

**TBJ Sewer System, Inc.**

5686 Gildehaus Road  
Villa Ridge, Missouri 63089  
Phone: (636) 583-2889

January 7, 2003  
~~December 22, 2002~~

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

**FILED<sup>3</sup>**

JAN 17 2003

RE: **TBJ Sewer System, Inc.**  
Small Company Rate Increase Procedure Requests  
Mo. PSC Work ID No. **QS - 2003 - 0008 (Sewer)**

Missouri Public  
Service Commission

Dear Mr. Secretary:

I am enclosing for filing with the Commission an original and three copies of revised tariff sheets that includes rate changes reflecting an agreement between the ~~Company~~ <sup>TBJ</sup> ~~Company~~, Inc. (Company) and the Commission Staff (Staff) on the above subject. The Company initiated the subject rate increase request August 16, 2002, under the Commission's small company rate increase procedure, and the request was assigned the above-referenced work ID 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, the Staff and the OPC regarding all matters related to the Company's sewer service rate increase request.

The Agreement calls for, and the revised tariff sheet contains, customer rates intended to produce an increase \$1,000 (an approximate 18.4% increase) in the Company's annual operating revenues for its sewer operations. The Agreement also requests Commission authorization of the depreciation rates for the Company's sewer operations.

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,

TBJ SEWER SYSTEM, INC.

*Joseph F. Tobben*  
Joseph F. Tobben  
President

enclosures

copies (w/enclosures): Wendell R. Hubbs - PSC Staff  
Office of the Public Counsel - Ruth O'Neill

*Recd 1/7/03*  
*WR Hubbs*

TO: ~~FILE~~

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

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

TBJ Sewer System, Inc. For: Original Certificated Sewer Service Area in Franklin County  
Name of Issuing Company Community, Town or City

### Schedule of Sewer Rates +

**Application** – The following monthly sewer service charges will be in effect for customers of TBJ Sewer System, Inc, in its Public Service Commission initially approved service area. \*

**Monthly Sewer Service Charge** + - The following monthly service charge must be paid regardless of the quantity of metered water usage. The commodity charge will apply only to the commercial customer class.

**Residential Rate**

Monthly Service Charge \$21.02 per month +

**Commercial Rates**

Monthly Service Charge \$21.02 per month +

Commodity Charge \$3.25 per 1000 gallons per month  
of water use +

**St. John the Baptist**

Church & School

Monthly Service Charge \$ 199.00 per month +

**Contribution-in-aid-of-Construction (CIAC)** + shall apply for new construction.

(See Rule 11 if a sewer extension is required.)

Residential Rate \$1,000

Commercial Rates \$12 per 1,000 gallon of estimated annual water  
use with a minimum of \$1,000

**Taxes:\***

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

\* indicates new rate or text

+ indicates changed rate or text

Date of Issue: 1/7/03

Date Effective: 2/17/03

Issued By: Joseph Tobben, President 5686 Gildehaus Road Villa Ridge, MO 63089  
Name of Officer Title Address

P. S. C. MO. No. 1

1st Revised

Sheet No. 5

Cancelling P. S. C. MO. No. 1

Original

Sheet No. 5

TBJ Sewer System, Inc.

For: Original Certificated Sewer Service Area in Franklin County

Name of Issuing Company

Community, Town or City

### Schedule of Service 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 \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

**Bad Check Charge:**

A bad check charge of \$15 per check will be paid on all checks returned from the bank for insufficient funds.

**Reconnect Charge:**

A reconnect charge of \$50 shall be billed for each reconnection occurrence.

\* indicates new rate or text

+ indicates changed rate or text

Date of Issue: 1/7/03

Date Effective: 2/17/03

Issued By: Joseph Tobben, President 5686 Gildehaus Road Villa Ridge, MO 63089

Name of Officer

Title

Address

TBJ Sewer System, Inc. For: Original Certificated Sewer Service Area in Franklin County  
Name of Issuing Company Community, Town or City

### Schedule of Sewer Rates +

**Application** – The following monthly sewer service charges will be in effect for customers of TBJ Sewer System, Inc, in its Public Service Commission initially approved service area. \*

**Monthly Sewer Service Charge +** - The following monthly service charge must be paid regardless of the quantity of metered water usage. The commodity charge will apply only to the commercial customer class.

**Residential Rate**

Monthly Service Charge \$21.02 per month +

**Commercial Rates**

Monthly Service Charge \$21.02 per month +

Commodity Charge \$3.25 per 1000 gallons per month  
of water use +

**St. John the Baptist**

Church & School

Monthly Service Charge \$ 199.00 per month +

**Contribution-in-aid-of-Construction (CIAC) +** shall apply for new construction.

(See Rule 11 if a sewer extension is required.)

Residential Rate \$1,000

Commercial Rates \$12 per 1,000 gallon of estimated annual water  
use with a minimum of \$1,000

**Taxes:\***

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

\* indicates new rate or text

+ indicates changed rate or text

Date of Issue: 1/7/03

Date Effective: 2/17/03

Issued By: Joseph Tobben, President 5686 Gildehaus Road Villa Ridge, MO 63089

Name of Officer

Title

Address

P. S. C. MO. No. 1

1st Revised

Sheet No. 5

Cancelling P. S. C. MO. No. 1

Original

Sheet No. 5

TBJ Sewer System, Inc.

For: Original Certificated Sewer Service Area in Franklin County

Name of Issuing Company

Community, Town or City

### Schedule of Service 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 \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

**Bad Check Charge:**

A bad check charge of \$15 per check will be paid on all checks returned from the bank for insufficient funds.

**Reconnect Charge:**

A reconnect charge of \$50 shall be billed for each reconnection occurrence.

\* indicates new rate or text

+ indicates changed rate or text

Date of Issue:

1/7/03

Date Effective:

2/17/03

Issued By: Joseph Tobben, President

5686 Gildehaus Road Villa Ridge, MO 63089

Name of Officer

Title

Address

TBJ Sewer System, Inc. For: Original Certificated Sewer Service Area in Franklin County  
Name of Issuing Company Community, Town or City

### Schedule of Sewer Rates +

**Application** – The following monthly sewer service charges will be in effect for customers of TBJ Sewer System, Inc, in its Public Service Commission initially approved service area. \*

**Monthly Sewer Service Charge +** - The following monthly service charge must be paid regardless of the quantity of metered water usage. The commodity charge will apply only to the commercial customer class.

Residential Rate			
Monthly Service Charge	\$21.02 per month	+	
Commercial Rates			
Monthly Service Charge	\$21.02 per month	+	
Commodity Charge	\$3.25 per 1000 gallons per month of water use	+	
St. John the Baptist Church & School			
Monthly Service Charge	\$ 199.00 per month	+	

**Contribution-in-aid-of-Construction (CIAC) +** shall apply for new construction.  
(See Rule 11 if a sewer extension is required.)

Residential Rate	\$1,000
Commercial Rates	\$12 per 1,000 gallon of estimated annual water use with a minimum of \$1,000

**Taxes:\***

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

\* indicates new rate or text  
+ indicates changed rate or text

Date of Issue: 1/7/03

Date Effective: 2/17/03

Issued By: Joseph Tobben, President 5686 Gildehaus Road Villa Ridge, MO 63089  
Name of Officer Title Address

P. S. C. MO. No. 1

1st Revised

Sheet No. 5

Cancelling P. S. C. MO. No. 1

Original

Sheet No. 5

TBJ Sewer System, Inc.

For: Original Certificated Sewer Service Area in Franklin County

Name of Issuing Company

Community, Town or City

### Schedule of Service 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 \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

**Bad Check Charge:**

A bad check charge of \$15 per check will be paid on all checks returned from the bank for insufficient funds.

**Reconnect Charge:**

A reconnect charge of \$50 shall be billed for each reconnection occurrence.

\* indicates new rate or text

+ indicates changed rate or text

Date of Issue:

1/7/03

Date Effective:

2/17/03

Issued By: Joseph Tobben, President

5686 Gildehaus Road Villa Ridge, MO 63089

Name of Officer

Title

Address

TBJ Sewer System, Inc. For: **Original Certificated Sewer Service Area in Franklin County**  
Name of Issuing Company Community, Town or City

### Schedule of Sewer Rates +

**Application** – The following monthly sewer service charges will be in effect for customers of TBJ Sewer System, Inc. in its Public Service Commission initially approved service area. \*

**Monthly Sewer Service Charge +** - The following monthly service charge must be paid regardless of the quantity of metered water usage. The commodity charge will apply only to the commercial customer class.

Residential Rate		
Monthly Service Charge	\$21.02 per month	+
Commercial Rates		
Monthly Service Charge	\$21.02 per month	+
Commodity Charge	\$3.25 per 1000 gallons per month of water use	+
St. John the Baptist Church & School		
Monthly Service Charge	\$ 199.00 per month	+

**Contribution-in-aid-of-Construction (CIAC) +** shall apply for new construction.  
(See Rule 11 if a sewer extension is required.)

Residential Rate	\$1,000
Commercial Rates	\$12 per 1,000 gallon of estimated annual water use with a minimum of \$1,000

**Taxes:\***

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

\* indicates new rate or text  
+ indicates changed rate or text

Date of Issue: 1/7/03

Date Effective: 2/17/03

Issued By: Joseph Tobben, President 5686 Gildehaus Road Villa Ridge, MO 63089  
Name of Officer Title Address



P. S. C. MO. No. 1

1st Revised

Sheet No. 5

Cancelling P. S. C. MO. No. 1

Original

Sheet No. 5

TBJ Sewer System, Inc.

For: Original Certificated Sewer Service Area in Franklin County

Name of Issuing Company

Community, Town or City

### Schedule of Service 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 \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

**Bad Check Charge:**

A bad check charge of \$15 per check will be paid on all checks returned from the bank for insufficient funds.

**Reconnect Charge:**

A reconnect charge of \$50 shall be billed for each reconnection occurrence.

\* indicates new rate or text

+ indicates changed rate or text

Date of Issue:

1/7/03

Date Effective:

2/17/03

Issued By: Joseph Tobben, President

5686 Gildehaus Road Villa Ridge, MO 63089

Name of Officer

Title

Address

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

**TBJ Sewer System, Inc.  
MO PSC Work ID No. QW – 2003 – 0008  
(Sewer)**

**Background**

TBJ Sewer Systems, Inc. ("Company") initiated the small company rate increase request ("Request") for sewer 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 initial Company's Request was received at the Commission's offices was August 16, 2002. This initial Request was modified by a fax dated August 27, 2002.

In its modified Request, the Company represented that it was asking for Commission approval of customer rates intended to generate an increase of \$1,000 in its total annual sewer service operating revenues. The Company provides sewer service to approximately 17 customers, 16 of which are residential customers in nature and 1 that is a church/school.

Upon review and acceptance of the Company's Request, personnel in the Commission's Data Center assigned Work ID No. QS - 2003 - 0008 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.

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, the Company and the OPC 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 except as otherwise noted in the agreements below, 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 sewer service operating revenue increase of \$1,000, which is required to recover the Company's requested 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 requested 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 sewer 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 modification to the Late Payment Charge is reasonable;
- (7) That the Company will develop and use a "service agreement" for each of its current customers to help ensure knowledge of each customer's rights and responsibilities.
- (8) That the Company will create and keep a Customer Contact Log, whereby it will keep track of all customer contacts. This log will chronologically list each customer address, the nature of the contact and the details of how the customer's concern was taken care of.
- (9) 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 between the Staff, the Company and the OPC.

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

The Company 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:



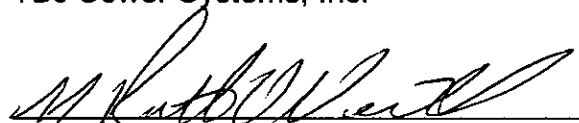
Dale W. Johansen  
Manager - Water & Sewer Department  
Missouri Public Service Commission Staff

1/9/03  
Date



Joseph F. Tobben  
President  
TBJ Sewer Systems, Inc.

12-20-02  
Date



Ruth O'Neill  
Attorney  
Office of the Public Counsel

1-14-03  
Date

**List of Attachments**

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

TBJ Sewer System, Inc. For: **Original Certificated Sewer Service Area in Franklin County**  
 Name of Issuing Company Community, Town or City

### Schedule of Sewer Rates +

**Application** – The following monthly sewer service charges will be in effect for customers of TBJ Sewer System, Inc, in its Public Service Commission initially approved service area. \*

**Monthly Sewer Service Charge** + - The following monthly service charge must be paid regardless of the quantity of metered water usage. The commodity charge will apply only to the commercial customer class.

**Residential Rate**

Monthly Service Charge \$21.02 per month +

**Commercial Rates**

Monthly Service Charge \$21.02 per month +

Commodity Charge \$3.25 per 1000 gallons per month  
of water use +

**St. John the Baptist**

Church & School

Monthly Service Charge \$ 199.00 per month +

**Contribution-in-aid-of-Construction (CIAC)** + shall apply for new construction.

(See Rule 11 if a sewer extension is required.)

Residential Rate \$1,000

Commercial Rates \$12 per 1,000 gallon of estimated annual water  
use with a minimum of \$1,000

**Taxes:\***

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

\* indicates new rate or text  
 + indicates changed rate or text

Date of Issue:

Date Effective:

Issued By: Joseph Tobben, President 5686 Gildehaus Road Villa Ridge, MO 63089

Name of Officer

Title

Address

**Attachment A**

P. S. C. MO. No. 1

1st Revised

Sheet No. 5

Cancelling P. S. C. MO. No. 1

Original

Sheet No. 5

TBJ Sewer System, Inc.

For: Original Certificated Sewer Service Area in Franklin County

Name of Issuing Company

Community, Town or City

### Schedule of Service 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 \$5.00 or three percent (3%) per month times the unpaid balance, whichever is more, will be added to delinquent amounts.

**Bad Check Charge:**

A bad check charge of \$15 per check will be paid on all checks returned from the bank for insufficient funds.

**Reconnect Charge:**

A reconnect charge of \$50 shall be billed for each reconnection occurrence.

\* indicates new rate or text

+ indicates changed rate or text

Date of Issue:

Date Effective:

Issued By: Joseph Tobben, President 5686 Gildehaus Road Villa Ridge, MO 63089

Name of Officer

Title

Address

**Attachment A**



# TBJ Sewer System, Inc.

Small Company Rate Filing - Sewer Service

Work File # QS 2003 0008

Rate Making Income Statement			
	As Adjusted		
<b>Revenue</b>	<b>\$5,424</b>		
<b>Expenses</b>			<b>Cost of Service</b>
Depreciation	\$1,717		\$1,717
Testing Expense	\$220		\$220
Registration Fee	\$45		\$45
DNR Permit Fee	\$250		\$250
PSC Assessment	\$504		\$504
MOCS/Dig Rite Fee	\$240		\$240
Accounting Fee	\$525		\$525
Utilities	\$955		\$955
Office Supplies	\$100		\$100
Postage	\$86		\$86
Repairs & Maintenance	\$150		\$150
Operating Labor	\$600		\$600
Management /Administration	\$150		\$150
Return & Tax	\$1,521		\$1,521
<b>Total O &amp; M Expenses</b>	<b>\$7,063</b>		<b>\$7,063</b>
Operation & Maintenance Expenses	\$7,063		\$7,063
Cost to recover from Rates (less other revenues)			
<b>Total COS</b>	<b>\$7,063</b>		
<b>Increase Needed</b>	<b>\$1,639</b>	<b>30.2%</b>	
<b>Increase Proposed by Staff</b>	<b>\$1,000</b>	<b>18.4%</b>	with Modified Rate Design
Revenue Increase Requested \$1,000			
<b>Total COS for Rates</b>			<b>\$6,424</b>

December 13, 2002  
Missouri Public Service Commission Staff

Page 1 of 1  
W. R. Hubbs

**Attachment B**

**TBJ Sewer System, Inc.  
DEPRECIATION RATES**

**(SEWER)**

**QS-2003-0008**

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT</u>	<u>DEPRECIATION RATE %</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>
311	Structures & Improvements	2.5%	40
352.2	Collection Sewers (Gravity)	2.0%	50
354	Services	2.0%	50
373	Treatment & Disposal Facilities	5.0%	20

**Attachment C**