

Rogue Creek Utilities, Inc.
101 Windmill Drive
Potosi, MO 63664
Phone: (573) 438-2486

April 17, 2002

FILED²

APR 18 2002

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

Missouri Public
Service Commission

Dear Sir:


The Rogue Creek Utilities, Inc. (Company) holds a certificate of public convenience and necessity whereby it provides water and sewer service in an area located in Washington County, Missouri. Pursuant to 4 CSR 240-2.200, the Missouri Public Service Commission's Small Company Rate Increase Procedure, the undersigned hereby request increases in its water service and sewer service. The Company is applying for an annual increase of \$9,500 for water service, applying for an annual increase of \$15,300 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 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 Water & Sewer Companies as required by the Commission.

If you need additional information please feel free to contact me by telephone at (417) 443-7633.

Sincerely,


Mr. Bill Rummel
President
ROGUE CREEK UTILITIES, INC.

copy:
Office of the Public Counsel

QW-2002-000951

Attachment A

RECEIVED

SEP 23 2002

ROGUE CREEK UTILITIES, INC. UTILITY OPERATIONS
DIVISION

101 Windmill Drive
Potosi, MO 63664
Phone: (573) 438-2486

May 10, 2002

Dear Customer:

On April 19, 2002, Rogue Creek Utilities, Inc. (Company) submitted a request for permanent increases in its current water and 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 **water service** revenues of \$9,500 (an approximate 104.4% increase). The Company is also requesting an increase in its annual operating **sewer service** revenues of \$15,300 (an approximate 161.5 % increase). The Company believes these increases in its operating revenues are necessary to allow it to meet current operating expenses and provide an adequate return on investments. Additionally, the Company is requesting that its "miscellaneous service charges" be updated.

The examples bills shown below set out a comparison of the Company's current residential customer rates for both water and sewer service as if they were increased by the requested percentage increases. The example water bill is presented for a customer who uses 3,000 gallons per month. No taxes or other charges are included in examples below.

Water Rates

Current Monthly Rate	\$ 3.97
Current Commodity Rate	
(usage > 1,000 gallons/mo)-\$1.39 per 1,000 gal x 2,000 gallons	\$ 2.78
Total Current Monthly Bill (using 3,000 gallons)	<u>\$ 6.75</u>
Proposed Increase Percentage	104.4 %
Proposed Monthly Bill (using 3,000 gallons)	<u>\$ 13.80</u>
Proposed Increase Amount	<u>\$ 7.05</u>

Sewer Rates

Current Monthly Rate	<u>\$ 9.45</u>
Proposed Increase Percentage	161.5 %
Proposed Monthly Rate	<u>\$ 24.71</u>
Proposed Monthly Increase	<u>\$ 15.26</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 make its recommendations regarding the Company's rate increase requests, and necessary changes to system operations, to the Commission for its consideration.

Attachment B - 1

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
Attn: 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,



Bill Rummel
President
ROGUE CREEK UTILITIES, INC.

ROGUE CREEK UTILITIES, INC.

101 Windmill Drive
Potosi, Missouri 63644
Phone (573) 438-2486

October 5, 2002

Dear Customer:

On April 18, 2002 Rogue Creek Utilities, Inc. (Company) submitted a request for permanent increases in its current water and 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 water service of \$9,500 and for sewer service of \$15,300. 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 water revenues of \$8,549 (approximately 103.6%), and an increase in the Company's annual operating sewer revenues of \$6,566 (approximately 63.6%).

The following have also been agreed to by the Staff and the Company: The implementation of a Late Payment Charge; the implementation of a Bad Check Charge of \$20 per bad check; the implementation of a Door Collection Charge of \$15, to avoid disconnection; the implementation of an Emergency Call Out Charge of \$15 to shut off service where the emergency exists entirely on the customer owed facilities; the implementation of a Reconnection of Service for "Seasonal" Disconnects of \$25 plus the monthly customer charge times the number of months "off-system" (not to exceed 10 months); an increase in the Reconnection Charge after the Company has discontinued service from \$20 to \$25; an increase of the Temporary Turn-off Charge from 10:00 am to 6:30 pm (regular hours) from \$20 to \$25; an increase of the Temporary Turn-off Charge for after regular hours from \$30 to \$35; an increase of the Service Connection Fee from \$300 to \$425; that the Company agrees to start reading all meters on a monthly basis; that the Company agrees to start billing all customers on a monthly basis; and, that the Company agrees to put the date on the bill after which it will be considered delinquent on each customer's monthly billing.

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, the Company's requested customer rates and the Commission Staff's recommended customer rates, as well as the changes in the affected service charges. A monthly bill comparison, which is based upon an assumed usage of 6,000 gallons, is also shown.

Attachment C - 1

Water Service:

Type of Charge	Current	PSC Staff	Percentage
Monthly Minimum Charge (Includes 1,000 gallons/Month)	\$ 3.97	\$ 11.51	
Usage Over 1,000 gallons (per 1,000 gallons)	\$ 6.95	\$ 5.95	
Total Monthly Bill (6,000 gallons usage)	\$ 10.92	\$ 17.46	59.9%

Sewer Service:

	Current	PSC Staff	Percentage
Customer Charge	\$ 9.45	\$15.46	63.6%

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. William Rummel
President

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
Attn: Ruth O'Neill
P.O. Box 7800
Jefferson City, MO 65102
Phone: 573/751-1304
Fax: 573/751-5562

Rogue Creek Utilities, Inc.

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

September 11, 2002

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

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

RECEIVED⁶

SEP 24 2002

*Records
Public Service Commission*

Dear Mr. Secretary:

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

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

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

Attachment D - 1

The following are also contained in the Agreement:

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

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

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

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

Sincerely,

ROGUE CREEK UTILITIES, INC.



W. J. Rummel

President

enclosures

copies (w/enclosures):

Wendell R. Hubbs - PSC Staff

Office of the Public Counsel - Ruth O'Neill

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

Schedule of Water Rates+

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

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

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

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

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

Taxes: +

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

Late Payment Charge: *

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

* indicates new rate or text

+ indicates change

Date of Issue:

9/23/02

Date Effective:

11/11/02

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

Name of Officer

Title

Address

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

Name of Issuing Company

Community, Town or City

Schedule of Service Charges

Bad Check Charge: *

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

Door Collection Charge:*

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

Emergency Call Out Charge:*

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

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

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

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

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

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

* indicates new rate or text

+ indicates change

Date of Issue: 9/23/02

Date Effective: 11/11/02

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

Name of Officer

Title

Address

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

Rogue Creek Utilities, Inc.

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

Background

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

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

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

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

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

Upon completion of its investigation of the Company's Request, the Staff provided the Company and the Office of the Public Counsel ("OPC") various information regarding the results of the investigation, as well as its initial recommendations for resolution of the Company's Request.

Resolution of the Company's Rate Increase Request

Pursuant to negotiations held subsequent to the Company's and the OPC's receipt of the above-referenced information regarding the Staff's investigation of the Company's Request, the Staff and the Company hereby state the following agreements.

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

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

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

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

Additional Matters

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

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

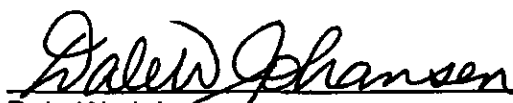
The Company acknowledges that it has consented to an extension of the "150-day" tariff filing date set forth in the Informal Rate Case Procedure.

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

Effective Date and Signatures

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


Agreement Signed and Dated:



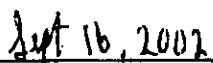
Dale W. Johansen
Manager - Water & Sewer Department
Missouri Public Service Commission Staff



Date



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



Date

List of Attachments

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

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

Schedule of Water Rates+

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

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

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

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

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

Taxes: +

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

Late Payment Charge: *

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

* indicates new rate or text

+ indicates change

Date of Issue:

Date Effective:

Issued By: W.J. Rummel President 101 Windmill Drive, Potosi, Missouri 63644
Name of Officer Title Address

Attachment A - 1

Attachment D - 12

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

Schedule of Service Charges

Bad Check Charge: *

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

Door Collection Charge:*

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

Emergency Call Out Charge:*

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

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

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

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

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

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

* indicates new rate or text

+ indicates change

Date of Issue:

Date Effective:

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

Name of Officer

Title

Address

Attachment A - 2

Attachment D - 13

Rouge Creek Utilities, Inc.

Small Company Rate Filing - Water Service

W-1

Tracking No. QW-2002-0009

Rate Making Income Statement - Water

	As Adjusted		Minimum	Commodity
Revenue	\$8,250			
Expenses				
Payroll & Management Fee	\$5,940		\$5,940	
O & M Expense	\$1,350		\$1,350	
Office Rent Expense	\$960		\$960	
Electric Expense	\$880		\$220	\$660
Misc. Office Expenses	\$766		\$766	
DNR Water Fee	\$345			\$345
PSC Assessment	\$30		\$30	
Training Expense	\$50			\$50
Transportation Expense	\$718		\$718	
Chemical Expense	\$3,332			\$3,332
Outside Accounting Expense	\$200		\$200	
Secretary of State	\$23		\$23	
Office Supplies	\$30		\$8	\$23
Depreciation	\$713		\$713	
Tax & Return	\$1,462		\$1,462	
Total Operating & Maintenance Expenses	\$16,799		\$12,389	\$4,410
Less: Other Revenues	\$0			\$0
Total O&M Exp. Less other Rev.	\$16,799		\$12,389	\$4,410
Revenue Increase Needed	\$8,549	103.6%		
Revenue Increase Requested \$9,500				

September 5, 2002
Missouri Public Service Commission Staff

Page 1 of 1
W. R. Hubbs

Attachment B

Attachment D - 14

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

(WATER)

QW-2002-0009

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

Attachment C

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Request of Rogue Creek)	
Utilities for an Increase in its Water Service)	
Rates Initiated Pursuant to the Commission's)	<u>Case NO. WR-2003-0152</u>
Small Company Rate Increase Procedure)	Tariff No. JW-2003-0407
at Rule 4 CSR 240-2.200.)	

RECOMMENDATION OF THE OFFICE OF THE PUBLIC COUNSEL

COMES NOW, the Office of the Public Counsel (Public Counsel), pursuant to Rule 4 CSR 240-2.200, and respectfully files its position in regard to the rate increase requested by Rogue Creek Utilities.

Public Counsel received a number of customer letters at the beginning of this rate review voicing concern about the proposed rate increase, and has provided those letters to the Commission Staff. It is Public Counsel's understanding that those letters will be file with the Commission by the Staff. It is also Public Counsel's understanding that any service complaints contained in those letters have been investigated by the Staff, and have been adequately addressed at this time. Further, although the recommendation by Staff will result in a significant rate increase for customers, the average bill for water service under the proposed rates will be well within the average range of rates charged to customers of other small systems. The previous customer charge of less than \$4 per month was insufficient to allow the Company to adequately recover its non-commodity costs related to providing service.

Public Counsel has reviewed the Staff's audit of the Company, and the Staff's findings, and hereby states that it agrees with the agreement reached between the Staff and the Company in this matter.

WHEREFORE, Public Counsel respectfully states that it agrees with the proposal of Staff and believes that the Commission should adopt the agreement between the Staff and Rogue Creek Utilities.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ M. Ruth O'Neill

By: _____
M. Ruth O'Neill (#49456)
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to the following this 21st day of October 2002:

DANA K JOYCE
General Counsel
Missouri Public Service Commission
P O Box 360
Jefferson City MO 65102

W.J. RUMMEL
Rogue Creek Utilities
101 Windmill Drive
Potosi, MO 63644

/s/ M. Ruth O'Neill

Rouge Creek Utilities, Inc.

Small Company Rate Filing - Water Service

W-1

Tracking No. QW-2002-0002

Rate Making Income Statement - Water

	As Adjusted		Minimum	Commodity
Revenue	\$8,250			
Expenses				
Payroll & Management Fee	\$5,940		\$5,940	
O & M Expense	\$1,350		\$1,350	
Office Rent Expense	\$960		\$960	
Electric Expense	\$880		\$220	\$660
Misc. Office Expenses	\$766		\$766	
DNR Water Fee	\$345			\$345
PSC Assessment	\$30		\$30	
Training Expense	\$50			\$50
Transportation Expense	\$718		\$718	
Chemical Expense	\$3,332			\$3,332
Outside Accounting Expense	\$200		\$200	
Secretary of State	\$23		\$23	
Office Supplies	\$30		\$8	\$23
Depreciation	\$713		\$713	
Tax & Return	\$1,462		\$1,462	
Total Operating & Maintenance Expenses	\$16,799		\$12,389	\$4,410
Less: Other Revenues	\$0			\$0
Total O&M Exp. Less other Rev.	\$16,799		\$12,389	\$4,410
Revenue Increase Needed	\$8,549	103.62%		

Revenue Increase Requested \$9,500

Rouge Creek Utilities, Inc.

Small Company Rate Filing - Water Service

Tracking No. QW-2002-0002

W-1

Water Service Rate Development

Commodity Charge Development

	Cost Collected	Billing Units	Rate/Billing Units
Water Commodity Rate	\$4,409.92	3,708	\$1.189
Allocation:			
To Minimum Monthly Charge	\$1,427.16	1,200	
Commodity Charge Recovery	\$2,982.76	2,508	\$1.189
Total	\$4,409.92	3,708	\$1.189

Minimum Monthly Charge Development

Meter Size	Customer	Flow Factor	Meter Equivalents	
5/8"	100	1	100	100.00%
Totals	100		100	100.00%

\$ Amount to Recover	Meter Equivalents	Months Per Year	Cost per Meter Equivalent	
\$1,427.16	100	12	\$1.19	Per Meter Equivalent
\$12,388.89	100	12	\$10.32	Per Customer
\$13,816.05			\$11.51	Per Customer per month

Staff Recommended Water Rates:

Minimum Monthly Charge - (Meter)

	per Customer	per Meter Equiv	
Residential	\$ 10.32	\$ 1.19	\$ 11.51 per month

Commodity Charge	\$1.189	per 1000 gallons for usage over 1000 gal/month
------------------	---------	--

Rouge Creek Utilities, Inc.

Small Company Rate Filing - Water Service

Tracking No. QW-2002-0002

W-1

Residential Water Customer Impact

Assume Monthly Bill Computation For A Residential Consumer Using 6,000 Gallons Per Month

Monthly Bill:	Minimum Charge	Commodity Charge/unit	Typical Usage (billed)	Total Commodity	Total Bill
Proposed Rates	\$11.51	\$1.19	5,000	\$5.95	\$17.46
Current Rates	\$3.97	\$1.39	5,000	\$6.95	\$10.92
Difference	\$7.54	-\$0.20		(\$1.00)	\$6.54
Percentage Difference from Current Rates	190.01%	-14.44%		-14.44%	59.89%

August 5, 2002
Missouri Public Service Commission Staff

Page 3 of 5
W. R. Hubbs

Attachment F - 3

Rouge Creek Utilities, Inc.

Small Company Rate Filing - Water Service

Tracking No. QW-2002-0002

W-1

Proposed Charges - Water Annualized & Normalized Revenues

Minimum Bill Revenues

Customer Number	100
Customer Bills	1200
Times:	
Existing Minimum Monthly Charge	\$ 11.51
Equals:	
Annualized Minimum Bill Revenue 5/8"	\$13,816

Commodity Charge Revenues

Total Gallons Used	3,708
Base Gallons Included in Minimum	1,200
Gallons Billed*	2,508
Times:	
Existing Commodity Charge	\$1.19
Equals:	
Annualized Commodity Charge Revenue	\$2,983

Total Water Rate Revenues	\$16,799
---------------------------	----------

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

Total Water Service Revenues - Existing Rates	\$16,799
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Rouge Creek Utilities, Inc.

Small Company Rate Filing - Water Service

Tracking No. QW-2002-0002

W-1

Accounting Department

Test Year Annualized & Normalized Revenues

Minimum Bill Revenues

Customer Number	100
Customer Bills	1200
Times:	
Existing Minimum Monthly Charge	\$3.97
Equals:	
Annualized Minimum Bill Revenue 5/8"	\$4,764

Commodity Charge Revenues

Total Gallons Used	3,708
Base Gallons Included in Minimum	1,200
Gallons Billed*	2,508
Times:	
Existing Commodity Charge	\$1.39
Equals:	
Annualized Commodity Charge Revenue	\$3,486

Total Water Rate Revenues	\$8,250
---------------------------	---------

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

Total Water Service Revenues - Existing Rates	\$8,250
---	---------

Rogue Creek Utilities

Hubbs

8/12/2002

Payroll & Admin Fee Expense Annualization

P/R & Admin Fees	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Rummel	\$4,189	\$3,311	\$7,500	\$3,000	\$4,500
Coleman	\$4,028	\$1,372	\$5,400	\$2,160	\$3,240
Kincade	\$745	\$35	\$780	\$780	\$0
	<u>\$8,962</u>	<u>\$4,718</u>	<u>\$13,680</u>	<u>\$5,940</u>	<u>\$7,740</u>
				Water Payroll	Sewer Payroll

Operation & Maintenance Expenses

Rent	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Office Rent Expense	<u>\$1,562</u>	<u>\$0</u>	<u>\$1,562</u>	<u>\$1,350</u>	<u>\$212</u>

Office Rent Expense

Rent	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Office Rent Expense	<u>\$0</u>	<u>\$2,400</u>	<u>\$2,400</u>	<u>\$960</u>	<u>\$1,440</u>

Electric Expenses

Electric (pumps and office)	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
AmerenUE	<u>\$2,044</u>	<u>\$156</u>	<u>\$2,200</u>	<u>\$880</u>	<u>\$1,320</u>

Misc. Office Expenses

	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Phone	\$0	\$249	\$249		
Gas	\$0	\$331	\$331		
W&S	\$0	\$625	\$625		
Property Taxes	\$0	\$711	\$711		
	<u>\$0</u>	<u>\$1,916</u>	<u>\$1,916</u>	<u>\$766</u>	<u>\$766</u>

DNR Sewer Permitting Fee & Discharge Permit

DNR	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
DNR	\$50	\$3,100	\$3,150	\$0	\$150

DNR Water Fees

DNR	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
DNR	\$ 345	\$ -	\$ 345	\$ 345	\$ -

PSC Assessment Fees

PSC	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
PSC	\$0	\$702	\$702	\$30	\$672

Trainning Expenses

DNR	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
DNR	\$0	\$100	\$100	\$50	\$50

Transportation Expenses

Rummell	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Rummell	\$0	\$1,435	\$1,435	\$718	\$718

Sludge Hauling

Hank's Backhoe	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Hank's Backhoe	\$300	\$600	\$900		\$900

Chemical Expenses

	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Salt for Softener	\$0	\$3,082	\$3,082	\$3,082	
Chlorine	\$228	\$22	\$250	\$250	
Chemicals	<u>\$228</u>	<u>\$3,104</u>	<u>\$3,332</u>	<u>\$3,332</u>	

Outside Accounting Expense

	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Accounting Expense	<u>\$400</u>	<u>\$0</u>	<u>\$400</u>	<u>\$200</u>	<u>\$200</u>

Secretary of State

	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Corporate Expense	<u>\$45.00</u>	<u>\$0.00</u>	<u>\$45.00</u>	<u>\$22.50</u>	<u>\$22.50</u>

office Supplies

	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Office Supplies	<u>\$0.00</u>	<u>\$60.00</u>	<u>\$60.00</u>	<u>\$30.00</u>	<u>\$30.00</u>

Depreciation

	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Depreciation	<u>\$0.00</u>	<u>\$1,916.75</u>	<u>\$1,916.75</u>	<u>\$713.13</u>	<u>\$1,203.63</u>

Return & Taxes

	Test Year 2001	Adjustment	Staff Annualized Total Company	Water Allocation	Sewer Allocation
Depreciation	<u>\$0.00</u>	<u>\$4,631.27</u>	<u>\$4,631.27</u>	<u>\$1,461.93</u>	<u>\$3,169.34</u>

Rogue Creek Utilities
Payroll Annualization

Hubbs

8/12/2002

Payroll	Test Year 2001	Adjustment	Staff Annualized	Water Allocation	Sewer Allocation
Rummel	4,189	3311	7500	3000	4500
Coleman	4028	1372	5400	2160	3240
Kincade	745	35	780	780	0
	<u>8,962</u>	<u>4,718</u>	<u>13,680</u>	<u>5,940</u>	<u>7,740</u>
				Water Payroll	Sewer Payroll

20 miles to system
4 times per week
=80 miles per week
80*52 weeks per year
= 4160 miles per year

4160 miles * \$.345 / mile
Expense of \$ 1435 per year

Transportation Expense.

Test Year	Depreciation Expense		CIAC %	Non-CIAC %	Depreciation Allocations
	\$ 2,335.06	water	0.6946	0.3054	\$ 713.13
	\$ 4,785.79	sewer	0.7485	0.2515	\$ 1,203.63
	<u>\$ 7,120.85</u>	Total		Includable Exp	<u>\$ 1,916.75</u>

**Rogue Creek Utilities, Inc.
Rate Base**

Year Ended 2001 - Water Plant

Plant - In - Service		\$	68,869.68
Depreciation Reserve		\$	34,028.15
Net Plant - In - Service		\$	<u>34,841.53</u>
CIAC Percentage	69.46%	\$	<u>24,200.02</u>
<u>Net Plant less CIAC</u>		\$	<u>10,641.51</u>

Rogue Creek Utilities, Inc.
Plant in Service

Year Ended 2001 - Water Plant

	Beginning Year Balance	Additions	Retirements	Balance End of Year
INTANGIBLE PLANT				
301 Organization	\$ 135.00			\$ 135.00
302 Franchise & Consents	\$ 1,017.16			\$ 1,017.16
SOUCE OF SUPPLY				
314 Wells & Springs	\$ 976.87			\$ 976.87
PUMPING PLANT				
325 Electric Pumping Plant	\$ 7,622.31			\$ 7,622.31
321 Structures & Improvements	\$ 525.00	\$ 2,131.15		\$ 2,656.15
WATER TREATMENT PLANT				
342 Distrib Standpipe & Reservoirs	\$ 6,033.73			\$ 6,033.73
343 Trans & Dist Mains	\$ 53,174.80			\$ 53,174.80
345 Services	\$ 12,319.00			\$ 12,319.00
346 Meters	\$ 7,460.14			\$ 7,460.14
332 Water Treatment Equipment		\$ 6,724.40		\$ 6,724.40
GENERAL PLANT				
394 Tools, shop & garage	\$ 116.25			\$ 116.25
397 Communication Equipment	\$ 467.39			\$ 467.39
390 Structures & Improvements	\$ 450.63			\$ 450.63
TOTAL PLANT IN SERVICE	\$ 90,298.28	\$ 8,855.55	\$ -	\$ 99,153.83

Rogue Creek Utilities, Inc.
Depreciation and Reserve

Year Ended 2001

DEPRECIATION EXPENSE		DEPRECIATION RESERVE			
	Depreciation Rate	Annual Dep \$	Balance First of Year	Retirements	Balance End of Year
INTANGIBLE PLANT					
301 Organization	0	\$ -			
302 Franchise & Consents	0	\$ -			
SOUCE OF SUPPLY					
314 Wells & Springs	3.3%	\$ 32.24	\$ 865.01		\$ 897.25
PUMPING PLANT					
325 Electric Pumping Plant	5.0%	\$ 381.12	\$ 4,938.57		\$ 5,319.68
321 Structures & Improvements	3.3%	\$ 87.65	\$ 138.61		\$ 226.26
WATER TREATMENT PLANT					
342 Distrib Standpipe & Reservoirs	3.3%	\$ 199.11	\$ 1,545.53		\$ 1,744.64
343 Trans & Dist Mains	2.0%	\$ 1,063.50	\$ 22,045.46		\$ 23,108.95
345 Services	2.5%	\$ 307.98	\$ 4,014.29		\$ 4,322.26
346 Meters	2.5%	\$ 186.50	\$ 3,603.27		\$ 3,789.77
332 Water Treatment Equipment	2.9%	16.25			\$ 16.25
GENERAL PLANT					
394 Tools, shop & garage	6.3%	\$ 7.32	\$ 129.28		\$ 136.61
397 Communication Equipment	5.0%	\$ 23.37	\$ 70.20		\$ 93.57
390 Structures and Improvements	5.0%	\$ 22.53	\$ 90.13		\$ 112.66
TOTAL PLANT IN SERVICE		\$ 2,327.57	\$ 37,440.33	\$ -	\$ 39,767.90

Rogue Creek Utilities, Inc.
CIAC

Year Ended 2001 - Water & Sewer

CONTRIBUTIONS IN AID OF CONSTRUCTION

	Water	Sewer
Balance at first of year	\$ 68,669.08	\$ 128,836.95
Additions	\$ 200.60	
Deductions		
End of Year Balance	\$ 68,869.68	\$ 128,836.95

AMORTIZATION OF CIAC

	Water	Sewer
Amortization Balance Start Year	\$ 32,411.48	\$ 67,720.35
Total CIAC - End of Year	\$ 68,869.68	\$ 128,836.95
Total Plant In Service End Year	\$ 99,153.83	\$ 172,117.33
% of contributions to Plant	69.46%	74.85%
Total Depreciation Expense	\$ 2,327.57	\$ 4,505.78
Total Amortization Contributions	\$ 1,616.67	\$ 3,372.76
Balance at End of Year	\$ 34,028.15	\$ 71,093.12

Rouge Creek Utilities
Rate Base

Water Company

Rate Base	\$	10,642
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Rate Base * ROR Equity w/ Tax Factor Up	1,461.93
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Tax Factored Equity=13.74%

Rate Base * ROR Debt	<hr/>
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Revenue Requirement - Sewer	<u>\$ 1,461.93</u>
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CALCULATION OF EFFECTIVE TAX RATE

FIT	=	.15(TI-SIT)
SIT	=	.0625*(TI-FIT)
FIT	=	[TI(1-.0625TI+TI(.0625FIT))]
FIT	=	.15(.9375TI+.0625FIT)
FIT	=	.140625TI+.009375
.990625FIT	=	.140625TI
FIT	=	14.20%
SIT	=	.0625(1-(.1420TI*.50))
SIT	=	.0625(.929TI)
SIT	=	5.81% TI
FIT	=	(1-SIT)*.15
FIT	=	(1-.0581)*.15
FIT	=	14.13% TI
FIT	=	14.13%
SIT	=	5.81%
EFFECTIVE TAX RATE	=	19.93%

TAX FACTOR UP CALCULATION

1	=	1	=	1.248907206
1-EFFECTIVE TAX RATE		1-.1993		

EQUITY	11.00%
*TAX FACTOR UP	1.248907
TAX FACTORED UP EQUITY RETURN	13.74%

ATTACHMENT F-17

Engineering and Management Services Department Report Customer Service Operations for Rogue Creek Utilities, Inc.

Nila Hagemeyer – August 30, 2002

The Engineering and Management Services Department (EMSD) staff initiated an informal review of customer service processes, procedures, and practices at Rogue Creek Utilities, Inc. (Company), Potosi, Missouri, on June 5, 2002. 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 findings of this review will also provide the Commission with information regarding the Company's customer service operations.

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

- Customer Billing
- Meter Reading
- Credit and Collections
- Complaint and Inquiry Handling and Recording

- Customer Communication

This report contains the results of the EMSD staff's review.

Overview

Rogue Creek Utilities, Inc. provides water service to approximately 100 residential type customers and sewer services to approximately 91 residential type customers located in Rogue Creek Subdivision near Potosi, Missouri. The number of customers has grown only slightly during at least the past four years.

Three employees perform all activities associated with Company operations, with occasional assistance from subcontractors. The owner and secretary/meter reader are responsible for business office functions while the owner, secretary/meter reader, and another employee perform outside plant activities. Business office functions include preparation of customer bills, collection of customer payments, maintenance of customer records, responding to customer inquiries and complaints, and preparation of customer correspondence. Outside plant activities include general maintenance of outside plant facilities and property.

Customer Billing

The Company name, address, telephone number and emergency number are pre-printed on every bill. Customers are charged \$3.97 for the first 1000 gallons of water used, and \$1.39 for every 1000 gallons thereafter. Sewer

customers are charged a flat \$9.45 each month. Customers are not charged a deposit as a condition of providing water and sewer service.

The secretary/meter reader uses a LOTUS 1-2-3 spreadsheet to automatically calculate the water bills. By plugging in the current meter reading and subtracting the first 1000 gallons, the spreadsheet then totals the amount owed for water used, then adds the flat rate sewer charge. Pre-printed billing cards that the owner has printed at the local newspaper office are utilized for billing. Information hand-written onto the card by the secretary includes service dates, meter reading, amounts owed for water and sewer, and total due. The secretary has a computerized list of customer labels that she uses to address the bills.

Out of the 100 total customers billed, (91 water/sewer customers plus 9 water only customers) five or six are currently listed as "delinquent."

Customers may pay their bills by mail or in person. Pay stations include a locked box with a slot in it at the office located at 101 Windmill Drive in Potosi, as well as the home of the secretary that is located in Rogue Creek Subdivision. Approximately 90% of bills are paid by mail. Of the remaining 10% paying in person, about half of them pay by cash. Bank deposits are made as checks are received, but generally on at least a weekly basis. Company records are kept at the secretary's home. The secretary makes backup copies of computerized Company records, but those backup disks are also kept at her home.

Meter Reading

The secretary/meter reader and one other employee read meters. They have established routes and together read approximately 58 meters in three hours. It was noted that "vacationers" or "weekenders" are charged the minimum bill, as their meters are not currently being read. The owner noted that on the few occasions when the "vacationers" or "weekenders" meters have been read that their usage amounts were significantly less than the monthly minimum 1000 gallons.

Meter readings have not been estimated, with the exception of one customer who requested it one particular month. If the meters cannot be read due to snow covering the meter boxes, customers will be charged the minimum amount of \$3.97 for water, along with the regular \$9.45 sewer charge for the month. The owner explained that snow acts as an insulator and keeps the meter from freezing. If the meter box is opened to read the meter, the meter can freeze up. The owner assured EMSD staff that meters for regular customers are never estimated for more than one month.

Field evaluations of the secretary/meter reader took place on a regular basis while she was in training; however, no field evaluations currently occur. The owner provided the training and evaluations.

To the owner's knowledge, theft of service has only occurred one time. This was on a rear lot. However, the meter kept running, so the owner is aware of the usage amount.

On occasion, the meter readers will collect money in the field. In fact, the secretary/meter reader stated that on occasion, customers would wave them down to pay their bill. In addition, money may be collected in the field to avert disconnecting a delinquent customer's service.

Credit and Collections

Meters are read at the first of the month. Bills are then processed and most always mailed by the 5th day of the month. The secretary double-checks at least five bills each month to ensure accuracy. Bills do not currently list a due date.

Payments are timely recorded on computerized spreadsheets. In addition, the secretary keeps the payment tear-off stubs that the customers return with their payments.

The owner and secretary have both stated there are generally five or six delinquent accounts each month. The next month's bill for delinquent accounts includes a late notice written on the bill. If the Company still hasn't heard from the customer, the second month's bill will state "Second and Final Notice. Utilities will be cut off." The owner has made it a practice to work with those who are going through hardship and may not be able to pay on time. However, the owner stated that there are a few customers who are repeatedly delinquent. When customers are three months behind in their payments, one more notice is mailed. An attempt is made by the owner to reach the customer by telephone. If

the delinquent customer does not respond, the owner then knocks on the customer's door, attempting to obtain payment.

After three months have passed without payment, disconnection actions are taken on delinquent accounts. The owner stated that it seldom goes that far, but he has had to disconnect a few customers over the years.

Complaint and Inquiry Handling and Recording

The telephone number and address of Rogue Creek Utilities, Inc. is noted on each customer bill, as well as an emergency telephone number. Customers with questions or concerns may contact the business office by telephone or walk-in. Customers may also leave messages on an answering machine if Company personnel are not immediately available. The emergency telephone number printed on the bill is actually the telephone number to the secretary's home.

The owner and secretary both indicated that when complaints or inquiries are received, they or one other employee assist the customers. No log of customer complaints or inquiries for Rogue Creek Utilities, Inc. has been kept.

The Commission's Consumer Services Department records indicated that one complaint pertaining to Rogue Creek Utilities, Inc. had been received in 2002 and one complaint in 2001. Prior to these two complaints, the Consumer Services Department logged one complaint in 1994, one in 1993, and six in 1989.

Customer Communication

As of June 5, 2002, the only written communication with customers has consisted of bills for water and sewer service and sending to all customers a letter regarding installation of the water softener. The owner stated that the water softener reduces the amount of lead to acceptable levels in the water supply, enabling the Company to meet or exceed Department of Natural Resources requirements.

Findings, Conclusions, and Recommendations

The following discussion presents a summary of the findings, conclusions, and recommendations pertaining to the Company's customer service operations. Regarding customer billing, the EMSD staff found the owner of Rogue Creek Utilities, Inc. to be willing to work with customers suffering hardships. The actual billing process seems to be working fairly well; however, a few exceptions are noted below. The information presented in this section focuses on the following three areas that require Company management's attention:

- Customer Billing – Due Date Placed on Bills
- Customer Billing – Customer Records
- Complaint and Inquiry Handling and Recording

Customer Billing – Due Date Placed on Bills

No due date and/or delinquent date is currently being noted on the actual bills. The EMSD staff noted that meters for regular customers are being read on

a timely basis. The computerized spreadsheets for calculating bills, as well as the actual billing process seem to be working well.

Company management needs to address the lack of a due date and/or delinquent date on its bills. According to the Public Service Commission Rules for Service and Billing, 4 CSR 240-13.010(F) states in part, "Delinquent charge means a charge remaining unpaid by a monthly billed customer at least twenty-one (21) days . . . from the rendition of the bill by the utility. . ." In addition, 4 CSR 240-13.020(9) notes, "Every bill for residential utility service shall clearly state: (B) The date when the bill will be considered due and the date when it will be delinquent, if different."

An exact due date and/or delinquent date listed on the bills would also remind customers of their obligation to pay by the due date, as well as provide management an exact due date when encountering delinquent customers.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Identify the specific due date and/or delinquent date on the bill in the area presently marked as "PAST DUE."

Customer Billing – Customer Records

Backup disks of computerized Company billing records are not currently being maintained in a separate location from the computer. The EMSD staff noted that the secretary works from her home and maintains customer records on the computer that she utilizes for her work. In addition, she backs up

computer records to disks so that a duplicate record of customer accounts is maintained. However, the backup disks are also maintained at her home.

It is a good practice to keep backup copies of vital Company records off-site. Maintaining backup disks of Company billing records at a separate location would likely eliminate the cost and labor-intensive process spent in re-creating lost data should the documents be destroyed or lost. Even though the secretary does not go to the Company office on a daily basis, keeping a backup set of disks at the Company office would provide a reasonably recent set of data should it become necessary.

THE EMSD STAFF RECOMMENDS THAT COMPANY:

Maintain a set of backup copies of computerized Company billing records in a separate location from the actual computer.

Complaint and Inquiry Handling and Recording

No record of customer complaints and inquiries is currently being maintained. The Commission's Utility Billing Practices 4 CSR 240-13.040 specifies that utilities are required to maintain records on their customers for at least two years relating to "The number and general description of complaints registered with the utility." The lack of a complaint and inquiry log makes it difficult, if not impossible, for the Company to provide accurate documentation of the nature of its complaints and inquiries. The availability of documented complaint information is a good tool which would enable Company management to evaluate the reasons customers contact the Company and determine if any

measures could be taken to reduce customer contacts and improve customer satisfaction.

THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:

Develop and initiate a system for documenting the nature of customer contacts, particularly those relating to customer complaints or problems.