

# APPENDIX A

CASE No. WR-2013-0543

# STAFF/COMPANY DISPOSITION AGREEMENT WITH ATTACHMENTS AND STAFF AFFIDAVITS

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# Company/Staff Disposition Agreement

**COMPANY/STAFF AGREEMENT REGARDING DISPOSITION  
OF SMALL WATER COMPANY REVENUE INCREASE REQUEST**

**ROY-L UTILITIES, INC.**

**MO PSC FILE NO. WR-2013-0543**

**BACKGROUND**

Roy-L Utilities, Inc. ("Company") initiated the small company revenue increase request ("Request") for water service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") File Number by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 4 CSR 240-3.050, Small Utility Rate Case Procedure ("Small Company Procedure"). In its request letter, which was received at the Commission's offices on June 26, 2013, the Company set forth its request for an increase of \$8,072 in its total annual water service operating revenues. The Company also acknowledged that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions would be reviewed during the Commission Staff's ("Staff") review of the revenue increase request, and could thus be the subject of Staff recommendations. The Company provides service to approximately 61 residential customers located in Montgomery County, Missouri.

Pursuant to the provisions of the Small Company Procedure and related internal operating procedures, Staff initiated an audit of the Company's books and records, a review of the Company's customer service and general business practices, a review of the Company's existing tariff, an inspection of the Company's facilities and a review of the Company's operation of its facilities. (These activities are collectively referred to hereinafter as "Staff's investigation of the Company's Request" or "Staff's investigation.")

Upon completion of Staff's investigation of the Company's Request, Staff provided the Company and the Office of the Public Counsel ("Public Counsel") with information regarding Staff's investigation and the results of the investigation, including Staff's initial recommendations for the resolution of the Company's Request.

## **RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST**

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

- (1) The agreed upon revenue requirement increase of \$2,243 (12.41% increase) added to the level of previous revenues of \$18,070 results in overall revenues of \$20,313. This revenue requirement is just and reasonable and designed to recover the Company's cost of service. These amounts are shown on the ratemaking income statement found in Attachment A, incorporated by reference herein;
- (2) The Auditing Unit conducted a full and complete audit of the Company's books and records using the 12-month period ending December 31, 2012, updated to December 31, 2013, as the basis for the revenue requirement determined above. The audit findings can be found in Attachment B, incorporated by reference herein;
- (3) The agreed upon net rate base is \$33,949. The development of this amount is shown on the rate base worksheet that is found in Attachment C, incorporated by reference herein. This amount is included in the audit work papers in the ultimate determination of the revenue requirement shown in (1) above;
- (4) Included in Attachment B is the agreed upon capital structure which includes 25.00 % equity for the Company and a return on that equity of 14.82%;
- (5) The schedule of depreciation rates in Attachment D, incorporated by reference herein, includes the depreciation rates used by Staff in its revenue requirement analysis and shall be the prescribed schedule of water plant depreciation rates for the Company;
- (6) To allow the Company the opportunity to collect the revenue requirement agreed to in (1) above, the rates as shown on Attachment E, incorporated by reference herein, are just and reasonable rates that the Company will be allowed to charge its customers. The impact of these rates will be as shown on Attachment F, also attached and incorporated by reference herein;
- (7) For the purposes of implementing the agreements set out in this disposition agreement, the Company will file with the Commission proposed tariff revisions containing the rates, charges, and language set out in the example tariff sheet(s) attached as Attachment E. The proposed tariff revisions will bear an effective date of May 23, 2014;
- (8) The current PSC MO Number 2 tariff will be cancelled and replaced by PSC MO Number 3, which is included in the example tariff described above;
- (9) Within ninety (90) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the

recommendations contained in the Water & Sewer Unit Memorandum, attached hereto as Attachment G and incorporated by reference herein, and provide proof of implementing the recommendation to the Manager of the Commission's Water & Sewer Unit:

(a) The Company will develop a written plan to address system deficiencies;

(10) Within thirty (30) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendations contained in the EMSU Report attached hereto as Attachment H and incorporated by reference herein, and provide proof of implementing the recommendations to the Manager of the Commission's EMSU Unit:

(a) The Company will update and distribute, to all current and future customers, written information specifying the rights and responsibilities of the Company and its customers;

(11) Within ninety (90) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendations contained in the EMSU Report attached hereto as Attachment H and incorporated by reference herein, and provide proof of implementing the recommendations to the Manager of the Commission's EMSU Unit:

(a) The Company will evaluate and consistently apply late fees to adequately cover the Company costs associated with processing and handling delinquent accounts;

(12) Within one hundred eighty (180) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendations contained in the Auditing Unit Report attached hereto as Attachment I and incorporated by reference herein and provide proof of implementing the recommendations to the Manager of the Commission's Auditing Unit:

(a) The Company will maintain the Company's books and records in accordance with National Association of Regulated Utility Commissioners (NARUC) Uniform System of Accounts (USOA). Staff provided the Company with a copy of the NARUC USOA Class D for both water and sewer;

(b) The Company will develop continuing property records (CPRs) for all of the Company's Plant in Service and Contribution in Aid of Construction (CIAC) that include, where applicable, the amount of plant, depreciation reserve, CIAC, and CIAC reserve used by Staff in this case;

(c) The Company will keep the Company CPR's up to date and complete;

(d) The Company will develop a general ledger for its entire rate base, revenues and expenses;

- (e) The Company will calculate depreciation expense on a monthly basis and include the amounts in the Company's books and records;
  - (f) The Company will maintain a record of the additional hours, cost of materials and mileage reimbursements, if the Company incurs additional contract operator costs for additional maintenance or emergency services per the operator contract; and
  - (g) The Company will develop a list of duties and responsibilities for any employee that performs work for the Company and maintains records of the number of hours worked with a description of the functions performed by the employee;
- (13) Within one hundred eighty (180) days of the effective date of an order approving this Company/Staff Disposition Agreement, the Company shall implement the recommendations contained in the Water & Sewer Unit Memorandum, attached hereto as Attachment G and incorporated by reference herein, and provide proof of implementing the recommendation to the Manager of the Commission's Water & Sewer Unit:
- (a) The Company will build a new well house with a separate room for the chlorination equipment;
- (14) The Company and Staff agree plant, weighted cost of capital and rate case expense will be updated prior to the Commission deciding this case;
- (15) The Company shall mail its customers a final written notice of the rates and charges included in its proposed tariff revisions prior to or with its next billing cycle after issuance of the Commission order approving the terms of this Company/Staff Disposition Agreement. The notice shall include a summary of the impact of the proposed rates on an average residential customer's bill. When the Company mails the notice to its customers, it shall also send a copy to Staff Case Coordinator who will file a copy in this case;
- (16) Staff or Public Counsel may conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Company/Staff Disposition Agreement;
- (17) Staff or Public Counsel may file a formal complaint against the Company, if the Company does not comply with the provisions of this Company/Staff Disposition Agreement;
- (18) The Company, Staff and Public Counsel agree that they have read the foregoing Company/Staff Disposition Agreement, that facts stated therein are true and accurate to the best of the Company's knowledge and belief, that the foregoing conditions accurately reflect the agreement reached between the Company and Staff; and that the Company freely and voluntarily enters into this Disposition Agreement; and

(19) The above agreements satisfactorily resolve all issues identified by Staff, Public Counsel and the Company regarding the Company's Request, except as otherwise specifically stated herein.

### **ADDITIONAL MATTERS**

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

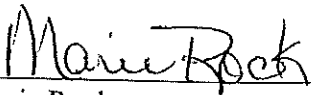
Staff has completed a Summary of Case Events and has included that summary as Attachment J to this Company/Staff Disposition Agreement.

The Company acknowledges that Staff will be filing this Company/Staff Disposition Agreement and the attachments hereto. The Company also acknowledges that Staff may make other filings in this case.

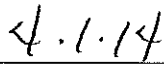
Additionally, the Company agrees that subject to the rules governing practice before the Commission, Staff shall have the right to provide whatever oral explanation the Commission may request regarding this Company/Staff Disposition Agreement at any agenda meeting at which this case is noticed to be considered by the Commission. Subject to the rules governing practice before the Commission, Staff will be available to answer Commission questions regarding this Company/Staff Disposition Agreement. To the extent reasonably practicable, Staff shall provide the Company with advance notice of any such agenda meeting so that they may have the opportunity to be present and/or represented at the meeting.

**SIGNATURES**

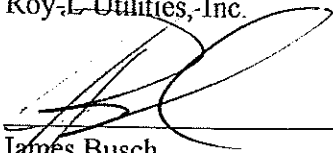
Agreement Signed and Dated:

  
\_\_\_\_\_

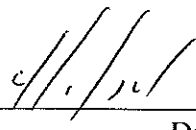
Marie Rock  
Secretary  
Roy-L Utilities, Inc.

  
\_\_\_\_\_

Date

  
\_\_\_\_\_

James Busch  
Manager  
Water & Sewer Unit  
Missouri Public Service Commission Staff

  
\_\_\_\_\_

Date

**List of Attachments**

- Attachment A – Ratmaking Income Statement
- Attachment B – EMS Run
- Attachment C – Rate Base Worksheet
- Attachment D – Schedule of Depreciation Rates
- Attachment E – Example Tariff Sheets
- Attachment F – Billing Comparison Worksheet
- Attachment G – Water & Sewer Unit Memorandum
- Attachment H – EMSU Report
- Attachment I – Auditing Unit Recommendation Memorandum
- Attachment J – Summary of Events

Agreement Attachment A

Ratemaking Income Statement

# ROY-L UTILITIES, INC.

## Rate Making Income Statement-Water

### Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	17,646
2	Other Operating Revenues *	\$	424
3	<b>Total Operating Revenues</b>	<b>\$</b>	<b>18,070</b>
4	* See "Revenues - Current Rates" for Details		

### Base Charge

\$	17,646
\$	212
<b>\$</b>	<b>17,858</b>

### Commodity

\$	-
\$	212
<b>\$</b>	<b>212</b>

### Cost of Service

Item	Amount
1 Management Salary	\$ 4,587
2 Operators Salary-Contract Services	\$ 295
3 Electricity-Pumping	\$ 2,356
4 Water Treatment Expense-Chemicals	\$ 203
5 Main Break Repairs	\$ 1,617
6 Mowing Expense	\$ 260
7 Maintenance & Repairs	\$ 244
8 Meter Reading Expense	\$ 687
9 Outside Services Employed	\$ 105
10 Office Supplies	\$ 147
11 Postage	\$ 174
12 Administration & General - Salaries	\$ 411
13 Telephone & Internet Expense	\$ 471
14 Transportation Expense	\$ 2,238
15 Property & Liability Insurance	\$ 509
16 Rent Expense-Building	\$ 620
17 Miscellaneous Expense	\$ 55
18 Membership Dues	\$ 114
19 Rate Case Expense	\$ 363
20 MO DNR Fees	\$ 200
21 Regulatory Commission Expense	\$ 102
22 Corporate Registration/Franchise	\$ 20
23 <b>Sub-Total Operating Expenses</b>	<b>\$ 15,778</b>
24 Property Taxes	\$ 223
25 MO Franchise Taxes	\$ -
26 Employer FICA Taxes	\$ 31
27 Federal Unemployment Taxes	\$ -
28 State Unemployment Taxes	\$ -
29 State & Federal Income Taxes	\$ 313
30 <b>Sub-Total Taxes</b>	<b>\$ 567</b>
31 Depreciation Expense	\$ 1,437
32 Interest Expense	\$ 1,273
33 Amortization of Utility Plant	\$ -
34 <b>Sub-Total Depreciation/Interest/Amortization</b>	<b>\$ 2,710</b>
35 <b>Return on Rate Base</b>	<b>\$ 1,258</b>
36 <b>Total Cost of Service</b>	<b>\$ 20,313</b>
37 <b>Overall Revenue Increase Needed</b>	<b>\$ 2,243</b>

### Base Charge

\$	3,440
\$	-
\$	-
\$	-
\$	809
\$	260
\$	122
\$	-
\$	105
\$	147
\$	174
\$	308
\$	471
\$	1,119
\$	509
\$	620
\$	55
\$	114
\$	363
\$	200
\$	51
\$	20
<b>\$</b>	<b>8,887</b>
\$	223
\$	23
\$	313
<b>\$</b>	<b>559</b>
\$	1,085
\$	950
<b>\$</b>	<b>11,481</b>
<b>\$</b>	<b>(6,377)</b>

### Commodity

\$	1,147
\$	295
\$	2,356
\$	203
\$	809
\$	-
\$	122
\$	687
\$	-
\$	-
\$	-
\$	103
\$	-
\$	-
\$	1,119
\$	-
\$	-
\$	-
\$	-
\$	-
\$	51
\$	-
<b>\$</b>	<b>6,891</b>
\$	-
\$	-
\$	8
\$	-
\$	-
\$	-
<b>\$</b>	<b>8</b>
\$	352
\$	1,273
\$	-
<b>\$</b>	<b>1,625</b>
\$	308
<b>\$</b>	<b>8,832</b>
<b>\$</b>	<b>8,620</b>

## Agreement Attachment B

### EMS Run



**MISSOURI PUBLIC SERVICE COMMISSION**

**UTILITY SERVICES DIVISION**

**Initial Run**

**STAFF ACCOUNTING SCHEDULES**

**ROY - L UTILITIES, INC. WATER**

**CASE NO. WR-2013-0543**

**Jefferson City, Missouri**

**Sep-13**

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Rate Design Schedule - Water

A		B	C	D	E	F
Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues	(1)	\$17,646			
Rev-3	Miscellaneous Revenues	(1)	\$424			
Rev-4	TOTAL ANNUALIZED REVENUES		\$18,070			
1	OPERATIONS EXPENSES	(2)				
2	Management Salary (Ms. Rock Contract Labor)		\$4,587	\$4,587	\$0	100.00%
3	Operators Salary/Contract Services		\$295	\$295	\$0	100.00%
4	Electricity-(Pumping)		\$2,356	\$2,356	\$0	100.00%
5	Chemicals-(Chlorine)		\$203	\$203	\$0	100.00%
6	TOTAL OPERATIONS EXPENSE		\$7,441	\$7,441	\$0	
7	MAINTENANCE EXPENSES					
8	Main Break Repairs		\$1,617	\$1,617	\$0	100.00%
9	Mowing Expense		\$260	\$260	\$0	100.00%
10	Maintenance & Repairs		\$244	\$244	\$0	100.00%
11	Miscellaneous Expense		\$55	\$0	\$55	0.00%
12	TOTAL MAINTENANCE EXPENSE		\$2,176	\$2,121	\$55	
13	CUSTOMER ACCOUNT EXPENSE					
14	Meter Reading Expense		\$687	\$687	\$0	100.00%
15	Outside Services (Accounting Fees)		\$105	\$105	\$0	100.00%
16	Office Supplies		\$147	\$147	\$0	100.00%
17	Postage		\$174	\$174	\$0	100.00%
18	Uncollectible Accounts		\$0	\$0	\$0	100.00%
19	TOTAL CUSTOMER ACCOUNT EXPENSE		\$1,113	\$1,113	\$0	
20	ADMINISTRATIVE & GENERAL EXPENSES					
21	Administration & General Salary (Ms. Longstreet salary)		\$411	\$411	\$0	100.00%
22	Telephone Expense		\$471	\$471	\$0	100.00%
23	Vehicle Expense (Mileage Reimbursement)		\$2,238	\$2,238	\$0	100.00%
24	Property & Liability Insurance		\$509	\$509	\$0	100.00%
25	Building Rent		\$620	\$620	\$0	100.00%
26	Membership Dues		\$114	\$114	\$0	100.00%
27	TOTAL ADMINISTRATIVE AND GENERAL		\$4,363	\$4,363	\$0	
28	OTHER OPERATING EXPENSES					
29	MO DNR Fees (Lab Fees)		\$200	\$200	\$0	100.00%
30	PSC Assessment		\$102	\$102	\$0	100.00%
31	Rate Case Expense		\$363	\$0	\$363	0.00%
32	Corporate Registration/Franchise		\$20	\$20	\$0	100.00%
33	Depreciation		\$1,437	\$1,437	\$0	100.00%
34	TOTAL OTHER OPERATING EXPENSES		\$2,122	\$1,759	\$363	
35	TAXES OTHER THAN INCOME					
36	Real & Personal Property Taxes		\$223	\$223	\$0	100.00%
37	Payroll Taxes		\$31	\$31	\$0	100.00%
38	TOTAL TAXES OTHER THAN INCOME		\$254	\$254	\$0	
39	TOTAL OPERATING EXPENSES		\$17,469	\$17,051	\$418	
40	Interest Expense	(3)	\$1,273	\$1,273	\$0	100.00%
41	Return on Equity	(3)	\$1,258	\$1,258	\$0	100.00%
42	Income Taxes	(3)	\$313	\$313	\$0	100.00%
43	TOTAL INTEREST RETURN & TAXES		\$2,844	\$2,844	\$0	
44	TOTAL COST OF SERVICE		\$20,313	\$19,895	\$418	

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Rate Design Schedule - Water

Line Number	Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
45	Less: Miscellaneous Revenues		\$424	\$424	\$0	100.00%
46	COST TO RECOVER IN RATES		\$19,889	\$19,471	\$418	
47	INCREMENTAL INCREASE IN RATE REVENUES		\$2,243			
48	PERCENTAGE OF INCREASE		12.41%			
49	REQUESTED INCREASE IN REVENUES		\$8,072			

- (1) From Revenue Schedule  
(2) From Expense Schedule  
(3) From PreTax Rate of Return Schedule, Rate Base & Return Schedule

Roy - L Utilities, Inc. Water  
 Informal Rate Case  
 Case Number WR-2013-0543  
 Test Year Ending 12-31-2012, Update 12/31/2013  
 Rate Base Required Return on Investment Schedule - Water

Line Number	A Rate Base Description	B Dollar Amount	
1	Plant In Service	\$36,638	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$3,565	From Depreciation Reserve Schedule
3	Net Plant In Service	\$33,073	
4	Other Rate Base Items:	\$0	
	Material & Supplies (new meters)	\$1,582	
	Contribution in Aid of Construction	-\$798	
	CIAC Depreciation	\$92	
5	Total Rate Base	\$33,949	
6	Total Weighted Rate of Return Including Income Tax	8.38%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$2,844	

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Rate of Return Including Income Tax - Water

	A	B	formulas
1 State Income Tax Rate Statutory / Effective	6.25% (2)	5.81%	$(1 - (B2 \times .5)) \times A1$
2 Federal Income Tax Rate Statutory / Effective	15.00% (1) & (2)	14.13%	$(1 - B1) \times A2$
3 Composite Effective Income Tax Rate		19.94%	$B1 + B2$
4 Equity Tax Factor		1.2490	$1 / (1 - B3)$
5 Recommended Weighted Rate of Return on Equity - Common and Preferred		3.71%	From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax		4.63%	$B4 \times B5$
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		3.75%	From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax		8.38%	$B6 + B7$

(1) If Sub-Chapter S Corporation, Enter Y:

N

To Rate Base Schedule

Equity Income Required \$1,480  
& Preliminary Federal Tax

Tax Rate Table

Net Income Range		Tax Rate	Amount in Range	Tax on Range
Start	End			
\$0	\$50,000	15.00%	\$1,480	\$222
\$50,001	\$75,000	25.00%	\$0	\$0
\$75,001	\$100,000	34.00%	\$0	\$0
\$100,001	\$335,000	39.00%	\$0	\$0
\$335,001	\$9,999,999,999	34.00%	\$0	\$0
			\$1,480	\$222
			Consolidated Tax Rate:	
			Average Tax Rate:	0.15

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Capital Structure Schedule - Water

Line Number	A Description	B Dollar Amount	C Percentage of Total Capital Structure	D Embedded Cost of Capital	E Weighted Cost of Capital
1	Common Stock	\$8,487	25.00%	14.82%	3.705%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.000%
3	Preferred Stock	\$0	0.00%	0.00%	0.000%
4	Long Term Debt	\$25,462	75.00%	5.00%	3.750%
5	Short Term Debt	\$0	0.00%	0.00%	0.000%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.000%
7	TOTAL CAPITALIZATION	<u>\$33,949</u>	<u>100.00%</u>		<u>7.455%</u>

To PreTax Return Rate Schedule

Note: column C: is 6 positions with 4 that are displayed (if not totaled correctly, due to rounding)

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Plant In Service - Water

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	P-4	\$2,298	100.00%	\$2,298
5		TOTAL INTANGIBLE PLANT	\$0		\$2,298		\$2,298
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights - SSP	\$740			100.00%	\$740
8	311.000	Structures & Improvements - SSP	\$500			100.00%	\$500
9	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
10	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
11	314.000	Infiltration Galleries & Tunnels 1	\$0			100.00%	\$0
12	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
13	316.000	Supply Mains	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$1,240		\$0		\$1,240
15		PUMPING PLANT					
16	321.000	Structures & Improvements - PP	\$450	P-16	\$20,100	100.00%	\$20,550
17	325.100	Electric Pumping Equipment	\$3,406			100.00%	\$3,406
18	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
19	328.000	Other Pumping Equipment	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$3,856		\$20,100		\$23,956
21		WATER TREATMENT PLANT					
22	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
23	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
24	332.000	Water Treatment Equipment	\$2,450			100.00%	\$2,450
25		TOTAL WATER TREATMENT PLANT	\$2,450		\$0		\$2,450
26		TRANSMISSION & DISTRIBUTION PLANT					
27	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
28	341.000	Structures & Improvements - T&D	\$200			100.00%	\$200
29	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
30	344.000	Fire Mains	\$0			100.00%	\$0
31	345.000	Services	\$0			100.00%	\$0
32	343.000	Transmission & Distribution Mains	\$0			100.00%	\$0
33	346.000	Meters- Bronze Chamber	\$0			100.00%	\$0
34	346.000	Meters- Plastic Chamber	\$0	P-34	\$1,295	100.00%	\$1,295
35	347.000	Meter Installations- Bronze	\$0			100.00%	\$0
36	347.000	Meter Installations- Plastic	\$1,527	P-36	\$2,319	100.00%	\$3,846
37	348.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
38	349.000	Hydrants	\$0	P-38	\$0	100.00%	\$0
39		TOTAL TRANS. & DISTRIBUTION PLANT	\$1,727		\$3,614		\$5,341
40		GENERAL PLANT					
41	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
42	371.000	Structures & Improvements - GP	\$0			100.00%	\$0
43	372.000	Office Furniture & Equipment	\$0			100.00%	\$0
44	372.100	Office Computer Equipment	\$999			100.00%	\$999
45	379.000	Other General Equipment 1	\$0			100.00%	\$0
46	395.000	Laboratory Equipment	\$300			100.00%	\$300
47	396.000	Power Operated Equipment	\$54			100.00%	\$54
48		TOTAL GENERAL PLANT	\$1,353		\$0		\$1,353
49		TOTAL PLANT IN SERVICE	\$10,626		\$26,012		\$36,638

To Rate Base & Depreciation Schedules

Roy - L Utilities, Inc. Water  
 Informal Rate Case  
 Case Number WR-2013-0543  
 Test Year Ending 12-31-2012, Update 12/31/2013  
 Schedule of Adjustments for Plant in Service - Water

<b>A</b> Plant Adjustment Number	<b>B</b> Plant In Service Adjustment Description	<b>C</b> Account Number	<b>D</b> Adjustment Amount	<b>E</b> Total Adjustment
<b>P-4</b>	<b>Miscellaneous Intangible Plant</b>	<b>303.000</b>		<b>\$2,298</b>
	To capitalize the lawyer fees associated with the Commission finance case. (Harrison)		\$1,000	
	To capitalize the closing costs associated with the Loan (Harrison)		\$1,298	
<b>P-16</b>	<b>Structures &amp; Improvements - PP</b>	<b>321.000</b>		<b>\$20,100</b>
	To include cost of the construction of new concrete floor (Harrison)		\$5,886	
	To include cost of the construction of new pumphouse (Harrison)		\$10,010	
	To include cost of the construction of new wiring for pumphouse (Harrison)		\$4,204	
<b>P-34</b>	<b>Meters- Plastic Chamber</b>	<b>346.000</b>		<b>\$1,295</b>
	To include the cost of 29 new meters (Harrison)		\$1,295	
<b>P-36</b>	<b>Meter Installations- Plastic</b>	<b>347.000</b>		<b>\$2,319</b>
	To include new meter installation costs (Harrison)		\$2,319	
<b>P-38</b>	<b>Hydrants</b>	<b>349.000</b>		<b>\$0</b>
	Description		\$0	
<b>Total Plant Adjustments</b>				<b>\$26,012</b>

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
1		INTANGIBLE PLANT			
2	301.000	Organization	\$0	0.00%	\$0
3	302.000	Franchises	\$0	0.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$2,298	0.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$2,298		\$0
6		SOURCE OF SUPPLY PLANT			
7	310.000	Land & Land Rights - SSP	\$740	0.00%	\$0
8	311.000	Structures & Improvements - SSP	\$500	2.50%	\$13
9	312.000	Collection & Impounding Reservoirs	\$0	0.00%	\$0
10	313.000	Lake, River & Other Intakes	\$0	0.00%	\$0
11	314.000	Infiltration Galleries & Tunnels 1	\$0	0.00%	\$0
12	315.000	Infiltration Galleries & Tunnels	\$0	0.00%	\$0
13	316.000	Supply Mains	\$0	0.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$1,240		\$13
15		PUMPING PLANT			
16	321.000	Structures & Improvements - PP	\$20,550	2.50%	\$514
17	325.100	Electric Pumping Equipment	\$3,406	10.00%	\$341
18	326.000	Diesel Pumping Equipment	\$0	0.00%	\$0
19	328.000	Other Pumping Equipment	\$0	0.00%	\$0
20		TOTAL PUMPING PLANT	\$23,956		\$855
21		WATER TREATMENT PLANT			
22	330.000	Land & Land Rights-WTP	\$0	0.00%	\$0
23	331.000	Structures & Improvements - WTP	\$0	0.00%	\$0
24	332.000	Water Treatment Equipment	\$2,450	10.00%	\$245
25		TOTAL WATER TREATMENT PLANT	\$2,450		\$245
26		TRANSMISSION & DISTRIBUTION PLANT			
27	340.000	Land & Land Rights-T&D	\$0	0.00%	\$0
28	341.000	Structures & Improvements - T&D	\$200	2.50%	\$5
29	342.000	Distribution Reservoirs & Standpipes	\$0	0.00%	\$0
30	344.000	Fire Mains	\$0	0.00%	\$0
31	345.000	Services	\$0	0.00%	\$0
32	343.000	Transmission & Distribution Mains	\$0	0.00%	\$0
33	346.000	Meters- Bronze Chamber	\$0	0.00%	\$0
34	346.000	Meters- Plastic Chamber	\$1,295	0.00%	\$0
35	347.000	Meter Installations- Bronze	\$0	2.50%	\$0
36	347.000	Meter Installations- Plastic	\$3,846	2.50%	\$96
37	348.000	Other Transmission & Distribution Plant	\$0	0.00%	\$0
38	349.000	Hydrants	\$0	0.00%	\$0
39		TOTAL TRANS. & DISTRIBUTION PLANT	\$5,341		\$101
40		GENERAL PLANT			

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Depreciation Expense - Water

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
41	370.000	Land & Land Rights-GP	\$0	0.00%	\$0
42	371.000	Structures & Improvements - GP	\$0	0.00%	\$0
43	372.000	Office Furniture & Equipment	\$0	0.00%	\$0
44	372.100	Office Computer Equipment	\$999	20.00%	\$200
45	379.000	Other General Equipment 1	\$0	0.00%	\$0
46	395.000	Laboratory Equipment	\$300	5.00%	\$15
47	396.000	Power Operated Equipment	\$54	14.30%	\$8
48		TOTAL GENERAL PLANT	<u>\$1,353</u>		<u>\$223</u>
49		Total Depreciation	<u>\$36,638</u>		<u>\$1,437</u>

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Accumulated Depreciation Reserve - Water

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0			100.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
6		SOURCE OF SUPPLY PLANT					
7	310.000	Land & Land Rights - SSP	\$0			100.00%	\$0
8	311.000	Structures & Improvements - SSP	\$96			100.00%	\$96
9	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
10	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
11	314.000	Infiltration Galleries & Tunnels 1	\$0			100.00%	\$0
12	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
13	316.000	Supply Mains	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$96		\$0		\$96
15		PUMPING PLANT					
16	321.000	Structures & Improvements - PP	\$87			100.00%	\$87
17	325.100	Electric Pumping Equipment	\$840			100.00%	\$840
18	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
19	328.000	Other Pumping Equipment	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$927		\$0		\$927
21		WATER TREATMENT PLANT					
22	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
23	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
24	332.000	Water Treatment Equipment	\$1,605			100.00%	\$1,605
25		TOTAL WATER TREATMENT PLANT	\$1,605		\$0		\$1,605
26		TRANSMISSION & DISTRIBUTION PLANT					
27	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
28	341.000	Structures & Improvements - T&D	\$39			100.00%	\$39
29	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
30	344.000	Fire Mains	\$0			100.00%	\$0
31	345.000	Services	\$0			100.00%	\$0
32	343.000	Transmission & Distribution Mains	\$0			100.00%	\$0
33	346.000	Meters- Bronze Chamber	\$0			100.00%	\$0
34	346.000	Meters- Plastic Chamber	\$0			100.00%	\$0
35	347.000	Meter Installations- Bronze	\$0			100.00%	\$0
36	347.000	Meter Installations- Plastic	\$81			100.00%	\$81
37	348.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
38	349.000	Hydrants	\$0			100.00%	\$0
39		TOTAL TRANS. & DISTRIBUTION PLANT	\$120		\$0		\$120
40		GENERAL PLANT					
41	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
42	371.000	Structures & Improvements - GP	\$0			100.00%	\$0
43	372.000	Office Furniture & Equipment	\$0			100.00%	\$0
44	372.100	Office Computer Equipment	\$654			100.00%	\$654
45	379.000	Other General Equipment 1	\$0			100.00%	\$0
46	395.000	Laboratory Equipment	\$115			100.00%	\$115
47	396.000	Power Operated Equipment	\$48			100.00%	\$48
48		TOTAL GENERAL PLANT	\$817		\$0		\$817
49		TOTAL DEPRECIATION RESERVE	\$3,565		\$0		\$3,565

To Rate Base Schedule

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Schedule of Adjustments for Accumulated Depreciation Reserve - Water

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount
Total Reserve Adjustments				<u>\$0</u>

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Revenue Schedule - Water

Line Number	A Account Number (Optional)	B Revenue Description	C Company/ Test Year Amount	D Adjustment Number	E Jurisdictional Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
Rev-1		ANNUALIZED REVENUES					
Rev-2		Annualized Rate Revenues	\$18,276	Rev-2	-\$630	100.00%	\$17,646
Rev-3		Miscellaneous Revenues	\$0	Rev-3	\$424	100.00%	\$424
Rev-4		TOTAL ANNUALIZED REVENUES	\$18,276		-\$206		\$18,070

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Revenue Adjustment Schedule - Water

<b>A</b> Revenue Adj Number	<b>B</b> Adjustment Description	<b>C</b> Account Number	<b>D</b> Adjustment Amount	<b>E</b> Total Adjustment
Rev-2	Annualized Rate Revenues			-\$630
	1. To Annualize Rate Revenues		-\$630	
Rev-3	Miscellaneous Revenues			\$424
	1. To Annualize Miscellaneous Revenues		\$424	
Total Revenue Adjustments				-\$206

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Rate Revenue Feeder Schedule - Water

Line Number	A Description	Residential Full-Time Customers		Residential Part-Time Customers	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	22		39	
3	Bills Per Year	12		12	
4	Customer Bills Per year	264		468	
5	Current Customer Charge	<u>\$28.23</u>		<u>\$21.78</u>	
6	Annualized Customer Charge Revenues		\$7,453		\$10,193
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	0		0	
9	Less: Base Gallons Included In Customer Charge	<u>0</u>		<u>0</u>	
10	Commodity Gallons	0		0	
11	Block 1, Commodity Gallons per Block	0		0	
12	Block 1, Number of Commodity Gallons per Unit	<u>0</u>		<u>0</u>	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	<u>\$0.00</u>		<u>\$0.00</u>	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<b>Total Annualized Water Rate Revenues</b>		<u><b>\$7,453</b></u>		<u><b>\$10,193</b></u>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units).

Roy - L Utilities, Inc. Water  
 Informal Rate Case  
 Case Number WR-2013-0543  
 Test Year Ending 12-31-2012, Update 12/31/2013  
 Rate Revenue Feeder Schedule - Water

Line Number	A Description	Total	
		F Amount	G Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	61	
3	Bills Per Year		
4	Customer Bills Per year	732	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$17,646
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	0	
9	Less: Base Gallons Included In Customer Charge	0	
10	Commodity Gallons	0	
11	Block 1, Commodity Gallons per Block		
12	Block 1, Number of Commodity Gallons per Unit		
13	Block 1, Commodity Billing Units		
14	Block 1, Existing Commodity Charge		
15	Block 1, Annualized Commodity Charge Rev.		\$0
16	<b>Total Annualized Water Rate Revenues</b>		<b>\$17,646</b>

Commodity Billing Units are based on the number of commodity gallons applicable to each block, divided by the tariff usage rate gallons (e.g. for tariff rate of \$2.50 per 1,000 gallons of usage, the commodity gallons for that rate would be divided by 1,000 to arrive at the number of commodity billing units.

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Miscellaneous Revenues Feeder - Water

Line Number	A Description	B Amount
1	Late Charge Fees	\$255
2	6-months for Meyers Garden	\$169
3	Total Miscellaneous Revenues	<u>\$424</u>

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Expense Schedule - Water

Line Number	A Account Number (Optional)	B Expense Description	C Company/ Test Year Amount	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		OPERATIONS EXPENSES					
2		Management Salary (Ms. Rock Contract Labor)	\$0	W-2	\$4,587	100.00%	\$4,587
3		Operators Salary/Contract Services	\$295			100.00%	\$295
4		Electricity-(Pumping)	\$2,098	W-4	\$258	100.00%	\$2,356
5		Chemicals-(Chlorine)	\$203	W-5	\$0	100.00%	\$203
6		TOTAL OPERATIONS EXPENSE	\$2,596		\$4,845		\$7,441
7		MAINTENANCE EXPENSES					
8		Main Break Repairs	\$2,378	W-8	-\$761	100.00%	\$1,617
9		Mowing Expense	\$260			100.00%	\$260
10		Maintenance & Repairs	\$244			100.00%	\$244
11		Miscellaneous Expense	\$55			100.00%	\$55
12		TOTAL MAINTENANCE EXPENSE	\$2,937		-\$761		\$2,176
13		CUSTOMER ACCOUNT EXPENSE					
14		Meter Reading Expense	\$0	W-14	\$687	100.00%	\$687
15		Outside Services (Accounting Fees)	\$105			100.00%	\$105
16		Office Supplies	\$78	W-16	\$69	100.00%	\$147
17		Postage	\$60	W-17	\$114	100.00%	\$174
18		Uncollectible Accounts	\$0			100.00%	\$0
19		TOTAL CUSTOMER ACCOUNT EXPENSE	\$243		\$870		\$1,113
20		ADMINISTRATIVE & GENERAL EXPENSES					
21		Administration & General Salary (Ms. Longstreet salary)	\$0	W-21	\$411	100.00%	\$411
22		Telephone Expense	\$471			100.00%	\$471
23		Vehicle Expense (Mileage Reimbursement)	\$0	W-23	\$2,238	100.00%	\$2,238
24		Property & Liability Insurance	\$388	W-24	\$121	100.00%	\$509
25		Building Rent	\$620			100.00%	\$620
26		Membership Dues	\$111	W-26	\$3	100.00%	\$114
27		TOTAL ADMINISTRATIVE AND GENERAL	\$1,590		\$2,773		\$4,363
28		OTHER OPERATING EXPENSES					
29		MO DNR Fees (Lab Fees)	\$200			100.00%	\$200
30		PSC Assessment	\$166	W-30	-\$64	100.00%	\$102
31		Rate Case Expense	\$0	W-31	\$363	100.00%	\$363
32		Corporate Registration/Franchise	\$20			100.00%	\$20
33		Depreciation	\$876	W-33	\$561	100.00%	\$1,437
34		TOTAL OTHER OPERATING EXPENSES	\$1,262		\$860		\$2,122
35		TAXES OTHER THAN INCOME					
36		Real & Personal Property Taxes	\$33	W-36	\$190	100.00%	\$223
37		Payroll Taxes	\$0	W-37	\$31	100.00%	\$31
38		TOTAL TAXES OTHER THAN INCOME	\$33		\$221		\$254
39		TOTAL OPERATING EXPENSES	\$8,661		\$8,808		\$17,469

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Expense Adjustment Schedule - Water

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
W-2	Management Salary (Ms. Rock Contract Labor)			\$4,587
	To adjust test year payroll for Ms. Rock's to an annualized level. (Green)		\$4,587	
W-4	Electricity-(Pumping)			\$258
	To normalize the test year electric expense. (Green)		\$258	
W-5	Chemicals-(Chlorine)			\$0
	Description		\$0	
W-8	Main Break Repairs			-\$761
	To normalize the test year main break expense. (Green)		-\$761	
W-14	Meter Reading Expense			\$687
	To adjust meter reading expense to a annualized amount. (Harrison)		\$687	
W-16	Office Supplies			\$69
	To adjust test year office supply expense to a normalized amount. (Green)		\$69	
W-17	Postage			\$114
	To adjust test year postage expense to a normalized amount. (Green)		\$114	
W-21	Administration & General Salary (Ms. Longstreet salary)			\$411
	To adjust test year payroll for Ms. Longstreet's to an annualized level. (Green)		\$411	

Roy - L Utilities, Inc. Water  
Informal Rate Case  
Case Number WR-2013-0543  
Test Year Ending 12-31-2012, Update 12/31/2013  
Expense Adjustment Schedule - Water

<b>A</b> Expense Adj Number	<b>B</b> Adjustment Description	<b>C</b> Account Number	<b>D</b> Adjustment Amount	<b>E</b> Total Adjustment
<b>W-23</b>	<b>Vehicle Expense (Mileage Reimbursement)</b>			<b>\$2,238</b>
	To adjust test year vehicle expense to an annualized level. (Green)		\$2,238	
<b>W-24</b>	<b>Property &amp; Liability Insurance</b>			<b>\$121</b>
	To adjust test year insurance expense to a normalized amount. (Green)		\$121	
<b>W-26</b>	<b>Membership Dues</b>			<b>\$3</b>
	To adjust test year membership dues. (Harrison)		\$3	
<b>W-30</b>	<b>PSC Assessment</b>			<b>-\$64</b>
	To adjust test year PSC assessment rate to a annualized amount.. (Green)		-\$64	
<b>W-31</b>	<b>Rate Case Expense</b>			<b>\$363</b>
	To normalize rate case expense over a 3-year period. (Harrison)		\$363	
<b>W-33</b>	<b>Depreciation</b>			<b>\$561</b>
	1. To Annualize Depreciation		\$561	
<b>W-36</b>	<b>Real &amp; Personal Property Taxes</b>			<b>\$190</b>
	To adjust test year property taxes to current level (Harrison)		\$190	
<b>W-37</b>	<b>Payroll Taxes</b>			<b>\$31</b>
	To normalize payroll taxes. (Green)		\$31	
<b>Total Expense Adjustments</b>				<b><u>\$8,808</u></b>

# Agreement Attachment C

## Rate Base Worksheet

Roy L Water  
WR-2013-0543  
Rate Base

Plant In Service	\$36,638
Depreciation Reserve	<u>\$3,565</u>
Net Plant In Service	\$33,073
Materials & Supplies	\$1,582
Contributions in Aid of Construction	(\$798)
CIAC Depreciation	<u>\$92</u>
Total Rate Base	\$33,949

Agreement Attachment D

Schedule of Depreciation Rates

**Roy-L Utilities, Inc.**  
**DEPRECIATION RATES**

(WATER)

WR-2013-0543

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT</u>	<u>DEPRECIATION RATES %</u>	<u>AVERAGE SERVICE LIFE (YEARS)</u>
314	Wells & Springs	2.0%	50
321	Structures & Improvements	2.5%	40
325	Electric Pumping Equipment	10.0%	10
331	Structures & Improvements	2.5%	40
332	Water Treatment Equipment	10.0%	10
341	Structures & Improvements	2.5%	40
342	Distribution Reservoirs & Standpipes	2.5%	40
343	Transmission & Distribution Mains	2.0%	50
345	Services	2.5%	40
346	Meters	10.0%	10

## Agreement Attachment E

### Example Tariff Sheets

Name of Utility: Roy-L Utilities, Inc.  
Service Area: Golden Eagle Reserve

Montgomery County, Missouri

Rules & Regulations Governing Rendering of  
Water Service

INDEX

Sheet No.

- 1 ..... Index  
2 ..... Map of Service Area  
3 ..... Legal Description of Service Area  
4 ..... Schedule of Rates  
5 ..... Schedule of Service Charges

Sheet No.

Rule No.

Rule Title

- 6 .....1. Definitions  
9 .....2. General Rules and Regulations  
10 .....3. Company Employees and Customer Relations  
11 .....4. Applications for Service  
12 .....5. Inside Piping and Water Service Lines  
15 .....6. Improper or Excessive Use  
16 .....7. Discontinuance of Service by Company  
19 .....8. Termination of Water Service at Customer's Request  
20 .....9. Interruptions in Service  
21 .....10. Bills for Service  
25 .....11. Meters and Meter Installations  
28 .....12. Meter Tests and Test Fees  
29 .....13. Bill Adjustments Based on Meter Tests  
30 .....14. Extension of Water Mains

\* Indicates new rate or text  
+ Indicates change

Issue Date: April 7, 2014  
Month/Day/Year

Effective Date: May 23, 2014  
Month /Day/Year

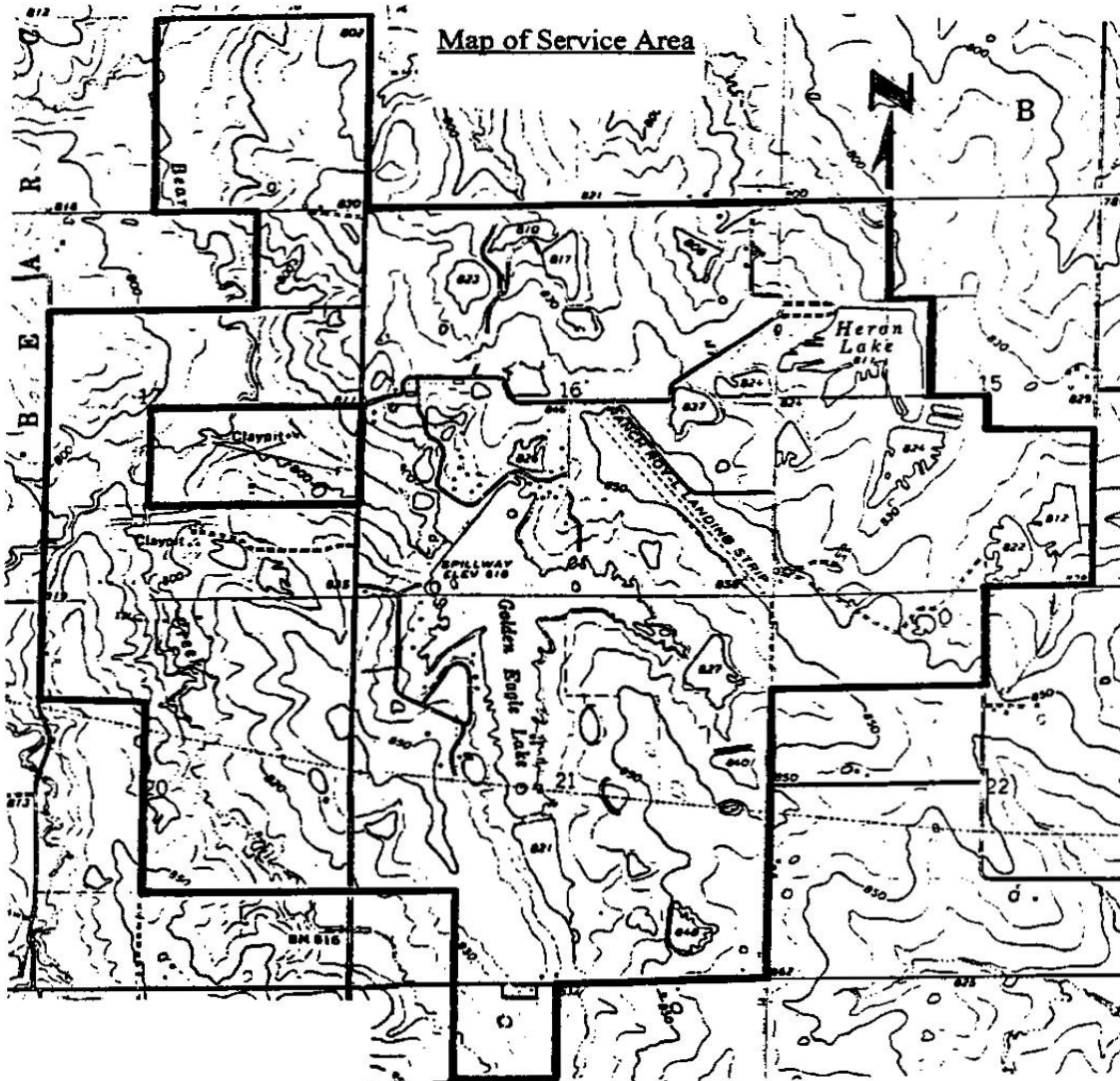
ISSUED BY Marie Rock, Secretary 366 Highway F High Hill, MO 63350  
Name and Title of Issuing Officer Company Mailing Address

Name of Utility: Roy-L Utilities, Inc.

Service Area: Golden Eagle Reserve

Montgomery County, Missouri

Rules & Regulations Governing Rendering of  
Water Service



- \* Indicates new rate or text
- + Indicates change

Issue Date: April 7, 2014  
Month/Day/Year

Effective Date: May 23, 2014  
Month /Day/Year

ISSUED BY Marie Rock, Secretary  
Name and Title of Issuing Officer

366 Highway F High Hill, MO 63350  
Company Mailing Address

Name of Utility: Roy-L Utilities, Inc.

Service Area: Golden Eagle Reserve

Montgomery County, Missouri

Rules & Regulations Governing Rendering of  
Water Service

Legal Description of Service Area

The northeast fourth of the northwest quarter of Section 28 except approximately 3 acres described as follows: Beginning at a point on the south line of the public road 298 feet west of the northeast corner of said northeast fourth of the northwest quarter, thence south 155 feet, thence west parallel with said road 444 feet, thence north 155 feet, thence east along south line of said road 444 feet to the point of beginning; the southeast quarter of Section 8, the northeast one-fourth of the northeast quarter of Section 17; the south one-half of the northeast quarter of Section 17; the southeast quarter of the northwest quarter of Section 17; the east one-half of the southwest quarter of Section 17; the south one-half of the southeast quarter of Section 17; the northeast quarter of Section 20; the north east quarter of the northwest quarter of Section 20; the north one-half of the southeast quarter of Section 20; all of Section 16; the north one-half of Section 21; the southeast quarter of Section 21; the east one-half of the southwest quarter of Section 21; the northwest one-fourth of the southwest quarter of Section 21; the north one-half of the north-west quarter of Section 22; the southwest quarter of Section 15; the west one-half of the southeast quarter of Section 15; except 15.34 acres, part of the northwest fourth of the southeast quarter of Section 15 described as follows: Beginning at the center of said Section 15, thence east along the east-west center line 1357.34 feet to the center of the County road, thence 16' 30" west along the center of said road 492.82 feet, thence west 1354.42 feet, thence north 3'50" west 492.82 feet to the point of beginning; the west half of the northwest quarter of Section 15; 14.934 acres part of the southeast fourth of the northwest quarter of Section 15, described as follows: Commencing at the center of said Section 15, run thence west along the east-west center line of said Section 815 feet to the point of beginning, thence continuing west along said east-west center line 492.82 feet, thence north 32' 30" west 1320 feet, thence east 492.82 feet, thence south 32' 30" west 1320 feet to the point of beginning. All in Township 48 of Range 4 West of the Fifth Principal Meridian in Montgomery County, Missouri.

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Rules & Regulations Governing Rendering of  
Water Service

Schedule of Rates

Availability:

These rates are available to any water customer on Company's mains for supplying water service requested

Monthly Non-metered Rate:

Full-time Customer	\$31.82
Part-time Customer	\$24.56

Monthly Metered Rate:

Full-time Customer	\$18.03
Part-time Customer	\$13.91

Usage Charge	\$2.42 per 1,000 gallons of water used
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Taxes:

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

Late Charges:

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 payment will then be 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.

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Schedule of Service Charges

Returned Check Charge:

A returned check charge of \$25 per check will be paid by Customers on all checks returned from the bank.

Turn-off / Turn-on Charge:

When Customer has a shut-off valve and for Customer's convenience:

\$25.00 during 8:00 am to 5:00 pm

\$35.00 before 8:00 am and after 5:00 pm.

Meter Installation Fee for Existing Customers:

This fee is applicable for installation of meter pit, ring, lid, yoke, fittings, and other meter appurtenances. The Customer shall pay half of the actual cost of the installation.

New Service Connection Fee:

This Customer shall pay the actual cost for installation of a new service line from the Company's main to the Customer's property line.

Non-Pay Disconnect / Reconnect Charges:

In the event of a non-pay disconnect where the Customer does not have a meter, the Customer will be required to have a meter installed in accordance with the Meter installation fees (above) and also pay the appropriate turn-off and turn-on charges.

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Rules & Regulations Governing Rendering of  
Water Service

Rule 1 DEFINITIONS

- A. An "APPLICANT" is a person, firm, corporation, governmental body, or other entity which has applied for service; two or more APPLICANTS may make one application for a main extension.
- B. The "COMPANY" is Roy-L Utilities, Inc., acting through its officers, managers, or other duly authorized employees or agents.
- C. The "CURB STOP" is a valve on the Service Connection, located at or near the Customer's property line, and used to shut off water service to the premises. The Curb Stop is owned and maintained by the Company.
- D. A "CUSTOMER" is any person, firm, corporation or governmental body which has contracted with the Company for water service or is receiving service from Company, or whose facilities are connected for utilizing such service.
- E. The "DATE OF CONNECTION" shall be the date of the permit for installation and connection issued by the Company. In the event no permit is taken and a connection is made, the date of connection may be the date of commencement of construction of the building upon the property.
- F. A "DEVELOPER" is any person, firm, corporation, partnership or any entity that, directly or indirectly, holds title to, or sells or leases, or offers to sell or lease, or advertises for sale or lease, any lots in a subdivision.
- G. "DISCONTINUANCE OF SERVICE" is the intentional cessation of service by the Company not requested by the Customer.
- H. A "FULL-TIME CUSTOMER" shall be defined as a Residential Customer occupying the unit served for a period of at least one hundred eighty (180) days of the calendar year.

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Rules & Regulations Governing Rendering of  
Water Service

Rule 1 continued

- I. The "MAIN" is a pipeline which is owned and maintained by the Company, located on public property or private easements, and used to transport water throughout the Company's service area.
- J. The "METER" is a device, owned by the Company, used to measure and record the quantity of water that flows through the service line, and is installed in the outdoor meter setting, or inside the Customer's building where the water service line enters through a foundation wall.
- K. The "METER SETTING" is a place either in the service connection or building plumbing for a water meter to be installed. An outdoor meter setting is located at or near the property line, and includes the meter box, meter yoke, lid, and appurtenances, all of which shall be owned and maintained by the Company. Indoor meter settings are located inside the Customer's premises where the water service line enters the foundation wall either installed directly in the piping or in a meter yoke.
- L. A "PART-TIME CUSTOMER" shall be defined as a Residential Customer occupying the unit served for a period of less than one hundred eighty (180) days of the calendar year.
- M. A "RETURNED CHECK" is a check that is returned to the Company from any bank unpaid for any reason.
- N. The "SERVICE CONNECTION" is the pipeline connecting the main to the Customer's water service line and includes the curb stop, or outdoor meter setting and all necessary appurtenances located at or near the property line. This service connection shall be owned and maintained by the Company. If the property line is in a street, and if the curb stop or meter setting is not located near the edge of the street abutting the Customer's property, the said service connection shall be deemed to end at the edge of the street abutting the Customer's property.

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Rules & Regulations Governing Rendering of  
Water Service

Rule 1 continued

- O. A "SUBDIVISION" is any land in the state of Missouri which is divided or proposed to be divided into two or more lots or other divisions of land, whether contiguous or not, or uniform in size or not, for the purpose of sale or lease, and includes resubdivision thereof.
- P. "TEMPORARY TERMINATION OF SERVICE" is termination or disconnection from service at the Customer's request for a period of time less than one year in length.
- Q. "TERMINATION OF SERVICE" is cessation of service requested by the Customer.
- R. "TURN-OFF" is the act of turning water service off by physically turning a valve such that water is unavailable to a Customer's premises.
- S. "TURN-ON" is the act of turning water service on by physically turning a valve to allow water to be available to a Customer's premises.
- T. The word "UNIT" or "LIVING UNIT" shall be used herein to define the premises or property of a single water consumer, whether or not that consumer is the Customer. It shall pertain to any building whether multi-tenant or single occupancy, residential or commercial, or owned or leased. Each mobile home in a mobile home park and each rental unit of a multi-tenant rental property are considered as separate units for each single family or firm occupying same as a residence or place of business.
- U. The "WATER SERVICE LINE" is a pipe with appurtenances installed, owned and maintained by the Customer, used to conduct water to the Customer's unit from the property line, curb stop or outdoor meter setting, including the connection to the curb stop or meter setting. If the property line is in a street, then the water service line shall be deemed to begin at the edge of the street abutting the Customer's property.

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Rule 2 GENERAL RULES & REGULATIONS

- A. Every applicant, upon signing an application for any water service rendered by the Company, or any Customer upon taking of water service, shall be considered to have expressed consent to be bound by these Rates, Rules and Regulations.
- B. The Company's Rules and Regulations governing rendering of service are set forth in these numbered sheets. The rates applicable to appropriate water service or service in particular service areas are set forth in rate schedules and constitute a part of these Rules and Regulations.
- C. The Company reserves the right, subject to authority of the Missouri Public Service Commission, to prescribe additional Rates, Rules or Regulations or to alter existing Rates, Rules or Regulations as it may from time to time deem necessary and proper.
- D. After the effective date of these Rules and Regulations, all new facilities, construction contracts, and written agreements shall conform to these Rules and Regulations, and in accordance with the statutes of the state of Missouri and the Rules and Regulations of the Missouri Public Service Commission. Pre-existing facilities that do not comply with applicable Rules and Regulations may remain, provided that their existence does not constitute a service problem or improper use, and reconstruction is not practical.

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Rule 3 COMPANY EMPLOYEES AND CUSTOMER RELATIONS

- A. Employees or agents of the Company are expressly forbidden to demand or accept any compensation for any services rendered to its Customers except as covered in the Company's Rules and Regulations.
- B. No employee or agent of the Company shall have the right or authority to bind it by any promise, agreement or representation contrary to the intent of these Rules and Regulations.

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Rule 4 APPLICATIONS FOR SERVICE

- A. A written application for service, signed by the Customer, stating the type of service required and accompanied by any other pertinent information, will be required from each Customer before service is provided to any unit.
- B. If service is requested at a point not already served by a main of adequate capacity, a main of adequate size shall be extended as may be necessary in accordance with Rule 14.
- C. When, in order to provide the service requested a main extension or other construction or equipment expense is required, the Company may require a written contract. Said contract may include, but not be limited to, the obligations upon the Company and the applicant, and shall specify a reasonable period of time necessary to provide such service.

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Rule 5 INSIDE PIPING AND WATER SERVICE LINES

- A. The Company will provide water service at the outdoor meter, at the curb stop if an indoor meter setting is utilized, or at the property line if neither an outdoor meter nor a curb stop exists at or near the property line. Separate buildings that are not on one lot that cannot be subdivided shall be served through separate water service lines.
- B. The service connection from the water main to the Customer's property line shall be owned and maintained by the Company. Construction of the service connection, outdoor meter setting and curb stop shall be accomplished in one of the following ways at the Customer's option:
1. The Company will construct the service connection, outdoor meter setting and curb stop, as necessary, and make the connection to the main, within three (3) business days of an application for service, or within the time period specified in an application for service (See Rule 4). The Customer shall be responsible for payment of the New Service Connection Fee, as specified by or provided for in the Schedule of Service Charges; or,
  2. The Customer may install, or have installed by a professional contractor or plumber, the service connection from the water main to the meter setting, and make the connection to the main, subject to prior approval of the Company; or,
  3. The Customer may install, or have installed by a professional contractor or plumber, the service connection from the water main to the meter setting, and the Company will tap the main and connect the service connection. The Customer shall be responsible for payment of a New Service Connection Fee as specified by or provided for in the Schedule of Service Charges.
- C. A service connection installation constructed by the Customer as provided for in 5 B. 2. or 5 B. 3., above, is subject to inspection by the Company. The Service

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Rule 5 continued

Connection Inspection Fee as specified in the Schedule of Service Charges shall apply if the Company must make a trip solely to conduct an inspection of a service connection constructed by the Customer, and shall not apply if the inspection of a service connection is accomplished at the same time as a tap is made for the Customer, or the same time as an inspection of the water service line as provided for in 5 D., below, or if the Company installs the service connection as provided in 5 B. 1., above.

- D. Water service line construction and maintenance from the property line, curb stop or meter setting, including the connection to the curb stop or meter setting, to the building shall be the responsibility of the Customer, and is subject to inspection by the Company. The Customer shall be responsible for any applicable fees as listed in the Schedule of Service Charges. Customers shall be responsible for the cost of repairing any damage to the Company's mains, curb stops, valve boxes, meters, and meter installations caused by the Customer, Customer's agent, or tenant.
- E. Existing water service lines and service connections may be used in connecting with new buildings only when they are found by examination and testing not to constitute a hazard to the health and safety of any Customer or the Company's facilities.
- F. The water service line shall be brought to the unit at a depth of not less than thirty-six inches (36") and have a minimum inside diameter of three-quarters inch (3/4"). The Customer is responsible for the determination of whether or not a larger size is needed to provide adequate flow to the unit. A valve must be installed in the service line where it enters the unit. This valve must be kept in good repair in order to shut off the water supply and drain the inside plumbing, if necessary.
- G. Water service lines and inside piping shall be of material conforming to recognized standards for potable water service and shall have a pressure rating of at least one hundred sixty (160) psi working pressure.

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Rules & Regulations Governing Rendering of  
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Rule 5 continued

- H. The Company will not install a service connection to a vacant lot.
- I. Any change in the location of an existing service connection requested by the Customer shall be made by the Company or with the Company's approval, at the Customer's expense.
- J. The Company shall have the right to enter the Customer's premises for the purposes of inspection to ensure compliance with these Rules and Regulations. Company personnel shall identify themselves and make these inspections only at reasonable hours.
- K. Neither water service lines nor service connections may be extended along public streets or roadways or through property of others in connecting with the Company's mains. The service connection may, however, extend through the water main easement and roadway easement as necessary in order to be connected to a main located across and adjacent to a street in front of the Customer's living unit. The service connection and service line must be laid in a straight line and at right angles to the main and the face of the structure or as nearly so as possible. Any deviation from this because of physical obstruction will be at the discretion of the Company.
- L. Any Customer having a plumbing arrangement, or a water-using device that could allow backsiphonage of any chemical, petroleum, process water, water from a questionable supply, or other substance that could create a health hazard or damage to the water system; or, any Customer's plumbing classified as an actual or potential backflow hazard in the Regulations of the Missouri Department of Natural Resources shall be required to install and maintain a backflow prevention device. This rule may also apply to Customers on whose premises it is impossible or impractical for the Company to perform a cross connection survey. The device, installation, location and maintenance program shall be approved by the Company.

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Rule 6 IMPROPER OR EXCESSIVE USE

- A. No Customer shall be wasteful of the water supplied to the unit by the Customer's willful action or inaction. It shall be the responsibility and duty of each Customer to maintain all piping and fixtures at the unit in a good and efficient state of repair at all times.
- B. No Customer shall make or cause to be made a cross connection between the potable water supply and any source of chemical or bacterial contamination or any other water supply. The Company shall deny or discontinue service where Customer's water service line or inside piping may, in the opinion of the Company, cause a cross-connection with non-potable water or otherwise jeopardize the health and safety of other Customer's or the Company's facilities.
- C. The Customer shall not make or cause to be made a connection to a device that will result in excessive water demand or excessive shock, such as water-hammer, to the Company's mains.
- D. The Customer shall not tamper with, remove, or willfully damage a water meter or attempt to operate the shutoff cock on the meter yoke, or allow any such action.
- E. The Customer shall not attempt to take unmetered water from the Company mains either by an unauthorized tap or direct connection to service connection nor by connection to a fire hydrant.
- F. Customers will not be permitted to supply water in any way to premises other than the service address, nor to permit others to use their hose or attachments, nor leave them exposed to use by others without permission from the Company.

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Rule 7 DISCONTINUANCE OF SERVICE BY COMPANY

A. The Company may discontinue service for any of the following reasons:

1. Non-payment of a delinquent account not in dispute; or
2. Failure to post a security deposit or guarantee acceptable to the utility; or
3. Unauthorized interference, diversion or use of the utility service situated or delivered on or about the Customer's premises; or
4. Enclosing or obstructing any meter so as to make reading or repairs unreasonably difficult, or
5. Failure to comply with the terms and conditions of a settlement agreement.
6. Refusal to grant access at reasonable times to equipment installed upon the premises of the Customer for the purpose of inspection, meter reading, maintenance or replacement; or
7. Violation of any of these Rules and Regulations on file with and approved by the Missouri Public Service Commission, or for any condition which adversely affects the safety of the Customer or other persons, or the integrity of the utility's delivery system; or

Non-payment of a sewer bill issued by the Company or by a sewer utility requesting discontinuance of water service by an agreement between the Company and such sewer utility. When water service is discontinued for non-payment of a sewer bill and if the sewer bill is not issued by the Company, any service charges for turn on/off or disconnection/reconnection within these Rules and Regulations shall not apply, and notice to the Customer shall be provided by rules and procedure applicable to the Customer's sewer service in lieu of notification required by these Rules and Regulations.

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Rules & Regulations Governing Rendering of  
Water Service

Rule 7 continued

- B. The Company may discontinue service after notice by first class mail is sent to the Customer at least ten (10) days prior to the date of the proposed discontinuance. Service of notice by mail is complete upon mailing. If written notice is hand delivered to the Customer, it shall be done at least ninety-six (96) hours prior to discontinuance. If the Company intends to discontinue service to a multi-tenant dwelling, a notice shall also be conspicuously posted in the building ten (10) days prior to the proposed discontinuance. Discontinuance shall not occur more than eleven (11) business days after the date given as the discontinuance date.
- C. The Company shall make reasonable efforts to contact the Customer, at least twenty-four (24) hours prior to any discontinuance, regarding the reason(s) for discontinuance of service, and the resolution. If discontinuance of service would affect an occupant who is not the Company's Customer, or is not responsible for payment of the bill, then the Company shall make reasonable efforts to inform such occupant(s).
- D. The Company shall postpone the discontinuance if personnel will not be available to restore service the same day, or if personnel will not be available to restore service the following day. The Company also shall postpone discontinuance if a medical emergency exists on the premises, however the postponement may be limited to twenty-one (21) days, and the Company may require proof of a medical emergency.
- E. The Company shall have the right to enter the Customer's premises for purposes of discontinuance of service in compliance with these Rules and Regulations. Discontinuance of service will be made during reasonable hours. Company personnel shall identify themselves and announce the intention to discontinue service, or leave a conspicuous notice of the discontinuance.
- F. The provisions of paragraphs C. and E. above may be waived if safety of Company personnel while at the premises is a consideration.

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Rules & Regulations Governing Rendering of  
Water Service

Rule 7 continued

- G. Discontinuance of service to a unit for any reason shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of monies due from the Customer.
- H. In case the Company discontinues its service for any violation of these Rules and Regulations, then any monies due the Company shall become immediately due and payable.
- I. The Company has the right to refuse or to discontinue service to any unit to protect itself against fraud or abuse.
- J. The Company shall deal with Customers and handle Customer accounts in accordance with the Missouri Public Service Commission's Utility Billing Practices.
- K. Applicable Turn-off and turn-on charges are specified in the Schedule of Service Charges.

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Rules & Regulations Governing Rendering of  
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Rule 8 TERMINATION OF WATER SERVICE AT CUSTOMER'S REQUEST

- A. Service will be terminated at the Customer's request, by giving not less than twenty-four (24) hours notice to the Company during its regular office hours. The Company shall, on the requested day, read the Customer's meter and charges for water service rendered up to and including the time of termination shall be computed and will become due and payable immediately.
- B. A Customer may request temporary turn-off by the Company for the Customer's own convenience; however, the Customer shall still be charged for service at the appropriate rate as specified in the Schedule of Rates during the time the service is turned off.
- C. Turn-off and turn-on charges shall apply, and are specified in the Schedule of Service Charges.
- D. A Customer who requests termination of service, but returns to the premises and requests water service within nine (9) months of such termination, at the Company's discretion may be deemed to have been a seasonal customer, and applicable charges incurred during the period of absence may apply.

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Rules & Regulations Governing Rendering of  
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Rule 9 INTERRUPTIONS IN SERVICE

- A. The Company reserves the right to discontinue water in its mains at any time, without notice, for making emergency repairs to the water system. Notice will be provided when it is practicable.
- B. Whenever service is interrupted for repairs, all Customers affected by such interruptions will be notified in advance whenever it is possible to do so. Every effort will be made to minimize interruption of service.
- C. No refunds of charges for water service will be made for interruptions of service unless due to willful misconduct of the Company.
- D. In order to avoid service problems when extraordinary conditions exist, the Company reserves the right, at all times, to determine the limit of and regulate water usage in a reasonable and non-discriminatory manner.

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Rule 10 BILLS FOR SERVICE

- A. The charges for water service shall be at the rates specified in the Schedule of Rates in these Rules and Regulations. Other applicable service charges are set forth in the Schedule of Service Charges in these Rules and Regulations.
- B. A Customer who has made application for, or is receiving the benefit of, water service to a unit shall be responsible for payment for all water service provided to the Customer at said unit from the date of connection until the date requested by the Customer by proper notification to the Company to terminate service.
- C. Each Customer is responsible for furnishing the Company with the correct address. Failure to receive bills will not be considered an excuse for non-payment nor reason to permit an extension of the date when the account would be considered delinquent. Bills and notices relating to the Company or its business will be mailed or delivered to the mailing address entered in the Customer's application unless the Company is notified in writing by the Customer of a change of address.
- D. Payments shall be made at the office of the Company or at such other places conveniently located as may be designated by the Company or by ordinary mail. However, payment must be received by the close of business on the date due.
- E. Neither the Company nor the Customer will be bound by bills rendered under mistake of fact as to the quantity of service rendered or as a result of clerical error. Customers will be held responsible for charges based on service provided.
- F. A separate bill shall be rendered for each Customer with itemization of all water service charges. All bills for service shall state the due date. The Company shall render bills monthly.

\* Indicates new rate or text

+ Indicates change

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Month/Day/Year

Effective Date: May 23, 2014  
Month /Day/Year

ISSUED BY Marie Rock, Secretary 366 Highway F High Hill, MO 63350  
Name and Title of Issuing Officer Company Mailing Address

Name of Utility: Roy-L Utilities, Inc.

Service Area: Golden Eagle Reserve

Montgomery County, Missouri

Rules & Regulations Governing Rendering of  
Water Service

Rule 10 continued

- G. Monthly bills shall be due twenty-one (21) calendar days from the date of rendition, unless such due date falls on a Sunday, a legal holiday, or other day when the office is closed, in which case the due date shall be extended to the next business day. Bills unpaid after the stated due date will be delinquent and the Company shall have the right to discontinue service in accordance with Rule 7. The Company shall not be required to restore or connect any new service for such delinquent Customers until the unpaid account due the Company under these Rules and Regulations has been paid in full or arrangements satisfactory to the Company have been made to pay said account.
- H. When bills are rendered for a period of less than a complete billing period due to the connection or termination of service, the billing shall be the monthly or quarterly minimum plus an amount based on the water used at the commodity (water usage) rate or one-half (1/2) of the flat rate if applicable.
- I. The Company may require a security deposit or other guarantee as a condition of new service if the Customer:
1. Still has an unpaid account with a utility providing the same type of service accrued within the last five (5) years; or,
  2. Has diverted or interfered with the same type of service in an unauthorized manner within the last five (5) years; or,
  3. Is unable to establish a credit rating with the Company. Adequate credit rating for a residential Customer shall be established if the Customer:
    - a. Owns or is purchasing a home; or,
    - b. Is and has been regularly employed full time for at least one (1) year; or,
    - c. Has an adequate and regular source of income; or

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Rules & Regulations Governing Rendering of  
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Rule 10 continued

d. Can provide credit references from a commercial credit source.

J. The Company may require a security deposit or other acceptable written guarantee of payment as a condition of continued service if:

1. The water service of the Customer has been discontinued for non-payment of a delinquent account not in dispute; or,
2. The utility service to the unit has been diverted or interfered with in an unauthorized manner; or,
3. The Customer has failed to pay undisputed bills before the delinquency date for five (5) billing periods out of twelve (12) consecutive monthly billing periods.

K. The amount of a security deposit shall not exceed utility charges applicable to one (1) billing period plus thirty (30) days, computed on estimated or actual annual usage.

L. Interest shall be payable annually on all deposits, but shall not accrue after the utility has made reasonable effort to return the deposit. Interest will be paid at a per annum rate equal to the prime bank lending rate, as published in the *Wall Street Journal* for the last business day of the preceding calendar year, plus one (1) percentage point. Interest may be credited to the Customer's account.

M. After a Customer has paid proper and undisputed utility bills by the due dates, for a period not to exceed one (1) year, credit shall be established or re-established, and the deposit and any interest due shall be refunded. The utility may withhold full refund of the deposit pending resolution of a disputed matter.

N. The utility shall give a receipt for deposits received, but shall also keep accurate records of deposits, including Customer name, service address, amounts, interest, attempts to refund and dates of every activity regarding the deposit.

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Rules & Regulations Governing Rendering of  
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Rule 10 continued

- O. All billing matters shall be handled in accordance with the Missouri Public Service Commission's Rules and Regulations regarding Utility Billing Practices, 4 CSR 240-13.

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Rule 11 METERS AND METER INSTALLATIONS

- A. All permanent service connections shall be metered. The Company shall furnish and install a suitable meter for each Customer, and the Company's installed meter shall be the standard for measuring water used to determine the bill.
- B. All meters and meter installations shall be furnished, installed, maintained and removed by the Company and shall remain its property.
- C. The Company shall have the right to determine on the basis of the Customer's flow requirements the type and size of meter to be installed and location of same. If flow requirements increase or decrease subsequent to installation and a larger or smaller meter is requested by the Customer, the cost of installing such meter shall be paid by the Customer.
- D. Domestic water service to any one Customer at a single premises shall be furnished through a single service connection. Individual units of a multi-unit building may have separate connections and meter installations only if each unit has separate plumbing, ground-level space, an individual service connection and meter installation location, and frontage to a Company-owned main. For multi-unit buildings with one service connection and meter installation, the inside piping may be rearranged at the Customer's own expense so as to separate the units and meter tenants, then divide the bill accordingly.
- E. The owners of premises wherein meters are located shall be held responsible for the safekeeping of the Company's meters and metering appurtenances, and are required to keep meters located within their property accessible to the Company for reading and for meter changeouts. If a Customer limits accessibility, or fails to protect a meter against damage, the Company may discontinue service and/or refuse to supply water until accessibility is restored and the Company is paid for any such damage. The amount of the charge shall be the cost of the necessary replacement parts and the labor cost necessary to make the repair.

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Rules & Regulations Governing Rendering of  
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Rule 11 continued

- F. If the Company determines that no suitable outdoor location is available, then the meter may be installed inside the Customer's premises where the water service line enters the building and just downstream of the inside shutoff valve. The Company shall install a curb stop within the service connection at or near the property line as practical. When the meter is installed inside the Customer's premises, the Customer will either provide a meter yoke to accept installation of the Company's meter, or provide proper fittings for the house plumbing pipe to allow for direct installation of the Company's meter, along with a proper grounding strap installed around the meter to prevent electric charge build-up on either side of the meter or while a meter is removed. If installation in a special setting is necessary, the excess cost of installation shall be paid by the Customer.
- G. If an existing basement meter location is determined inadequate or inaccessible by the Company, the Customer must provide for the installation of a meter to be located at or near the Customer's property line. The Customer shall obtain from the Company, or furnish the necessary meter installation appurtenances conforming to the Company's specifications, and said appurtenances and labor shall be paid by the Customer.
- H. Approved meter installation locations in dry basements, sufficiently heated to keep the meter from freezing, may remain provided the meter is readily accessible, at the Company's and Customer's convenience as determined by the Company, for servicing and reading and the meter space provided is located where the service line enters the building. The Company may, at its discretion, require the Customer to install a remote reading device at an approved location, for the purpose of reading the meter. It is the responsibility of the Customer and/or the owner of the premises to provide a location for the water meter which, in the event of water discharge as a result of leakage from the meter or couplings, will not result in damage. The Company's liability for damages to any and all property caused by such leakage shall in no event exceed the price of water service to the affected premises for one average billing period in the preceding year. Where damage is caused by the negligence of Company personnel at the premises, this

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Water Service

Rule 11 continued

limitation will not apply. If a Customer refuses to provide an accessible location for a meter as determined by the Company, the Company will notify the Staff of the Water and Sewer Unit of the Missouri Public Service Commission before ultimately refusing service or proceeding to discontinue service.

- I. The Customer shall promptly notify the Company of any defect in, or damage to, the meter setting.
- J. Any change in the location of any existing meter or meter setting at the request of the Customer shall be made at the expense of the Customer, and with the approval of the Company.

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Rule 12 METER TESTS AND TEST FEES

- A. Any Customer may request the Company to make a special test of the accuracy of the meter through which water is supplied to the Customer. This test will be made in accordance with water industry test procedures, and to check for accuracy as required by Regulations of the Missouri Public Service Commission.
- B. The Company reserves the right to remove and test a meter at any time and to substitute another in its place. In case of a dispute involving a question as to the accuracy of the meter, a test will be made by the Company upon the request of the Customer without charge if the meter has not been tested within twelve (12) months preceding the requested test; otherwise, an approved charge will be made if the test indicates meter accuracy within five percent (5%).
- C. A meter test requested by the Customer may be witnessed by the Customer or the Customer's duly authorized representative, except for tests of meters larger than two inch (2") inlet, which will be conducted by the water manufacturer. A certified copy of the test report will be provided to the Customer.
- D. If a test shows an average error of more than five percent (5%), billings shall be adjusted in accordance with Rule 13.

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Rule 13 BILL ADJUSTMENTS BASED ON METER TESTS

- A. Whenever any test by the Company of a meter while in service or upon its removal from service shall show such meter to have an average error of more than five percent (5%) on the test streams prescribed by the Missouri Public Service Commission, the Company shall adjust the Customer's bills by the amount of the actual average error of the meter and not the difference between the allowable error and the error as found. The period of adjustment on account of the under-registration or over-registration shall be determined as follows:
1. Where the period of error can be shown, the adjustment shall be made for such period; or
  2. Where the period of error cannot be shown, the error found shall be considered to have existed for three (3) months preceding the test.
- B. If the meter is found on any such test to under-register, the Company may render a bill to the Customer for the estimated consumption not covered by bills previously rendered during the period of inaccuracy as above outlined. Such action shall be taken only when the Company was not at fault for allowing the inaccurate meter to remain in service.
- C. If the meter is found on any such test to over-register, the Company shall refund to the Customer any overcharge caused during the period of inaccuracy as above defined. The refund shall be paid within a reasonable time and may be in the form of a bill credit.

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Rule 14 EXTENSION OF WATER MAINS

- A. This rule shall govern the extension of mains by the Company within its certified area where there are no water mains.
- B. Upon receipt of a written application for a main extension, the Company will provide the applicant(s) an itemized estimate of the cost of the proposed extension. Said estimate shall include the cost of all labor and materials required, including valves, fire hydrants, booster stations, storage facilities, reconstruction of existing mains (if necessary), and the direct costs associated with supervision, engineering, permits, and bookkeeping. The estimate will not include unanticipated costs such as rock excavation.
- C. Applicant(s) shall enter into a contract with the Company for the installation of said extension and shall tender to the Company the amount determined in paragraph B. above. Any applicable New Service Connection Fee will become due after the cost incurred by the Company has been ascertained, as per Rule 5 B. 1. or 3., and as specified in the Schedule of Service Charges. The contract may allow the Customer to contract with an independent contractor for the installation and supply of material, except that mains of twelve inches (12") or greater diameter must be installed by the Company, and the reconstruction of existing facilities must be done by the Company.
- D. The cost to single-family residential applicant(s) connecting to a main extension for which other applicant(s) paid an amount determined in paragraph B., above, subject to subsequent adjustments for actual cost, shall be as follows:
  - 1. For single-family residential applicant(s) applying for service in a platted subdivision, the Company shall divide the actual cost of the extension by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots which abut existing mains shall be excluded.

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Rule 14 continued

2. For single-family residential applicant(s) applying for service in areas that are unplatted in subdivision lots, an applicant(s) cost shall be equal to the total cost of the main extension divided by the total length of the main extension in feet times one hundred (100) feet.
3. For industrial, commercial, or multifamily residential applicants, the cost will be equal to the amount calculated for a single-family residence in paragraphs D.1. or D.2. above, multiplied by the flow factors of the applicants' meter. The flow factors of the various sizes of meters are as follows:

<u>Meter Size</u>	<u>Flow Factor</u>
5/8"	1
1"	2.5
1 1/2"	5
2"	8
3"	15
4"	25

- E. Refunds of funds paid by applicant(s) for any estimated costs or actual costs of a main extension shall be made to such applicant(s) as follows:
1. Should the actual cost of the extension be less than the estimated cost, the Company shall refund the difference to the applicant(s) as soon as the actual cost has been ascertained.
  2. During the first ten (10) years after the main extension is completed, the Company will refund to the applicant(s) who paid for the extension the money collected from applicant(s) in accordance with paragraph D. above. The refund shall be paid within a reasonable time after the money is collected.

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3. The sum of all refunds to any applicant shall not exceed the total amount which the applicant(s) has paid.
- F. Extensions made under this rule shall be and remain the property of the Company.
- G. The Company reserves the right to further extend the main and to connect mains on intersecting streets and easements. Connecting new Customers to such further extensions shall not entitle the applicant(s) paying for the original extension to a refund for the connection of such Customers.
- H. Extensions made under this rule shall be of Company-approved pipe sized to meet water service requirements. If the Company chooses to size the extension larger in order to meet the Company's overall system requirements, the additional cost caused by the larger size of pipe shall be borne by the Company.
- I. No interest will be paid by the Company of payments for the extension made by the applicant(s).
- J. If extensions are required on private roads, streets, through private property, or on private property adjacent to public right-of-way, a proper deed of easement must be furnished to the Company without cost to the Company, before the extension will be made.

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Agreement Attachment F

Billing Comparison Worksheet

# ROY-L UTILITIES, INC.

## Residential Customer Bill Comparison-Water

### Rates for 5/8" Metered Customers

	<u>Current Base Customer Charge</u>	<u>Proposed Base Customer Charge</u>	<u>Current Usage Rate</u>	<u>Proposed Usage Rate</u>
Full-time	\$28.23	\$18.03	\$0.00	\$2.42
Part-time	\$21.78	\$13.91	\$0.00	\$2.42

### Rates for Non-Metered Customers

	<u>Current Base Customer Charge</u>	<u>Proposed Base Customer Charge</u>
Full-time	\$28.23	\$31.82
Part-time	\$21.78	\$24.56

current service charge is monthly charge

usage rate is per 1,000 gallons used

## MONTHLY BILL COMPARISON

	<u>Metered</u>		<u>Non-Metered</u>	
<u>Current Rates</u>	Full-time	Part-time	Full-time	Part-time
Customer Charge	\$ 28.23	\$ 21.78	\$ 28.23	\$ 21.78
Usage Charge	\$ -	\$ -	\$ -	\$ -
Total Bill	\$ 28.23	\$ 21.78	\$ 28.23	\$ 21.78
 <u>Proposed Rates</u>				
Customer Charge	\$ 18.03	\$ 13.91	\$ 31.82	\$ 24.56
Usage Charge	\$ 13.79	\$ 10.65	\$ -	\$ -
Total Bill	\$ 31.82	\$ 24.56	\$ 31.82	\$ 24.56

### INCREASES

<u>Customer Charge</u>				
<u>\$ Increase</u>	(\$10.20)	(\$7.87)	\$3.59	\$2.78
<u>% Increase</u>	-36.14%	-36.14%	12.72%	12.74%
 <u>Usage Charge</u>				
<u>\$ Increase</u>	\$13.79	\$10.65	----	----
<u>% Increase</u>	N/A	N/A	----	----
 <u>Total Bill</u>				
<u>\$ Increase</u>	\$3.59	\$2.78	\$3.59	\$2.78
<u>% Increase</u>	12.72%	12.74%	12.72%	12.74%

## Agreement Attachment G

### Water & Sewer Unit Memorandum

**REPORT OF WATER AND SEWER UNIT**  
**FIELD OPERATIONS AND TARIFF REVIEW**

**Case No. WR-2013-0543 and SR-2013-0544**

**Roy-L Utilities, Inc.**  
**Steve Loethen/James Russo**

**Introduction**

This Report was prepared jointly by Staff members Steve Loethen and James Russo. The Staff member responsible for each section is denoted at the end of each section.

Roy L-Utilities (Company) received its certificate of convenience and necessity from the Missouri Public Service Commission (Commission) August 27, 1968, in case numbers 16,379 (water) and 16,380 (sewer). The Company provides service to approximately 61 water customers and approximately 57 sewer customers in the High Hill area. On June 26, 2013, the Company filed a request for increase in sewer revenues of \$10,387 and an increase in water revenues of \$8,072. The Commission's Water and Sewer Staff (Staff) performed an inspection on the water and sewer systems on August 9, 1913, and findings and suggested improvements are listed below. (Loethen)

**Facilities:**

The water system is a one-well system. The master meter is located beyond the storage tank so actual gallons per minute is not known. The approximate production according to past records is 120 gallons per minute. Storage consists of an 18,000 gallon ground storage tank. Pressure to the distribution system is provided and maintained by a booster pump and a 1,000 gallon pneumatic tank. Currently there are approximately 25 meter settings with only a few meters installed. (Loethen)

The Sewer system consists of a single-cell lagoon with a capacity of 77,000 gallons per day. The collection system is made up of a gravity sewer main. (Loethen)

**Staff's Summary of Inspection and List of Deficiencies:**

1. The well-head is located near a road and not protected by barricades or any other structure to prevent vandalism or it being accidentally hit by a motor vehicle. Vandals can access the well vent which is a direct line to the well through which chemicals or other toxins could be introduced to the system. This well is the only source of supply for the system. If the well head were hit by a vehicle, it could be significantly damaged which can result in extensive outages and expensive repairs.
2. Within the well-house there is significant corrosion to the piping, controls, and storage tank. The storage tank is currently leaking because of the corrosion. Corrosion lessens

the integrity of the tank and piping. If the storage tank leak continues to worsen or if a pipe would burst, this could result in excess water loss, loss of pressure and extended outages.

3. The well-house in general is in poor condition. The roof leaks, and the insulation is falling down; a poorly insulated well-house can lead to freezing and possible bursting of piping in the well-house which would result in costly damage to the system and extended outages. The chlorination equipment is located in the well-house. Chlorine gases are highly corrosive and damage electrical equipment and piping in the well-house. This can cause electrical failure or pipes to burst which will cause extensive, costly outages.
4. The system experiences significant short term outage “flickers” or surges from the electric provider. This issue causes malfunctions in the controls and causes the well and/or booster pump to not function properly unless a breaker is reset. This condition causes water outages and/or low pressure situations which can be a contamination threat.
5. The deficiencies listed (1-4) in this memo are part of, but not limited to, deficiencies pointed out in the most recent inspection performed by the Department of Natural Resources (DNR) on April 19, 2013 (inspection report attached, pictures included). They are not only DNR issues that deal with water quality but are also significant concerns to the ability of the Company to provide safe and adequate service to commission regulated customers. The Company provided the Commission bids to make the necessary improvements that will alleviate most, if not all, of the concerns listed in this memo and the DNR Significant Deficiencies. The Company stated funding to perform the projects is not available. If unattended, the system may be put into enforcement with DNR and/or significant outages can occur.
6. According to the most recent discharge operating permit, the sewer system has to have disinfection installed by December 31, 2013. There is also a section of fence around the back side of the lagoon that needs to be installed; having no fence is a significant safety issue. The Company has bids and a construction permit to install the disinfection. The Company also has a bid to install the fence but again states the funds are not available to perform the projects. (Loethen)

## **Tariff Review**

Roy L-Utilities’ current water and sewer tariffs became effective May 5, 2008. A definition for Temporary Termination of Service was not included in the tariffs filed on May 5, 2008. This omission was corrected with a first revised water sheet number 7 and a first revised sewer sheet number 8 being filed on July 2, 2008.

A new rate schedule will be developed to reflect the new rates the customers will be required to pay based on the Company’s current cost of service. In addition, Staff reviewed the existing miscellaneous service charges, including returned check fees, late fees, disconnect/reconnect fees and meter installation fee with the Company. Miscellaneous charges have been calculated by Staff to allow the Company to recover the actual costs related to these items used in its

operations from the customers causing the event. The rates and miscellaneous service charges proposed are reasonable for the costs incurred for the services and are consistent with the majority of other regulated sewer companies in the state of Missouri.

In the process of updating the current tariff, and after discussions with the Company, Staff has updated the meter installation fee. The current fee allowed the Company to collect \$300 from the customer when a meter is installed. The Company would like to invest one half of the cost to install a meter and to collect one half of the cost to install a meter from the customer. The Company currently has approximately 25 customers that have partial meter pits installed. The cost to complete these projects will be less than the \$300 fee in the current tariff. The proposed language is to allow the Company to collect up to one half of the actual cost of installing the meter. The new and updated tariffs for Roy L-Utilities will be filed by the Company as part of this current rate case proceeding. The current PSC MO Number 2 tariffs will be cancelled and replaced by PSC MO Number 3 tariff for water and PSC MO Number 4 tariff for sewer. (Russo)

### **Rate Design**

Staff also reviewed the Company's current rate design in its investigation. The current rate structure consists of a monthly service charge for both water and sewer service. With the Company in the process of installing water meters, Staff is developing a commodity charge for water customers in this case. Staff is not making any recommendations to change the Company's current rate structure for sewer service in this case. (Russo)

### **WATER AND SEWER UNIT STAFF RECOMMENDATIONS:**

1. A structure should be constructed or barricades should be put in place to provide protection to the well head. If funding can be acquired, a structure should be built over the well head to protect it from freezing, accidental damage and vandalism within 180 days of the effective date of an order approving the resolution of this case.
2. The pneumatic tank should be repaired or replaced to prevent water loss, excessive cycling of the booster pump and the possibility of total tank malfunction. If funding can be acquired, a new tank or equal size tanks should be installed within 180 days of the effective date of an order approving the resolution of this case.
3. A new well-house should be constructed with a separate room for the chlorination equipment to prevent further corrosion of piping and controls. If funding can be acquired, a new well-house should be constructed within 180 days of the effective date of an order approving the resolution of this case.
4. Proper electrical equipment should be installed to protect against the discontinuance of service or an alarm installed to provide warning to the operator of equipment malfunction which will allow time to reset the pumps before low pressure occurrences. If funding can

be acquired, electrical protection equipment and/or an alarm should be installed within 180 days of the effective date of an order approving the resolution of this case.

5. Significant deficiencies should be addressed to avoid DNR and/or PSC taking enforcement actions against the Company. If the deficiencies are not addressed and continue to worsen, these problems could result in outages and contamination issues which could lead to DNR and PSC enforcement actions against the Company. At the very least, a written plan should be developed to address the deficiencies within 90 days of the effective date of an order approving the resolution of this case.
6. Disinfection must be installed by December 31, 2013, and the section of fence not complete needs to be constructed or the Company will be in violation with DNR. The meter installation fee charged to the customer will be changed from \$300 per installation to one half the actual cost.
7. The current PSC MO Number 2 tariffs will be cancelled and replaced by PSC MO Number 3 tariff for water and PSC MO Number 4 tariff for sewer.



Jeremiah W. (Jay) Nixon, Governor • Sara Parker Pauley, Director

## DEPARTMENT OF NATURAL RESOURCES

[www.dnr.mo.gov](http://www.dnr.mo.gov)

June 13, 2013

Ms. Jean Longstreet  
Roy-L Utilities  
366 Highway F  
High Hill, MO 63350

Dear Ms. Longstreet:

Enclosed is a Compliance and Operation Inspection Report for the Roy-L Utilities community public water system serving the Roy-L Ranch Community, PWSID#MO6251710, of Montgomery County, Missouri. The purpose of the inspection was to determine the system's compliance with the Missouri Safe Drinking Water Act and the Missouri Public Drinking Water Program Regulations.

This report contains compliance requirements and recommendations, which the inspector had determined are warranted based on his findings at the facility. **Significant Deficiencies** were identified during this inspection that requires your immediate attention. The water system must **consult with the Regional Office before July 15, 2013** to determine what actions will be taken or have been taken to correct the Significant Deficiencies. Significant deficiencies can be defects in design, operation or maintenance that can cause a failure in the system or have the potential to introduce contamination. Steps must be taken to correct all unsatisfactory features identified in the inspection report with the designated deadlines. **Failure to respond within the designated deadlines is a violation and may lead to enforcement action.**

Other deficiencies and recommendations require a **written response within 60 days** from the date of this letter. Your response should be specific in detailing how you intend to correct the problems identified.

Please direct your attention to the deficiencies, findings, and recommendations contained in the report. If you have questions or concerns regarding the enclosed inspection report, **please contact Mr. Mashburn or Mr. Patrick Dwyer, Drinking Water Unit Chief, of this office at (314) 416-2960.** Our address is **7545 South Lindbergh Blvd., Suite 210, St. Louis, MO 63125.**



Thank you for your cooperation.

Sincerely,

ST. LOUIS REGIONAL OFFICE

*Quinty Lumbkin for Jim Rhodes*

Jim Rhodes, P.E.  
Water Section Manager

JR/FM/jh

Enclosures

c: Kimberly Wilkins, Public Drinking Water Branch (electronic copy)  
Chad Rhutasel, Hydroservices, Inc.  
Public Service Commission  
Montgomery County Health Department

This is a Compliance and Operation Inspection Report for the Roy-L, Public community water system serving the Roy-L Ranch Community, PWSID#MO6251710, of Montgomery County, Missouri. The purpose of the inspection was to determine the system's compliance with the Missouri Safe Drinking Water Act and the Missouri Public Drinking Water Program Regulations.

This report contains compliance requirements and recommendations, which the inspector had determined are warranted based on his findings at the facility. Significant Deficiencies were identified during the inspection that requires your immediate attention. The water system must consult with the Regional Office before July 15, 2013 to determine what actions will be taken or have been taken to correct the Significant Deficiencies. Significant deficiencies can be defects in design, operation or maintenance that can cause a failure in the system or have the potential to introduce contamination. Steps must be taken to correct all unsatisfactory issues identified in the inspection report with the designated deadlines. Failure to respond within the designated deadline is a violation and may lead to enforcement action.

Other deficiencies and recommendations require a written response within 60 days from the date of this letter. Your response should be specific in detailing how you intend to correct the problems identified.

Please direct your attention to the deficiencies, findings, and recommendations contained in the report. If you have questions or concerns regarding the enclosed inspection report, please contact Mr. Mashburn or Mr. Patrick Dwyer, Drinking Water Unit Chief, of this office at (314) 416-2940. Our address is 7545 South Lindbergh Blvd., Suite 218, St. Louis, MO 63125.

REPORT ON INSPECTION OF  
COMMUNITY WATER SUPPLY

Roy-L Utilities  
366 Highway F  
High Hill, MO 63350  
PWS ID #MO6251710

An inspection of the Roy-L Utilities drinking water system was conducted by Mr. Fred Mashburn of the MO Department of Natural Resources on April 19, 2013. Ms. Marie Rock, the Manager for Roy-L Utilities, represented the system at the inspection. The findings of this inspection, comments on the findings, and corresponding recommendations are presented below. In addition to this inspection report, an electronic sanitary survey (ESS) was completed to fully document the system's condition at the time of the inspection. Prior to the inspection, an incomplete copy of the ESS was provided to Roy-L Utilities to prepare for the inspection. If you would like a completed copy of this ESS, please contact Fred Mashburn of the St. Louis Regional Office (SLRO).

**SYSTEM DESCRIPTION**

Roy-L Utilities is a community public water supply system consisting of about 60 service connections, dispensing water to an average of about 30 people. This is a primary ground water system with one active well. Storage and pressure for Roy-L Utilities is provided by a 1000 gallon steel hydropneumatic storage tank housed in the well house. Roy-L Utilities requires, at a minimum, a DS-I level certified operator. The Designated Operator for Roy-L Utilities is Mr. Chad Rhutasel of Hydroservices, Inc. Mr. Rhutasel is a DS-II level certified distribution system operator and a D level certified drinking water treatment operator (Certificate #5924).

The last full compliance and operations inspection of Roy-L Utilities was done on January 25, 2007 by Ms. Tracy Haag with MDNR's St. Louis Regional Office (SLRO). Several deficiencies from the previous inspection have not been corrected. Specifically, these are:

- No Emergency Operating Plan was on file for Roy-L Utilities.
- No lead ban ordinance was located for Roy-L Utilities.
- An abandoned well (Well #1/Old Hickory Well) was formerly located on the property. There was no information in the file to indicate that this well was properly abandoned.
- The wellhead was not located in the well house.
- The well casing was corroding.
- There was no drawdown gauge.
- The well house had a dirt/gravel floor.
- The equipment inside the well house had moderate corrosion due to age.
- The surface of the hydropneumatic tank had moderate rust and corrosion.
- Records were not being maintained for the requisite time.

**SIGNIFICANT DEFICIENCIES**

1. Records for Roy-L Utilities are not being maintained (see System Management, Operations, and TMF, Finding 3).

## ADDITIONAL FINDINGS AND COMMENTS

### System Management, Operations, and TMF

2. A standard written Emergency Operating Plan (EOP) was not located in the files for this facility. On the date of the inspection, the system did not have an adequate Emergency Operation Plan (EOP) as required by Public Drinking Water Regulation 10 CSR 60-12.010.

A list of emergency contacts was posted on the door of the well house. Although some of the requisite EOP information was available in this posting, this is not sufficient for an EOP.

Community public water systems must develop and implement a plan for assuring, to the extent practicable, continuous water service under emergency conditions. The emergency operation plan must be available for key operating employees. This emergency operations plan must include the following:

- A. Designation of a coordinator and key personnel to be on call under emergency conditions;
- B. Designation of personnel authorized to expend funds under emergency conditions;
- C. A list of quarterly updated home and office telephone numbers of the coordinator, operational personnel, and state and local assistance sources;
- D. A list of alternative water systems that could be made available if the basic system were incapacitated;
- E. An inventory of emergency equipment; and
- F. Written emergency procedures including those for tank truck disinfection and protection, installation of emergency chlorinators, and disinfection of trucked water.

The system must develop a plan and maintain a copy available for review during inspection. A model plan may be obtained from the Department by contacting the Public Drinking Water Branch at 573-751-5331. Once the plan is completed, it is to be reviewed and updated quarterly.

3. Records for Roy-L Utilities were generally unavailable. The system has failed to maintain water system records as required by Missouri Public Drinking Water Regulation 10 CSR 60-9.010. The following records should be maintained for Roy-L Utilities:
- A. Bacteriological analysis for the previous 5 years;
  - B. Chemical analysis for the previous 10 years;

- C. Operational analysis for the previous 5 years;
- D. Records of actions taken to correct violations for the previous 3 years;
- E. Inspection reports, surveys, letters, evaluations, schedules, state determinations for the previous 10 years;
- F. Variance or exemption records for the previous 5 years;
- G. Public notices for the previous 3 years.

Beginning immediately, the water system must develop policies and procedures to maintain public water system records for the minimum time periods. All records must be retained by the water system on the premises or at a convenient location near the premises. If you cannot locate system records, please contact SLRO for assistance.

- 4. Roy-L Utilities was issued a valid Permit of Approval on March 5, 1997, to operate the drinking water system.
- 5. Roy-L Utilities has failed to develop and/or implement a Bacteriological Site Sampling Plan meeting the requirements of Missouri Safe Drinking Water Regulation 10 CSR 60-4.020(1)(A).

At the time of inspection, there was no plan available for review. The latest Site Sampling Plan record in the file for this system was from 2007.

By August 15, 2013, the water system must submit an updated written bacteriological site sampling plan to the Regional Office for review and approval. See the enclosed instructions for details on how to develop a written bacteriological site sampling plan.

Once this plan is approved, this system should use it as a guide for sampling locations to use for monthly bacterial sampling. Monthly bacterial samples are intended to be representative of drinking water conditions within the system, indicating the quality of water actually received by customers in this drinking water system.

#### Monitoring and Reporting

- 6. In the past two years, Roy-L Utilities has had no Monitoring or Reporting deficiencies.

#### System Source

- 7. Roy-L Utilities has one currently active well (see Photo 1). The well pump for this system is a submersible pump of about 120 gallons per minute production capacity. The wellhead is underneath a bucket about eight feet from the wellhouse.

This system should consider placing the wellhead under a permanent, secure structure. The current bucket does not provide adequate protection against vandalism by unauthorized persons. All critical areas should be locked in order to prevent tampering, vandalism, and possible contamination. Access to the water system facilities should only be made available to key water system personnel and should be guarded to prevent

unauthorized access. Protection of facilities should include security fencing with locked gates, locked hatches, and other access openings. Security of your water system is extremely important. One security breach can cost your water system money and threaten the public health of your customers.

The water system is recommended to provide this office an outline of how the system will improve security and restrict access to the system's various facilities. Ideally, this would consist of housing all critical system components (wellhead, raw sample taps, storage tanks, and treatment facilities) in a locked, dedicated utility building.

8. There was significant corrosion on the wellhead casing and other metallic components of the system (see Photo 2).

Corrosion on pipes and other metallic components of the system should be removed; the components should be repainted with an appropriate AWWA approved coating to further prevent corrosion.

9. Currently, the Roy-L community system has only one source of drinking water, Well 1. The water system should look into establishing a redundant source of water for emergency purposes.

The water system is recommended to include an alternate source of water should basic systems become incapacitated. Currently, the water systems only alternative is to haul in water using tanker trucks. A redundant source of water can include, but is not limited to: a permanent or temporary emergency connection with a neighboring water system(s) or the addition of another well with an auxiliary power source.

10. The well has a master meter and pressure gauge connected near the source (see Photos 3, 4). No drawdown gauge was located on the day of this inspection.

A drawdown gauge is used to detect the well water level. If the water is drawn down to the pump intake point, pump damage may occur. Drawdown gauges are intended to make it possible for the operator to detect and prevent such problems. A drawdown reading should be taken at least monthly and a record kept. This can alert the system to decreasing water levels and avoid a water outage.

11. The well house for this system is a cinder block and wood building, with a dirt/gravel floor, located off of Roy-L Drive (see Photos 5, 6).

Approved construction criteria require that the pump house floor shall be constructed of water proof material (concrete) and have a smooth finish. This is to provide protection for the well and related equipment. A waterproof (concrete) floor will reduce the amount of moisture that will rise up from the ground into the well house and reduce the rate of rusting or corrosion. Within 60 days, contact this office and provide us with a plan or schedule for installing a proper floor for the well house.

12. The well house was in poor physical condition. The wooden boards making up the outside of the well house were weathered and had numerous openings to the outside. There was extensive moisture damage to the internal walls and roof of the building. Several ceiling panels of the well house had collapsed and ceiling insulation was hanging into the well house (see Photos 3, 4). Although an electric heater was present in the well

house, no outside air vent or other ventilation/moisture control was installed. The outside window for the well house was boarded over and could not be opened. The well house was in a state of clutter and disarray. Debris, parts, and equipment were scattered around the floor making access to the equipment difficult. Such a situation increases the difficulty of proper maintenance and operation.

The poor condition of the well house increases the potential for damage and wear to system components. Additionally, it poses a security risk. **By August 15, 2013**, please provide a written response describing how the system will either repair the current well house to render it secure or a plan for constructing a properly secure well house.

**By August 15, 2013**, the well house for this system should be thoroughly cleaned.

13. A second, inactive well (Well #1/Old Hickory Well) was formerly used to supply water to this system. It is believed to be currently abandoned, although no documents in the file for this system show that it was ever properly abandoned, and the inspector was unable to locate the well.

State regulations (10 CSR 23 3.020) require that all abandoned wells be properly sealed to prevent any possible contamination of the state's ground water supply. There is no information in the file to indicate that this well was properly sealed. If records indicating a DNR-compliant abandonment was performed are available, please provide them to SLRO so that we may update our records.

If the well has not been properly abandoned, please contact Mr. Ken Tomlin, Missouri Department of Natural Resources- Public Drinking Water Branch, P.O. Box 176, Jefferson City Missouri 65102 or by calling 527-751-5331 to discuss how to properly abandon Well #1.

14. Roy-L Utilities does not have a Department approved wellhead protection program. A wellhead protection program identifies the area of recharge for each well, identifies existing sources of contamination within these recharge areas, protects recharge areas from new sources of contamination through zoning and land acquisition, plans for problems from existing sources of contamination, and locates new wells in protected areas.

For more information on development of a wellhead protection program or the Department's approval process, contact Mr. Ken Tomlin, Missouri Department of Natural Resources-Public Drinking Water Branch, P.O. Box 176, Jefferson City, Missouri 65102 or by calling 573-751-5331.

#### Distribution System

15. No updated maps or diagrams of the distribution system for Roy-L Utilities were available on the day of this inspection. No updated maps or diagrams of the distribution system were located in the drinking water files for Roy-L Utilities at SLRO. Accurate information is currently unavailable for Roy-L Utilities regarding the locations, sizes, lengths, construction materials, and condition of the pipes in the distribution system.

As-built plans of the water system were not available. It is understood that the water system's engineer will prepare as-built drawings of the distribution system. The water system is encouraged to have the entire water system mapped and have copies of the maps available to water system operators and others involved in operation, maintenance, and management of the system. It is recommended that the water system set a strict policy requiring detailed construction measurements be taken and "as-built" plans be developed on any new water mains and related components, such as valves and hydrants.

16. Roy-L Utilities does not have (or is not implementing) a written leak detection, main break, and leak repair program. Public water systems should have a main break and leak repair program with the following elements:
  - A. Records of each main break and leak repair with date, location, and materials used for repairs, whether pressure was lost, disinfection procedures used, flushing procedures used, bacteriological results of samples taken immediately after repairs, and cause of the leak or break;
  - B. Records of water sold versus water pumped each month with a goal of no more than 10 percent difference;
  - C. Leak detection equipment and trained employees (or a contract with a professional leak detection company) that are prepared to search for leaks when they are suspected;
  - D. At least two sets of main repair fittings on hand for each type (and diameter) of mains in the system;
  - E. Written procedures for flushing and disinfecting mains in accordance with AWWA standards and employees (or contractors) trained in the use of these procedures;
  - F. Excavation equipment and employees trained in the use of the equipment (or ready access to a contractor with equipment and trained personnel);
  - G. Customer meter testing equipment and employees trained in the use of this equipment and conduct a customer meter testing/change out program for each meter at a 10-year frequency; and
  - H. Plans to systematically upgrade water lines based on records generated by this leak detection program.

It is recommended that the system maintain an adequate main break, leak detection, and repair program.

17. The system does not maintain individual records for fire hydrants, flush hydrants, and/or water valves. Furthermore, it appears that the facility does not have updated written procedures for distribution system operation including, but not limited to: a valve exercising program, a water main flushing program or a leak detection program. Routine procedures for water line flushing and maintenance can also extend the life of distribution system components and better assure good quality water throughout the

system. Good and meaningful plans for system operation such as hydrant flushing, and valve maintenance programs can be a critical part of a water system's emergency operations plan.

It is recommended that the system (with the assistance from a consulting engineer or the MRWA) develop written procedures for valve maintenance, hydrant maintenance, water main flushing, and leak detection programs. Computer modeling of the water distribution system should be considered as a tool maintaining the distribution of water and for handling emergencies.

18. Roy-L Utilities does not have or is not maintaining an adequate valve maintenance program. Roy-L Utilities should have a valve maintenance program that includes exercising every valve annually, repairing valves as needed, and recording exercising and repairs on the individual valve record sheets. It is recommended that the facility start and properly maintain an adequate valve maintenance program.
19. Roy-L Utilities does not have a written valve and hydrant inspection and exercising program. In addition to good distribution system maps of water lines, hydrants, and valves it is important that valves (and hydrants) be periodically exercised to prevent them from locking. A good valve exercising program is important to assure proper operation of valves during routine maintenance and emergencies. The program should include routinely operating each valve and keeping accurate records to assure all valves are exercised.
20. Roy-L Utilities does not have a program for or does not practice routine unidirectional water main flushing. A well designed and implemented unidirectional flushing program is crucial to keeping good water quality and properly maintaining a water distribution system. Proper flushing moves water through the lines in an organized fashion at velocities high enough to create a scouring action inside the pipe. Water velocities during flushing should reach at least 2.5 and preferably 5 feet per second. Flushing velocities should not exceed 8 feet per second. To accomplish this, operators must know the diameter of water lines being flushed and have adequate equipment to measure system pressures and hydrant flows. Employees flushing the lines must also be properly trained to avoid pressure loss and unwanted movement of water back into pipes that were previously flushed.

It is recommended that the system develop and institute a proper water main flushing program that will begin at or near the water source(s) and move outward through the distribution system. The entire system should be flushed at least semi-annually unless water quality requires more frequent total system flushing. When flushing isolated parts of the system it is important not to cause problems in other parts of the system.

Hydrants and valves should always be opened and closed slowly to minimize water hammer. Water tower levels and system pressures must be managed to prevent low pressures and low available storage should a fire fighting incident occur during the flushing event. All details of the flushing event (pressures, flows, velocities, minutes each hydrant is flushed, and the open or closed configuration of each valve) must be recorded. Special bacteria samples should be taken throughout the system after flushing to make sure the high water velocities did not cause bacteriological problems.

21. The system is not tracking backflow prevention assembly inspections to ensure the backflow assemblies are being tested on an annual basis. The Missouri Public Drinking Water Regulation 10 CSR 60 11.010 prohibits unprotected cross-connections and requires yearly inspections of the assemblies that protect the public system from contamination. The water customer is required to have the device inspected yearly by a certified tester and the tester is to submit a copy to the system.

System officials are required to assure these protective assemblies are inspected yearly and must keep records of the inspections for five years. If a customer refuses to have an assembly tested, the system must discontinue water service to that customer. System officials must set up a method of tracking the backflow assemblies within the system to assure that the yearly inspection is done.

#### System Storage

22. Storage for Roy-L Utilities is provided by one approximately 18,000-gallon in ground concrete holding tank, located behind the well house. The surface condition of the visible areas of this tank was generally good; no cracks or other significant defects were noticeable during this inspection
23. Pressure for Roy-L Utilities is provided by one approximately 1000-gallon steel hydropneumatic storage tank, located inside the well house (see Photo 8). The pressure tank was provided with a pressure gauge, sight glass, pressure relief valve a means of adding air to the tank, and other appurtenances as required. There was significant corrosion on the surface of the tank and significant moisture underneath the tank.
24. The system does not have a report of the last inspection of the two tanks and no one was certain when the last inspection was conducted. Water storage tanks should be inspected for sanitary and structural features at least every three to five years and drained and cleaned, as necessary. The water system personnel should inspect the storage tanks at least twice each year, once in the spring and once again in the fall.

Within 60 days, contract with a tank inspection company for a structural and sanitary inspection. If significant structural or sanitary defects are found (for example, if the moisture underneath the pressure tank is due to an unsealed opening) this system must notify SLRO of the defect immediately and provide a plan for correcting the defect.

#### System Treatment

25. This system disinfects using liquid sodium hypochlorite solution injection. The sodium hypochlorite injector system consists of one approximately 30 gallon (about 2 foot diameter by 3 foot height) white plastic hypochlorite solution storage barrel, connected to an electronic solution pump (see Photo 9).

#### Pumping Facilities

26. Roy-L Utility's distribution system does not include any auxiliary pumping facilities.

## **COMPLIANCE REQUIREMENTS**

1. By August 15, 2013, the system must develop a complete EOP and maintain a copy available for review during inspection. A model plan may be obtained from the Department by contacting the Public Drinking Water Branch at 573-751-5331. Once the plan is completed, it is to be reviewed and updated quarterly.
2. Beginning immediately, the water system must develop policies and procedures to maintain public water system records for the minimum time periods. All records must be retained by the water system on the premises or at a convenient location near the premises. If you cannot locate system records, please contact SLRO for assistance.
3. By August 15, 2013, the water system must submit an updated written bacteriological site sampling plan to the Regional Office for review and approval.
4. System officials must set up a method of tracking the backflow assemblies within the system to assure that the yearly inspection is done.
5. Within 60 days, contract with a tank inspection company for a structural and sanitary inspection of the storage and pressure tanks. If significant structural or sanitary defects are found (for example, if the moisture underneath the pressure tank is due to an unsealed opening) this system must notify SLRO of the defect immediately and provide a plan for correcting the defect.

## **RECOMMENDATIONS**

1. Corrosion on pipes and other metallic components of the system should be removed; the components should be repainted with an appropriate AWWA approved coating to further prevent corrosion.
2. A functional drawdown gauge should be installed on this system.
3. The water system is recommended to include an alternate source of water should basic systems become incapacitated.
4. Contact this office and provide us with a plan or schedule for installing a proper floor for the well house.
5. Please provide a written response describing how the system will either repair the current well house to render it secure or a plan for constructing a properly secure well house. The well house should be thoroughly cleaned.
6. There is no information in the file to indicate that Well #1 was properly plugged. If records indicating a DNR-compliant abandonment was performed are available, please provide them to SLRO so that we may update our records.

If the well has not been properly abandoned, please contact Mr. Ken Tomlin, Missouri Department of Natural Resources- Public Drinking Water Branch, P.O. Box 176, Jefferson City Missouri 65102 or by calling 527-751-5331 to discuss how to properly abandon Well #1.

7. This system should draft a wellhead protection plan. For more information on development of a wellhead protection program or the Department's approval process, contact Mr. Ken Tomlin, Missouri Department of Natural Resources-Public Drinking Water Branch, P.O. Box 176, Jefferson City, Missouri 65102 or by calling 573-751-5331.
8. The water system is encouraged to have the entire water system mapped and have copies of the maps available to water system operators and others involved in operation, maintenance, and management of the system.
9. It is recommended that the system maintain an adequate main break, leak detection, and repair program.
10. It is recommended that the system (with the assistance from a consulting engineer or the MRWA) develop written procedures for valve maintenance, hydrant maintenance, water main flushing, and leak detection programs.
11. It is recommended that the facility start and properly maintain an adequate valve maintenance program.
12. A good valve exercising program is important to assure proper operation of valves during routine maintenance and emergencies. The program should include routinely operating each valve and keeping accurate records to assure all valves are exercised.
13. It is recommended that the system develop and institute a proper water main flushing program that will begin at or near the water source(s) and move outward through the distribution system. The entire system should be flushed at least semi-annually unless water quality requires more frequent total system flushing.

### **ADDITIONAL COMMENTS**

REMINDER TO ALL WATER SYSTEMS: All community and all non-transient non-community public water systems are required to submit a construction application with engineered plans and specifications to the Department for review and approval prior to any new construction, modification, alteration or extension of your water system source, treatment, storage or distribution piping. This requirement includes modifications made to your treatment process that would significantly change or alter plant capacity or treatment processes. Adding, removing or changing chemical additives and/or their injection locations may significantly alter your treatment process. Community water systems must notify the Department at least 60 days in advance of making any changes to the treatment process. Please make sure your water system has written approval prior to beginning any construction or modifications.

Missouri Public Drinking Water Regulation 10 CSR 60-7.010(2) requires that public water systems notify the Department within 48 hours of a failure to comply with any regulation or monitoring requirement. Since Regulation 10 CSR 60-4.080(9) requires all public water systems to maintain a minimum pressure of 20 psi, all public water systems must notify the Department when pressures in their system fall below 20 psi.

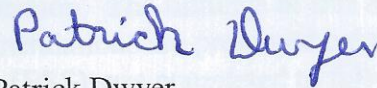
Please contact Fred Mashburn or Pat Dwyer, Unit Chief of the Public Drinking Water Unit of the St. Louis Regional Office at (314) 416-2960, for technical assistance or if you have any questions concerning this report. Our mailing address is 7545 South Lindbergh Blvd., Suite 210, St. Louis, Missouri 63125.

Submitted by:



Fred Mashburn  
Environmental Specialist  
St. Louis Regional Office

Reviewed by:



Patrick Dwyer  
Drinking Water Unit Chief  
St. Louis Regional Office

FM/PD/jh

### SYSTEM DESCRIPTION

Roy-L Utilities is a municipally owned public water supply system consisting of about 60 service connections supplying water to an average of about 30 people. This is a primary ground water system with one active well. Storage and pressure for Roy-L Utilities is provided by a 1000 gallon hydro-pneumatic storage tank housed in the well house. Roy-L Utilities employs a full-time, a DSI level certified operator. The Designated Operator for Roy-L Utilities is Mr. Chad Rumsel of Hydro Services, Inc. Mr. Rumsel is a DSI level certified distribution system operator and a D level certified drinking water treatment operator (Certificate #2224).

The last full compliance and operations inspection of Roy-L Utilities was done on January 25, 2007 by Mr. Tracy Hays with MDEQ's St. Louis Regional Office (SLRO). Several deficiencies from the previous inspection have not been corrected. Specifically, these are:

- No Emergency Operating Plan was on file for Roy-L Utilities.
- The third hour monitoring was not done for Roy-L Utilities.
- The scheduled well log for the Hickory Well was not done for the 2006-2007 season. The scheduled information in the log should include the well log.
- The wellhead was not on file in the well house.
- The well house was not locked.
- There was no disinfection log on file for the 2006-2007 season.
- The well head had a damaged seal.
- The equipment inside the well house had moderate corrosion due to age.
- The surface of the hydro-pneumatic tank had moderate rust and corrosion.
- Records were not being maintained for the 2006-2007 season.

### DEFICIENCY DESCRIPTIONS

1. Records for Roy-L Utilities are not being maintained (see System Management, Operations, and TAP Funding).



Photo #: 1  
By: Fred Mashburn  
Facility: Roy-L Utilities  
Permit: MO6251710  
Location: Well #2, well house exterior.  
Description: Overview of wellhead.

Date: April 19, 2013  
Program: PDW Unit



Photo #: 2  
By: Fred Mashburn  
Facility: Roy-L Utilities  
Permit: MO6251710  
Location: Well #2, well house exterior.  
Description: Close up of well casing.

Date: April 19, 2013  
Program: PDW Unit



Photo #: 3  
By: Fred Mashburn  
Facility: Roy-L Utilities  
Permit: MO6251710  
Location: Well #2, well house interior.  
Description: Well #2 Master Meter.

Date: April 19, 2013  
Program: PDW Unit

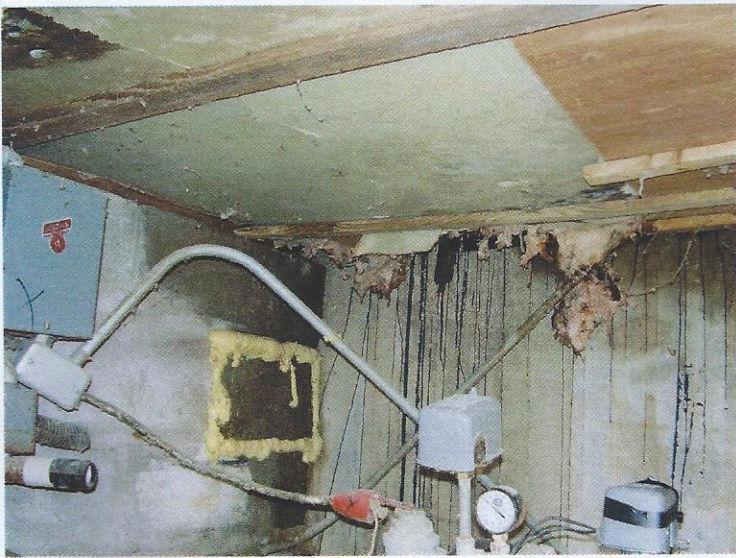


Photo #: 4

By: Fred Mashburn

Facility: Roy-L Utilities

Permit: MO6251710

Location: Well #2, well house interior.

Description: View of pressure gauge, roof.

Date: April 19, 2013

Program: PDW Unit



Photo #: 5

By: Fred Mashburn

Facility: Roy-L Utilities

Permit: MO6251710

Location: Well #2, well house exterior.

Description: Overview of well house exterior.

Date: April 19, 2013

Program: PDW Unit



Photo #: 6

By: Fred Mashburn

Facility: Roy-L Utilities

Permit: MO6251710

Location: Well #2, well house interior.

Description: View of well house roof.

Date: April 19, 2013

Program: PDW Unit

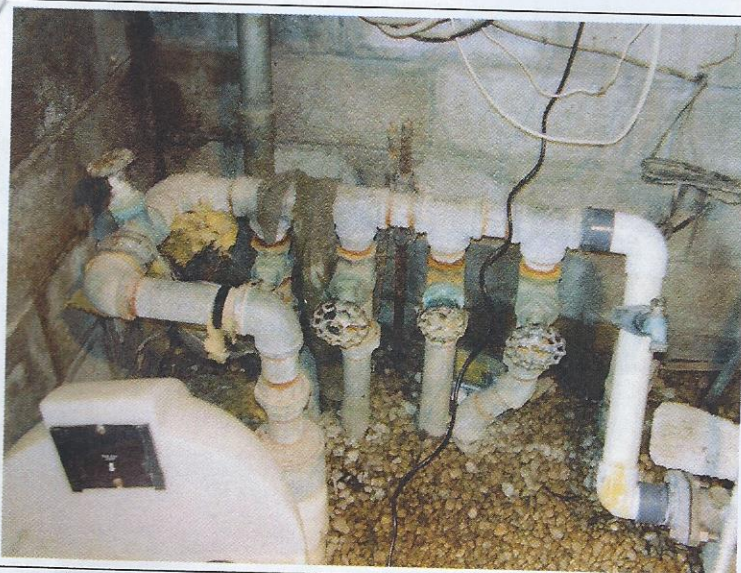


Photo #: 7

By: Fred Mashburn

Facility: Roy-L Utilities

Permit: MO6251710

Location: Well #2, well house interior.

Description: View of well house floor, piping.

Date: April 19, 2013

Program: PDW Unit



Photo #: 8

By: Fred Mashburn

Facility: Roy-L Utilities

Permit: MO6251710

Location: Well #2, well house interior.

Description: View of storage tank.

Date: April 19, 2013

Program: PDW Unit

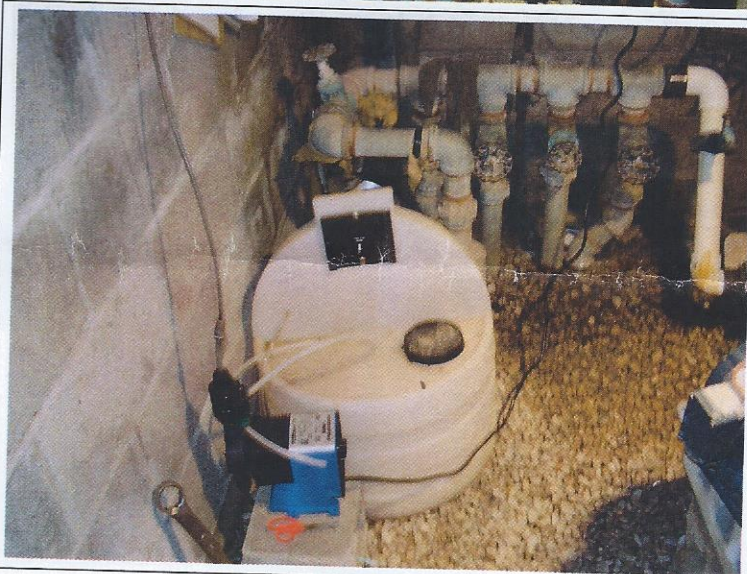


Photo #: 9

By: Fred Mashburn

Facility: Roy-L Utilities

Permit: MO6251710

Location: Well #2, well house interior.

Description: View of chlorination system.

Date: April 19, 2013

Program: PDW Unit

# Agreement Attachment H

## EMSU Report

# **REPORT OF CUSTOMER SERVICE AND BUSINESS OPERATIONS REVIEW**

## **Engineering and Management Services Unit**

### **Small Company Rate Increase Request**

**File No. WR-2013-0543**

**Roy-L Utilities, Inc.**

**Tammy Vieth and Patricia Smith**

The Engineering and Management Services Unit (EMSU) staff of the Missouri Public Service Commission (“Commission”) initiated an informal review of the customer service and business processes, procedures, and practices of Roy-L Utilities, Inc. (“Roy-L” or “Company”) in High Hill, Missouri, in June 2013. The review was performed in response to the Company’s request for a rate increase in File No. WR-2013-0543, filed June 26, 2013. The Company is requesting an increase of \$8,072 in its annual water system operating revenues, which represents an increase of approximately 47.9%.

The EMSU staff examined the Company’s tariffs, Commission complaint and inquiry records, as well as other documentation related to the Company’s customer service and business operations. In preparation of this report, the EMSU staff submitted data requests to the Company on July 2, 2013, and conducted interviews with Company personnel on August 9, 2013. The EMSU staff’s review of the Company resulted in the following two (2) recommendations for Company management.

#### **THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:**

1. Evaluate and consistently apply late fees to adequately cover the Company costs associated with processing and handling delinquent accounts. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, WR-2013-0543.
2. Update and distribute, to all current and future customers, written information specifying the rights and responsibilities of the Company and its customers as required by Commission Rule 4 CSR 240-13.040(3). This recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in this case, WR-2013-0543.

The purpose of the EMSU is to promote and encourage efficient and effective utility management. This purpose contributes to the Commission's overall mission to ensure that customers receive safe and adequate utility service at reasonable rates while providing utilities the opportunity to earn a fair return on their investment.

The objectives of this review were to analyze and document 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 and business operations.

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

- Customer Billing
- Payment Remittance
- Credit and Collections
- Complaints and Inquiries
- Customer Communication
- Records and Documentation Retention

## **History**

The EMSU staff previously performed a customer service review of the Company in November 2007. This review was performed in conjunction with the small company rate request submitted by the Company and assigned Case No. WR-2008-0304. The review resulted in a written report and included recommendations for improvement in the areas of applications for service, customer communications, customer billing, late payment notices, and document storage. The Unanimous Agreement Regarding Disposition of Small Company Rate Increase Request that was approved in the prior case addressed specific timeframes for the completion of each of the recommendations suggested in the report. The EMSU staff assisted the Company to ensure that these recommendations were addressed. The actions taken by the Company were considered appropriate for meeting the intent of the majority of the recommendations contained

in the EMSU report. Implementations of actions that have not been completed are noted in the section of this report titled Findings, Conclusions, and Recommendations.

### **Overview**

Roy-L was certificated by the Missouri Secretary of State in May of 1966 and by the Commission in April 1975, to provide water supply and distribution services in the Golden Eagle Reserve Subdivision in the City of High Hill, Missouri, located in Montgomery County. The Company currently provides water service to sixty-two (62) hook-ups. Of the sixty-two (62) hook-ups, twenty-one (21) of the customers are full-time residents in the subdivision.

Activities associated with the operations are performed by the President/Owner and the Manager/Secretary in the owner's home located at 366 Highway F, High Hill, Missouri. The Manager/Secretary is responsible for business office functions which includes billing preparation and distribution, bank deposits, accounts payable, accounts receivable, correspondence, and maintenance of customer account and contact information. The President/Owner is responsible for oversight of all day-to-day operations, providing office space and equipment, assisting with customer comments and complaints, and is available at all times during emergency situations or in the absence of the Manager/Secretary. Roy-L currently contracts for the maintenance, operation, and repairs associated with its facilities.

The President/Owner and the Manager/Secretary use detailed time sheets on a consistent basis to record the hours spent performing work activities. Vehicle logs are incorporated on the time sheet to track vehicle usage associated with performing work activities.

### **Customer Billing**

The billing software utilized by the Company to maintain customer account records and prepare monthly billing statements is QuickBooks. The Company currently does not utilize meters, so monthly customers pay a flat rate for water service. EMSU staff discussed with Company personnel the format and requirements of billing statements in the event the Company install meters. The current full-time monthly flat rate charge is \$28.23 for water service. The part-time monthly flat rate charge is \$21.78 for water service. The billing statements are prepared and mailed prior to or on the first business day of each month.

### **Payment Remittance**

The payment options available to customers include cash, check, and money order. These payments are received by the President/Owner at the Company mailing address. The majority of customers remit payment by check with approximately two (2) instances of cash payment during the three (3) years in review. The Company currently allows twenty-five (25) days for customers to pay their utility charges. The Company typically makes bank deposits on a weekly basis or more often if necessary during the week customer payments are due.

### **Credit and Collections**

Customers requesting services are required to complete a written application. Company personnel indicated they do not require a security deposit as a condition for providing water service. The Company's tariff includes procedures allowing a credit check and security deposit if it is necessary to perform or collect a deposit from a potential customer.

The customers are allowed a minimum of twenty-five (25) days from the rendition of the bill to pay the utility charges before they are considered delinquent each month. A late fee of \$5.00 or 3% of the amount due, whichever amount is larger, is applied on accounts in which payment is received beyond the delinquent date. Roy-L indicated a late fee is assessed to the same customers on a regular basis and does not feel the amount of the late charge is adequate to encourage customers to pay by the delinquent date. The Company indicated it does not consistently apply the late fee to every customer each month.

As a result of a recommendation in the previous rate case, the Company developed a delinquent notice including discontinuance of service information. The notice includes information regarding all fees associated with discontinuance of service, restoration of service, the date on which services will be terminated for non-payment, and instructions on how to avoid discontinuance of service. Although the Company developed a notice, it has not mailed a notice for nonpayment or discontinuance of service to date. Payments have been received prior to preparation of the next month's billing statement for delinquent customers.

The Company indicated it has not received insufficient funds checks during the time period reviewed from January 2010 through December 2012. The Company tariff allows for a

\$25.00 returned check fee charge. The Company reported it did not have any bad debt write-offs from 2010 through 2012.

### **Complaints and Inquiries**

Customers that have a complaint or inquiry with the Company may call or come by the office. The Company maintains a customer complaint log which includes documentation of the issue and the resolution if an investigation or maintenance check is warranted. The Manager/Secretary investigates complaints and inquiries. According to the Commission's Electronic Filing Information System (EFIS), there were no reported complaints on file with the Commission from January 2010 through December 2012.

### **Customer Communication**

The Company developed an informational brochure as a result of a recommendation from the last rate case. The brochure currently reflects an incorrect flat rate for water service and does not include contact information for customers to contact the Missouri Public Service Commission or the Office of the Public Counsel staff. The Company is working with EMSU staff to include all requirements of Commission Rule CSR 240-13.040 (3) in the brochure for distribution to existing and future customers.

### **Records and Documentation Retention**

Roy-L maintains a copy of customer files at the business office. Customer billing records are kept electronically in QuickBooks. The Company's electronic records are backed up monthly on a flash drive and stored at an off-site location in a fireproof safe.

### **Findings, Conclusions, and Recommendations**

The following discussion presents a summary of the findings, conclusions, and recommendations pertaining to the Company's customer service operations. Recommendations resulting from rule or tariff violations are specifically noted and associated with a thirty (30) day implementation requirement. The information presented in this section focuses on the following two (2) issues that require Company management's attention:

- Credit and Collections

- Customer Communication

### **Credit and Collections**

The Company does not consistently apply late fees to all delinquent paying customers each month. The Company has not performed an analysis of the number of late paying customers. Roy-L provided the EMSU staff a query of late charges for the time period of January 2010 through December 2012. Additional time is required of the Company to record and apply late fees to customer accounts that pay beyond the delinquent date. The intent of the late fee is to encourage all customers to pay for service they have received prior to the delinquent date. Roy-L could benefit from consistently applying the allowed late fees to customers that do not remit payment prior to the delinquent date.

### ***THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:***

*Evaluate and consistently apply late fees to adequately cover the Company costs associated with processing and handling delinquent accounts. This recommendation should be completed within ninety (90) days of the effective date of any Commission order issued in this case, WR-2013-0543.*

### **Customer Communication**

The Company's written information form or brochure currently reflects an incorrect flat rate for water service and does not include contact information for customers to contact the Missouri Public Service Commission or the Office of the Public Counsel staff. EMSU staff discussed this requirement with Company personnel, and they are currently working with EMSU staff to update the brochure in accordance with Commission Rule 4 CSR 240-13.040 to distribute to existing and future customers. Commission Rule 4 CSR 240-13.040(3) states:

(3) A utility shall prepare, in written form, information which in layman's terms summarizes the rights and responsibilities of the utility and its customers in accordance with this chapter. The form shall be submitted to the Missouri Public Service Commission, and to the Office of the Public Counsel. This written information shall be displayed prominently, and shall be available at all utility office locations open to the general public, and shall be mailed or otherwise delivered to each residential customer of the utility if requested by the customer. The information shall be delivered or mailed to each new customer of the utility upon the commencement of service and shall be available at all times upon request.

**THE EMSU STAFF RECOMMENDS THAT COMPANY MANAGEMENT:**

Update and distribute, to all current and future customers, written information specifying the rights and responsibilities of the Company and its customers as required by Commission Rule 4 CSR 240-13.040(3). This recommendation should be completed within thirty (30) days of the effective date of any Commission order issued in this case, WR-2013-0322.

**Implementation Review**

The EMSU staff will conduct a review of the Company's progress regarding the implementation of the two (2) recommendations made in this report.

## Agreement Attachment I

### Auditing Unit Recommendation Memorandum

## ***AUDITING UNIT RECOMMENDATION MEMORANDUM***

**FROM: Paul R. Harrison**  
**Jermaine Green**  
**Auditing Unit Staff**

**TO: Jim Russo**  
**Water and Sewer Unit, Case Coordinator**

**CC: Amy Moore**  
**Staff Counsel's Office**

**SUBJECT: Auditing Unit's Findings and Recommendation**  
**Roy-L Utilities, Inc.**  
**Case No. WR-2013-0543 and SR-2013-0544**

**DATE: Updated March 31, 2013**

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Roy-L Utilities, Inc. ("Roy-L Utilities" or "Company") filed a rate increase request with the Missouri Public Service Commission ("Commission") on June 26, 2013. On that date, the Company filed a request to implement a rate increase of \$10,378 in its annual sewer system operating revenues and an increase of \$8,072 in its annual water system operating revenues, which, if approved, would result in an increase over current revenues of approximately 150.8% for sewer service and 47.9% for water service. Roy-L Utilities currently serves approximately 57 sewer customers and 61 water customers in Montgomery County, Missouri. Roy-L Utilities' current sewer and water rates became effective on May 5, 2008.

The specific reasons for the requested increases in the Company's annual operating revenues for sewer service include: addition of Missouri Department of Resources (DNR) mandated chlorinator and de-chlorinator system to be installed at the lagoon. Roy-L Utilities also stated that this would be an opportune time to rock the edge of the lagoon to prevent muskrat holes and complete the fence around the new system as mandated by DNR.

The specific reasons for the requested increases in the Company's annual operating revenues for water service include: erecting a new pump house building as the existing building is not adequate. The new building is intended to cover the reserve tank and include a concrete floor so that the well, tanks and pipes will not corrode from being exposed to the weather. Other reasons for the proposed water rate increase are replacement of the pressure tank, as the existing tank has corrosion and is leaking, replacement of the rock floor with concrete, replacement of some of the pipes and improvement of the electric system. DNR recently inspected Roy-L Utilities' pump house and issued many "strong recommendations" to the Company, which include these changes.

### **BRIEF HISTORY**

Currently, the principal owner of the Company is Ms. Jean Longstreet, and she contracted Ms. Marie Rock to manage and operate the systems for her. Ms. Longstreet and Ms. Rock are the wife and daughter of Mr. James Longstreet, respectively, who was the former owner of Roy-L Utilities. It is our understanding that the Company was in a very tenuous position when Ms. Longstreet and Ms. Rock assumed operational responsibility for the Company in 2005 when Mr. Longstreet died. We observed during our review that Ms. Longstreet and Ms. Rock appear to be doing a good job of addressing some of the many problems faced by the Company.

## **AUDIT UNITS FINDINGS**

The Audit Staff comprised of Paul R. Harrison and Jermaine Green conducted an audit of the books and records of the Company and this audit provides a reasonable basis for our recommendation presented in this Memorandum. The Audit Staff used the twelve months ending December 31, 2012, as its test year, updated for known and measurable changes through December 31, 2013. Based upon the examination of the Company's books and records, the Audit Staff cost of service calculations show the need for a rate increase of \$ 8,609 for sewer and a rate increase of \$2,243 for water, representing an overall increase of about 120.79% for the sewer system and a increase of 12.41% for the water system respectively. Audit Staff's Accounting Schedules are attached to this Memorandum. Audit Unit's workpapers were provided to the case coordinator (Jim Russo).

Included in the computation of the revenue requirements in the Accounting Schedules is an 7.455% weighted average cost of capital (rate of return); the analysis supporting this result was provided by Ms. Shana Atkinson of the Financial Analysis Unit of the Commission

## **DNR PROJECTS**

### **Sewer System**

DNR is requiring Roy-L Utilities to install a chlorinator and dechlorinator system and install fencing around the utility's lagoon. Roy-L Utilities provided Staff with bids for the installation of chlorinator and dechlorinator system at the lagoon and the installation of the fencing. Roy-L Utilities does not currently have the funding to finance these projects; therefore Staff is recommending that these costs be recovered in rates through the use of a surcharge to be recovered over a five-year period and has included these costs in this case as a surcharge. However, before this surcharge to customers is included in rates, Staff wants to ensure that the owners have a loan in place or money available from some other source to pay for these projects. Therefore, Staff's recommended surcharge to customers is conditioned upon the Company providing documentation (i.e. loan documents, contractor invoices, check register, bank statements, etc.) that it has funds available and that the funds are to be used only for these projects. In addition, the surcharge shall be "subject to refund" in the next Roy-L Utilities rate case if the money is not used for the specific DNR projects. Steve Loethen of Staff's Water and Sewer Unit (W&SU) is sponsoring the necessity of these projects, and the Audit Staff is sponsoring the dollar adjustments related to the projects. The estimated cost for the DNR projects for sewer is \$27,784. The monthly surcharge per customer for sewer would be \$8.12.

## **Water System**

In addition, DNR identified several deficiencies during its inspection of Roy-L Utilities' water system on June 13, 2012, and noted that several of these deficiencies have existed since their previous inspection conducted on January 25, 2007. These include the wellhead, which should be located inside of the well house, the well house roof, which is in need of repair and or replacement, the well casing, which is corroded and should be repaired or replaced, the dirt/gravel floor of the well house, which should be replaced with a concrete floor, the equipment inside of the well house, which is showing corrosion due to age, and the surface of the hydro pneumatic tank, which is showing moderate rust and corrosion. The current DNR report states the following:

The well pump for this system is a submersible pump of about 120 gallons per minute production capacity. The system wellhead is underneath a bucket about eight feet from the wellhead. This system should consider placing the wellhead under a permanent, secure structure. The current bucket does not provide adequate protection against vandalism by unauthorized persons. All critical areas should be locked in order to prevent tampering, vandalism, and possible contamination. Protection of facilities should include security fencing with locked gates, locked hatches, and other access openings. Security of your water system is extremely important. One security breach can cost your water system money and threaten the public health of your customers. By August 15, 2013, please provide a written response describing how the system will either repair the current well house to render it secure or a plan for constructing a properly secure well house.

Roy-L Utilities has provided Staff several bids for constructing a new well house, installing concrete flooring, performing electrical work for the well house, replacing the pressure tank and replacing some of the water piping. Once again, Roy-L Utilities does not currently have the funding to finance these projects; therefore, Staff is recommending that these costs be recovered in rates through the use of a surcharge to be recovered over a five-year period and has included these costs in this case as such. However, before this surcharge to customers is included in rates, Staff wants to ensure that the owners have a loan in place or money available from some other source to pay for these projects. Therefore, Staff's recommended surcharge to customers is conditioned upon the owners providing documentation (i.e. loan documents, contractor invoices, check register, bank statements, etc.) that it has funds available and that the funds are to be used only for these projects. In addition, the surcharge shall be "subject to refund" in the next Roy-L Utilities rate case if the money is not used for the specific DNR projects. Steve Loethen of the W&SU is sponsoring the necessity of these projects, and the Audit Staff is sponsoring the dollar adjustments related to the projects. The estimated cost for the DNR projects for water including the purchase of 25 meters discussed below is \$29,079. The monthly surcharge per customer for water would be \$7.95.

Roy-L Utilities does not have water meters installed for all of its 61 customers. However, Roy-L Utilities has approximately 25 meter sets currently installed. Steve Loethen from W&SU

has been working with the Company in an effort to get meters installed for all of Roy-L water customers. He has found meters that cost approximately \$70 each, and Staff is including the cost of these water meters in its recommended surcharge for this case. The same caveat as discussed previously for the DNR projects for inclusion in the surcharge also applies for these meters, it is conditioned upon the Company providing documentation (i.e. loan documents, contractor invoices, check register, bank statements, etc.) that it has funds available and that the funds are to be used only for these projects. The estimated cost for these meters is approximately \$1,750.

## **RATE BASE**

The Audit Staff and the Engineering and Management Services Unit (EMSU) updated plant in service and depreciation reserve for Roy-L Utilities by beginning with the amounts that were agreed upon by all parties in Roy-L Utilities' last rate case (Case Nos. SR-2008-0303 & WR-2008-0304) and making adjustments for any subsequent plant additions or retirements. Total plant in service for the sewer system is \$34,678, and the water system is \$36,638,, while depreciation reserve for sewer is \$1,524, and water is \$3,565, respectively, as of June 30, 2013. The net investment in plant at the end of the update period for sewer is \$34,678, and water is \$33,949. In addition, Contributions in Aid of Construction (CIAC) and CIAC Amortization as of June 30, 2013, is \$414 and \$92, respectively.

The depreciation rates used in Staff's calculations for depreciation expense were provided and recommended by Mr. John Robinett of the Engineering and Management Services Unit of the Commission. These depreciation rates were used to develop an annualized level of depreciation expense for Roy-L Utilities based on its plant in service as of June 30, 2013.

## **REVENUES**

Roy-L Utilities provides service to 57 sewer and 61 water customers. Roy-L Utilities has 19 full-time and 38 part-time sewer customers. The sewer customers' current rates are a flat monthly rate of \$10.82 for full-time and \$9.78 for part-time customers. In addition, Roy-L Utilities has 23 full-time and 38 part-time water customers. The water customer's current rates are a monthly flat rate of \$28.23 for full-time and \$21.78 for part-time customers. Roy-L Utilities' current level of revenues for sewer and water is \$6,927 and \$17,893, respectively.

Per Roy-L Utilities' Tariff, the Company charges \$5.00 or 3% per month multiplied by the unpaid balance, whichever is more, as a late fee for its customers. During calendar years 2010 through 2012, the Company collected \$640 for sewer and \$765 for water in late fees, which are considered as miscellaneous revenues for rate making purposes. Therefore, Staff used a three-year average to normalize miscellaneous sewer and water revenues for this case and included \$213 for sewer and \$255 for water.

## **EXPENSES**

Audit Staff's audit of the expenses for this case consisted of an onsite interview of Roy-L Utilities employees, Mrs. Rock and Ms. Longstreet, on August 5, 2013, a review of the Company's books and records from calendar year (CY) 2010 through June 30, 2013, and a review of the Company's Annual Reports and Tariffs that are filed with the Commission. While

on site with the Company, Staff requested copies of all documents (i.e. invoices, timesheets, contracts, etc.) that were available for Roy-L Utilities from CY 2010 through June, 30, 2013. The Company was unable to provide Staff copies of these documents. Therefore, Staff requested that we be allowed to take the original documents with us to our Jefferson City office to copy and subsequently return them to the Company. Using these documents, Audit Staff developed the expense items identified below for the current case based upon a normalized level of these expenses over a three-year period.

### **Payroll**

Ms. Rock and Ms. Longstreet have been managing and operating Roy-L Utilities since 2005. Staff used a three-year average of the number of hours that Ms. Rock worked for the Company to normalize her hours and multiplied that number of hours by her updated contracted hourly salary of \$19.09 to annualize her payroll. In addition, Staff used the number of hours that Ms. Longstreet worked for the Company during calendar year 2012 and multiplied that number of hours by her hourly salary of \$10 per hour to annualize her payroll.

Staff used a four-year average of the number of miles driven by Ms. Rock and Ms. Longstreet and multiplied this average by the current Internal Revenue Service rate of 56.5 cents per mile to normalize the Company's travel expenses.

Both payroll and travel expenses were included in Staff's cost of service and allocated evenly between sewer and water operations.

### **Rent and Telephone Expense**

Currently the company is operated out of Ms. Longstreet's personal residence. Staff included \$1,200 for annual rent expense in Roy-L Utilities' last rate case, and we are recommending that this same amount of rent expense be included in the current cost of service. This recommendation allows for a reasonable amount of utilities, property taxes and other expenses that would be associated with a stand-alone office. In addition, Mrs. Longstreet's telephone is used to conduct business for Roy-L Utilities. The Company separates the telephone usage between business and personnel use, and Staff has included the business portion of this expense in the amount of \$928 in its cost of service. Both the rent and telephone expense is split evenly between sewer and water.

### **Property Insurance**

Staff used the actual amount of property insurance that Roy-L Utilities paid during the test year in its cost of service.

### **Property Taxes**

Staff used the actual amount of property taxes that Roy-L Utilities paid during the test year in its cost of service.

### **Utility Expense**

Electricity costs were annualized based on the current rate level paid by Roy-L Utilities for its electrical expense. The test year electric cost was adjusted by using a three-year average to reflect a normalized level of electricity

### **Additional Adjustments**

Staff has reflected adjustments in its cost of service to normalize amounts related to: 1) various operations and maintenance expenses, 2) postage increases due to new postage rates, 3) permit and degradation fees, 4) DNR lab fees, 5) Commission's annual assessment, and 6) amortization of a portion of prior Contributions in Aid of Construction (CIAC).

### **AUDIT STAFF RECOMMENDATIONS:**

**The Company should fully comply with these recommendations within 90 days of the effective date of the Commission Order for this case:**

There has been an on-going discussion between the Company and Staff concerning the Company's ability to complete the DNR projects and install the water meters in order to provide safe and adequate service to Roy-L Utilities' customers. The Company does not have the funds available to complete these projects without obtaining some type of a loan. Therefore, Staff is recommending that the costs of these projects be recovered in rates as a surcharge to customers for a period of five-year only if the Company has an approved loan within 90 days from the time that rates go into effect for this case. Staff's recommended surcharge to customers is conditioned upon the Company providing documentation (i.e. loan documents, contractor invoices, check register, bank statements, etc.) that it has funds available and that the funds are to be only used for these projects. In addition, the surcharge shall be "subject to refund" in the next Roy-L Utilities rate case if the money is not used for these specific DNR projects.

**The Company should fully comply with these recommendations within 180 days of the effective date of the Commission Order for this case:**

- a) The Company shall maintain the Company's books and records in accordance with National Association of Regulated Utility Commissioners (NARUC) Uniform System of Accounts (USOA). Staff provided the Company with a copy of the NARUC USOA Class D for both water and sewer;
- b) The Company shall develop continuing property records (CPRs) for all of the Company's Plant in Service and Contribution in Aid of Construction (CIAC) that include, where applicable, the amount of plant, depreciation reserve, CIAC, and CIAC reserve used by Staff in this case;
- c) The Company shall keep the Company's CPRs up to date and complete;
- d) The Company shall develop a general ledger for its entire rate base, revenues and expenses;
- e) The Company shall calculate depreciation expense on a monthly basis and include the amounts in the Company's books and records;
- f) The Company shall maintain a record of the additional hours, cost of materials and mileage reimbursements, if the Company incurs additional contract operator costs for additional maintenance or emergency services per the operator contract; and

- g) The Company shall develop a list of duties and responsibilities for any employee that performs work for the Company and maintain records of the number of hours worked with a description of the functions performed by the employee.

## Agreement Attachment J

### Summary of Case Events

Roy-L Utilities Inc.  
Case #WR-2013-0543  
Summary of Case Events

Date Filed	June 26, 2013
Day 150	November 25, 2013
Extension?	No
If yes, why?	
Amount Requested	\$8,072
Amount Agreed Upon	\$2,243
Item(s)/Dollar(s) Driving Rate Increase	
Number of Customers	61
Weighted Rate of Return inc. Income Tax	10.58%
Return on Equity	8.47%
Assessments Current	Yes
Annual Reports Filed	Yes
Statement of Revenue Filed	Yes
Other Open Cases before Commission	SR-2013-0544
Status with Secretary of State	Good
DNR Violations	Minor-paperwork not being submitted timely.
Significant Service/Quality Issues	

## Staff Participant Affidavits

James M. Russo – Water & Sewer Department

Paul Harrison-Auditing Department

John Robinett – Engineering & Management Services Department

Tammy Huber – Engineering & Management Services Department

**BEFORE THE MISSOURI PUBLIC SERVICE COMMISSION**

**OF THE STATE OF MISSOURI**

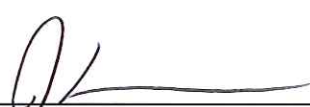
In the Matter of Roy-L Utilities Request for an     )  
Increase in Water System Operating Revenue     )

WR-2013-0543


**AFFIDAVIT OF JAMES M. RUSSO**

STATE OF MISSOURI     )  
   ) ss  
COUNTY OF COLE     )

**COMES NOW** James M. Russo, being of lawful age, and on his oath states the following: (1) that he is the Rate and Tariff Examination Supervisor in the Missouri Public Service Commission's Water and Sewer Unit; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing *Company/Staff Partial Agreement Regarding Disposition of Small Water Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachments A, E, F, G, and J to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachments A, E, F, G, and J to the Disposition Agreement; and (6) that the matters set forth in Attachments A, E, F, G, and J to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
James M. Russo  
Rate & Tariff Examination Supervisor  
Water and Sewer Unit

Subscribed and sworn to before me this 1st day of April, 2014.

  
\_\_\_\_\_  
Notary Public

SUSAN L. SUNDERMEYER  
Notary Public - Notary Seal  
State of Missouri  
Commissioned for Callaway County  
My Commission Expires: October 03, 2014  
Commission Number: 10942086

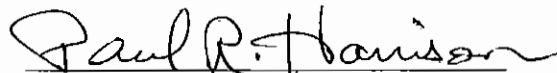
**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of Roy-L Utilities Request for ) an Increase in Water System Operating ) Revenue. ) )	File No. WR-2013-0543
In the Matter of Roy-L Utilities Request for ) an Increase in Sewer System Operating ) Revenue. ) )	File No. SR-2013-0544

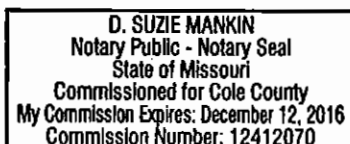
AFFIDAVIT OF PAUL R. HARRISON

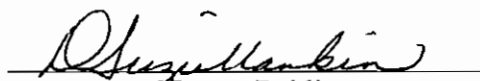
STATE OF MISSOURI     )  
                                  )  
COUNTY OF COLE     )     ss.

**COMES NOW** Paul R. Harrison, being of lawful age, and on his oath states the following: (1) that he is a Utility Regulatory Auditor IV in the Missouri Public Service Commission's Regulatory Review, Utility Services Department, Auditing Unit; (2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing *Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachment B, C & I to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment B, C, & I to the Disposition Agreement; and (6) that the matters set forth Attachment B, C & I to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.

  
Paul R. Harrison  
Utility Regulatory Auditor IV  
Auditing Unit

Subscribed and sworn to before me this 1<sup>st</sup> day of April, 2014.



  
Notary Public

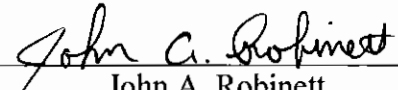
**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of Roy-L Utilities Request for ) an Increase in Water System Operating ) Revenue. ) )	File No. WR-2013-0543
In the Matter of Roy-L Utilities Request for ) an Increase in Sewer System Operating ) Revenue. ) )	File No. SR-2013-0544

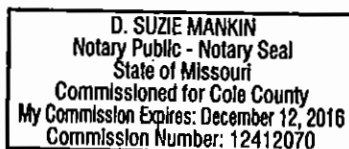
AFFIDAVIT OF JOHN A. ROBINETT

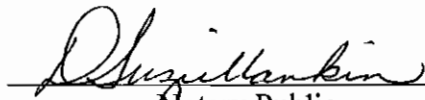
STATE OF MISSOURI       )  
                                      )  
COUNTY OF COLE       )       ss.

**COMES NOW** John A. Robinett, being of lawful age, and on his oath states the following:  
(1) that he is a Utility Engineering Specialist III in the Missouri Public Service Commission's Regulatory Review, Utility Services Department, Engineering & Management Services Unit;  
(2) that he participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that he has knowledge of the foregoing *Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request* ("Disposition Agreement"); (4) that he was responsible for the preparation of Attachment D to the Disposition Agreement; (5) that he has knowledge of the matters set forth in Attachment D to the Disposition Agreement; and (6) that the matters set forth Attachment D to the Disposition Agreement are true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
John A. Robinett  
Utility Engineering Specialist III  
Engineering and Management  
Services Unit

Subscribed and sworn to before me this 15<sup>th</sup> day of April, 2014.



  
\_\_\_\_\_  
Notary Public

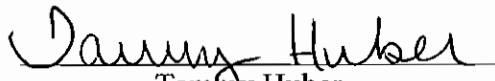
**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF MISSOURI**

In the Matter of Roy-L Utilities Request for ) an Increase in Water System Operating ) Revenue. ) )	File No. WR-2013-0543
In the Matter of Roy-L Utilities Request for ) an Increase in Sewer System Operating ) Revenue. ) )	File No. SR-2013-0544

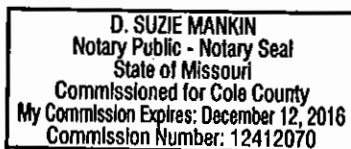
AFFIDAVIT OF TAMMY HUBER

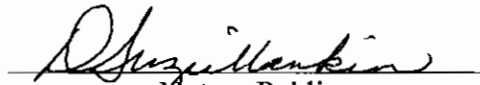
STATE OF MISSOURI	)	
	)	ss.
COUNTY OF COLE	)	

**COMES NOW** Tammy Huber, being of lawful age, and on her oath states the following: (1) that she is a(n) Utility Management Analyst III in the Missouri Public Service Commission's Regulatory Review Division, Utility Services Department, Engineering and Management Services Unit; (2) that she participated in the Staff's investigation of the small company rate increase request that is the subject of the instant case; (3) that she has knowledge of the foregoing *Company/Staff Agreement regarding disposition of small water company revenue increase request* ("Disposition Agreement"); (4) that she was responsible for the preparation of Attachment H to the Disposition Agreement; (5) that she has knowledge of the matters set forth in Attachment H to the Disposition Agreement; and (6) that the matters set forth in Attachment H to the Disposition Agreement are true and correct to the best of her knowledge, information, and belief.

  
Tammy Huber  
Utility Management Analyst III  
Engineering and Management  
Services Unit

Subscribed and sworn to before me this 1<sup>st</sup> day of April, 2014.



  
Notary Public