based on water usage (usually per 1,000 gallons of water). The Warrenton City Hall confirmed that this is its practice. Their base rate is \$6.34 with an addition for water usage. The average bill is \$28.84 for 5,000 gallons of water used.

Our average water usage for the past 11 months has been 3400 gallons/month. We expect to pay our fair share, but we don't expect to subsidize other users.

Second, a sewer is a sewer no matter whether one resides in a single-family dwelling, mobile home, or apartment. It's just sewage! Isn't it? The original proposed increase of 39.7% was equally assigned to all users. The reduced rate request of approximately 19.7% has not been apportioned equally. Why does this new proposal penalize single-family dwellers with a 25.7% increase while others receive a 16% increase?

We appeal to the Commission to take another look at this proposal. We are concerned about this becoming the most expensive sewer district in the State and that the rates are not equitably assigned. By not basing rates on usage, a family who goes on vacation for a month will receive a full rate sewer bill when there has been no usage. As my 3-year old grandson would say, "That's just not right."

Sincerely,

Randall P. Sutton

Randall P. Sutton

RECEIVED

NOV 17 2003

kjs

Attachment G - 21

UTILITY OPERATIONS
DIVISION

Memorandum

To: Randy Hubbs
From: Steve Loethen
Re: North Oak Sewer Dist., Inc. Rate Case
QS #2003 - 0019 (sewer)
Date: June 18, 2003

On April 3, 2003 I performed an inspection on North Oak Sewer Dist. Inc. which has applied for a rate increase. The Company hires an operator to come visit the facilities two to three times a week, which is documented. The facilities were in good condition at the time of my inspection. The only deficiencies I found on my inspection are that the company does not have a safety program on file with the commission and the Company is having problems receiving payment and/or disconnect service to a customer that is not paying their bill (Mr. Vaccaro's former wife who owns a mobile home park). I have talked to Mr. Vaccaro about implementing a safety program and I will send him information on how to get this completed along with my inspection letter. I will follow up on the matter during later inspections to make sure it is done. Jim Merciel is dealing with the customer nonpayment issue.

The only service complaint I received was from Joy McBride who had some service problems. I talked to her on 6/18/03, the problems she experienced are; no bill being sent and the Company tried to disconnect her with out providing the proper notification they are required to, according to rules of the tariff. These problems she experienced were in December of 2002, she stated that she has not had any problems since then. Mrs. McBride has a copy of the tariff and my phone number to call me if she has any problems in the future.

I have no recommendations, per the rate increase, for this company.