

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Expense Adjustment Schedule - Water

Schedule: 2  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:01 AM

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
	To annualize Meritage expense (Hanneken)		\$710	
W-20	Leases			-\$72
	Staff annualization of leases other than vehicle (Hanneken)		-\$72	
W-21	Transportation			\$520
	Staff annualization of vehicle maintenance supplies (Hanneken)		\$22	
	Staff annualization of GE Fleet lease and maint		\$498	
W-22	Insurance			-\$385
	Staff annualization of insurance (Hanneken)		-\$385	
W-23	Other Expenses			-\$1,302
	Staff annualization of telephone (Hanneken)		-\$245	
	Removal of late fees (Hanneken)		-\$5	
	Staff annualization of postage (Hanneken)		\$36	
	Staff annualization of office supplies and misc. other (Hanneken)		-\$28	
	Removal of accruals (Hanneken)		-\$136	
	Removal of non-ongoing expense (Hanneken)		-\$119	
	Removal of items annualized elsewhere (Hanneken)		-\$805	
W-27	Rate Case Expense			-\$409
	To normalize rate case expense (Hanneken)		-\$473	
	To normalize current rate case expense (Hanneken)		\$64	

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Test Year Ending September 30, 2007  
Expense Adjustment Schedule - Water

Schedule: 2  
Sponsor: Lisa Hanneken  
Date: 7/10/2008  
Time: 10:01 AM

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
W-28	PSC Regulatory Fees			-\$120
	Removal of PSC accruals (Hanneken)		-\$172	
	Staff annualization of PSC assessment (Hanneken)		\$52	
W-29	Depreciation			\$4,143
	To Annualize Depreciation		\$4,143	
W-32	Property Taxes			\$125
	Staff annualization of property taxes (Cassidy)		\$125	
W-33	Payroll Taxes			-\$136
	Staff annualization of payroll taxes (Hanneken)		-\$136	
Total Expense Adjustments				<u>\$11,545</u>

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Revenue Summary Schedule - Water

Schedule: 3  
 Sponsor: John Cassidy  
 Date: 7/10/2008  
 Time: 10:01 AM

Line Number	A Description	Residential SS		Total	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	121		121	
3	Bills Per Year	12			
4	Customer Bills Per year	1,452		1,452	
5	Current Customer Charge	\$18.24			
6	Annualized Customer Charge Revenues		\$27,936		\$27,936
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	5,812,320		5,812,320	
9	Less: Base Gallons Included in Customer Charge	2,502,000		2,502,000	
10	Commodity Gallons	3,310,320		3,310,320	
11	Block 1, Commodity Gallons per Block	3,310,320			
12	Block 1, Number of Commodity Gallons per Unit	1,000			
13	Block 1, Commodity Billing Units	3,310.32			
14	Block 1, Existing Commodity Charge	\$5.14			
15	Block 1, Annualized Commodity Charge Rev.		\$17,015		\$17,015
16	<u>Total Annualized Water Rate Revenues</u>		<u>\$44,951</u>		<u>\$44,951</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.

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
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Miscellaneous Revenues Feeder - Water

Schedule: 3-1  
Sponsor: John Cassidy  
Date: 7/10/2008  
Time: 10:01 AM

Line	Description	Amount
1	Miscellaneous Revenue	\$100
2	Total Miscellaneous Revenues	\$100

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Rate Design Schedule - Water

Schedule: 4  
Sponsor: Jim Russo  
Date: 7/10/2008  
Time: 9:58 AM

Line Number	Description	Account Number (Optional)	Self Annualized	Customer Charge	Commodity	Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues	(1)	\$44,951			
Rev-3	Miscellaneous Revenues	(4)	\$100			
Rev-4	TOTAL ANNUALIZED REVENUES		\$45,051			
1	OPERATIONS EXPENSES	(2)				
2	Salaries and Wages		\$13,570	\$0	\$13,570	0.00%
3	Employee Pensions and Benefits		\$5,303	\$0	\$5,303	0.00%
4	Purchased Water		\$22,983	\$0	\$22,983	0.00%
5	Electricity-(Pumping)		\$518	\$0	\$518	0.00%
6	TOTAL OPERATIONS EXPENSE		\$42,374	\$0	\$42,374	
7	MAINTENANCE EXPENSES					
8	Outside Services Employed		\$1,352	\$0	\$1,352	0.00%
9	Supplies		\$559	\$0	\$559	0.00%
10	TOTAL MAINTENANCE EXPENSE		\$1,911	\$0	\$1,911	
11	CUSTOMER ACCOUNT EXPENSE					
12	Uncollectible Accounts		\$303	\$0	\$303	0.00%
13	TOTAL CUSTOMER ACCOUNT EXPENSE		\$303	\$0	\$303	
14	ADMINISTRATIVE & GENERAL EXPENSES					
15	Accounting		\$187	\$0	\$187	0.00%
16	Legal		\$5	\$0	\$5	0.00%
17	Lab Testing		\$200	\$0	\$200	0.00%
18	Computer Services		\$60	\$0	\$60	0.00%
19	Management Fees		\$3,334	\$0	\$3,334	0.00%
20	Leases		\$377	\$0	\$377	0.00%
21	Transportation		\$3,918	\$0	\$3,918	0.00%
22	Insurance		\$430	\$0	\$430	0.00%
23	Other Expenses		\$4,016	\$0	\$4,016	0.00%
24	TOTAL ADMINISTRATIVE AND GENERAL		\$12,527	\$0	\$12,527	
25	OTHER OPERATING EXPENSES					
26	CIAC Depreciation Expense		\$0	\$0	\$0	0.00%
27	Rate Case Expense		\$635	\$0	\$635	0.00%
28	PSC Regulatory Fees		\$201	\$0	\$201	0.00%
29	Depreciation		\$4,143	\$0	\$4,143	0.00%
30	TOTAL OTHER OPERATING EXPENSES		\$4,979	\$0	\$4,979	
31	TAXES OTHER THAN INCOME					
32	Property Taxes		\$125	\$0	\$125	0.00%
33	Payroll Taxes		\$1,111	\$0	\$1,111	0.00%
34	TOTAL TAXES OTHER THAN INCOME		\$1,236	\$0	\$1,236	
35	TOTAL OPERATING EXPENSES		\$63,330	\$0	\$63,330	
36	Interest Expense	(3)	\$1,836	\$0	\$1,836	0.00%
37	Return on Equity	(3)	\$2,786	\$0	\$2,786	0.00%
38	Income Taxes	(3)	\$1,736	\$0	\$1,736	0.00%
39	TOTAL INTEREST RETURN & TAXES		\$6,358	\$0	\$6,358	
40	TOTAL COST OF SERVICE		\$69,688	\$0	\$69,688	
41	Less: Miscellaneous Revenues		\$100	\$0	\$100	0.00%
42	COST TO RECOVER IN RATES		\$69,588	\$0	\$69,588	
43	INCREMENTAL INCREASE IN RATE REVENUES		\$24,637			

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Rate Design Schedule - Water

Schedule: 4  
 Sponsor: Jim Russo  
 Date: 7/10/2008  
 Time: 9:58 AM

Line Number	Description	Account Number (Optional)	Staff Annualized	Customer Charge	Commodity	Percentage Rate
44	PERCENTAGE OF INCREASE		54.69%			
45	REQUESTED INCREASE IN REVENUES		\$28,437			

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

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
Informal Rate Case  
Tracking Number WR-2008-0289  
Test Year Ending September 30, 2007  
Rate of Return Including Income Tax - Water

Schedule: 5  
Sponsor: John Cassidy  
Date: 7/10/2008  
Time: 9:59 AM

	A	B	Formulas
1 State Income Tax Rate Statutory / Effective	6.25% (2)	5.21%	$(1 - (B2 \times .5)) \times A1$
2 Federal Income Tax Rate Statutory / Effective	35.00% (1) & (2)	33.18%	$(1 - B1) \times A2$
3 Composite Effective Income Tax Rate		38.39%	$B1 + B2$
4 Equity Tax Factor		1.6231	$1 / (1 - B3)$
5 Recommended Weighted Rate of Return on Equity - Common and Preferred		4.72%	From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax		7.66%	$B4 \times B5$
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		3.11%	From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax		10.77%	$B6 + B7$

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

N

To Rate Base Schedule

Equity Income Required      \$3,278  
& Preliminary Federal Tax

Tax Rate Table

Net Income Range		Tax Rate	Amount in Range	Tax on Range
Start	End			
\$0	\$50,000	15.00%	\$3,278	\$492
\$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	\$8,999,999,999	34.00%	\$0	\$0
			\$3,278	\$492
Average Tax Rate:				35.00%

**Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)**  
**Informal Rate Case**  
**Tracking Number WR-2008-0269**  
**Test Year Ending September 30, 2007**  
**Rate Base Required Return on Investment Schedule - Water**

Schedule: 6  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 9:58 AM

Line Number	A Rate Base Description	B Dollar Amount	
1	Plant In Service	\$94,317	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$34,486	From Depreciation Reserve Schedule
3	Net Plant In Service	\$59,831	
4	Other Rate Base Items:	\$0	
	Contribution in Aid of Construction	-\$500	
	CIAC Depreciation	\$26	
	Inventory (meters)	\$114	
	Deferred taxes	-\$439	
5	Total Rate Base	\$59,032	
6	Total Weighted Rate of Return Including Income Tax	10.77%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$6,358	



Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
Informal Rate Case  
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Test Year Ending September 30, 2007  
Capital Structure Schedule - Water

Schedule: 7  
Sponsor: Ron Bible  
Date: 7/10/2008  
Time: 9:59 AM

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	\$964,939,000	46.77%	10.10%	4.72%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.00%
3	Preferred Stock	\$0	0.00%	0.00%	0.00%
4	Long Term Debt	\$1,062,304,000	51.49%	5.84%	3.01%
5	Short Term Debt	\$35,703,079	1.73%	5.67%	0.10%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.00%
7	<b>TOTAL CAPITALIZATION</b>	<b>\$2,062,946,079</b>	<b>100.00%</b>		<b>7.83%</b>

To PreTax Return Rate Schedule

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Plant In Service - Water

Schedule: 8  
Sponsor: Lisa Hanneken  
Date: 7/10/2008  
Time: 9:59 AM

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	\$2,000			100.00%	\$2,000
3	302.000	Franchises and Consents	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$2,000		\$0		\$2,000
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights SP	\$7,500			100.00%	\$7,500
7	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Wells & Springs	\$0			100.00%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$30,821			100.00%	\$30,821
13	317.000	Other Water Source Plant	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$38,321		\$0		\$38,321
15		PUMPING PLANT					
16	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
17	325.000	Electric Pumping Equipment	\$12,017			100.00%	\$12,017
18	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
19	328.000	Other Pumping Equipment	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$12,017		\$0		\$12,017
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	\$0			100.00%	\$0
25		TOTAL WATER TREATMENT PLANT	\$0		\$0		\$0
26		TRANSMISSION & DISTRIBUTION PLANT					
27	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
28	341.000	Structures & Improvements - T&D	\$996			100.00%	\$996
29	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
30	343.000	Transmission & Distribution Mains	\$0			100.00%	\$0
31	344.000	Fire Mains	\$0			100.00%	\$0
32	345.000	Services	\$25,098			100.00%	\$25,098
33	346.000	Meters	\$4,488			100.00%	\$4,488
34	348.000	Hydrants	\$786			100.00%	\$786
35	349.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
36		TOTAL TRANS. & DISTRIBUTION PLANT	\$31,368		\$0		\$31,368
37		GENERAL PLANT					
38	389.000	Land & Land Rights-GP	\$0			100.00%	\$0
39	390.000	Structures & Improvements - GP	\$0			100.00%	\$0
40	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
41		Office Computer Equipment	\$0			100.00%	\$0
42	392.000	Transportation Equipment - GP	\$0			100.00%	\$0
43	393.000	Stores Equipment	\$0			100.00%	\$0
44	394.000	Tools, Shop and Garage Equipment	\$1,217			100.00%	\$1,217
45	395.000	Laboratory Equipment	\$2,000			100.00%	\$2,000
46	396.000	Power Operated Equipment	\$0			100.00%	\$0
47	397.000	Communications Equipment	\$0			100.00%	\$0
48	398.000	Misc Equipment	\$0			100.00%	\$0
49		TOTAL GENERAL PLANT	\$3,217		\$0		\$3,217
50		ADMINISTRATIVE PLANT					
51	390.000	Structures and Improvements	\$94			100.00%	\$94
52	391.000	Office Equipment	\$7,300			100.00%	\$7,300

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Plant In Service - Water

Schedule: 8  
Sponsor: Lisa Hanneken  
Date: 7/10/2008  
Time: 9:59 AM

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
53		TOTAL ADMINISTRATIVE PLANT	\$7,394		\$0		\$7,394
54		TOTAL PLANT IN SERVICE	<u>\$94,317</u>		<u>\$0</u>		<u>\$94,317</u>

To Rate Base & Depreciation Schedules

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Schedule of Adjustments for Plant in Service - Water

Schedule: 9  
Sponsor: Lisa Hanneken  
Date: 7/10/2008  
Time: 9:59 AM

A	B	C	D	E
Plant				
Adjustment		Account	Adjustment	Total
Number	Plant in Service Adjustment Description	Number	Amount	Adjustment

Total Plant Adjustments \$0

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Accumulated Depreciation Reserve - Water

Schedule: 10  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:00 AM

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		<b>INTANGIBLE PLANT</b>					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises and Consents	\$0			100.00%	\$0
4		<b>TOTAL INTANGIBLE PLANT</b>	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
5		<b>SOURCE OF SUPPLY PLANT</b>					
6	310.000	Land & Land Rights SP	\$0			100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0			100.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Wells & Springs	\$0			100.00%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$9,741			100.00%	\$9,741
13	317.000	Other Water Source Plant	\$0			100.00%	\$0
14		<b>TOTAL SOURCE OF SUPPLY PLANT</b>	<u>\$9,741</u>		<u>\$0</u>		<u>\$9,741</u>
15		<b>PUMPING PLANT</b>					
16	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
17	325.000	Electric Pumping Equipment	\$12,001			100.00%	\$12,001
18	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
19	328.000	Other Pumping Equipment	\$0			100.00%	\$0
20		<b>TOTAL PUMPING PLANT</b>	<u>\$12,001</u>		<u>\$0</u>		<u>\$12,001</u>
21		<b>WATER TREATMENT PLANT</b>					
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	\$0			100.00%	\$0
25		<b>TOTAL WATER TREATMENT PLANT</b>	<u>\$0</u>		<u>\$0</u>		<u>\$0</u>
26		<b>TRANSMISSION &amp; DISTRIBUTION PLANT</b>					
27	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
28	341.000	Structures & Improvements - T&D	\$172			100.00%	\$172
29	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
30	343.000	Transmission & Distribution Mains	\$0			100.00%	\$0
31	344.000	Fire Mains	\$0			100.00%	\$0
32	345.000	Services	\$9,731			100.00%	\$9,731
33	346.000	Meters	\$2,564			100.00%	\$2,564
34	348.000	Hydrants	\$17			100.00%	\$17
35	349.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
36		<b>TOTAL TRANS. &amp; DISTRIBUTION PLANT</b>	<u>\$12,484</u>		<u>\$0</u>		<u>\$12,484</u>
37		<b>GENERAL PLANT</b>					
38	389.000	Land & Land Rights-GP	\$0			100.00%	\$0
39	390.000	Structures & Improvements - GP	\$0			100.00%	\$0
40	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
41		Office Computer Equipment	\$0			100.00%	\$0
42	392.000	Transportation Equipment - GP	\$0			100.00%	\$0
43	393.000	Stores Equipment	\$0			100.00%	\$0
44	394.000	Tools, Shop and Garage Equipment	\$156			100.00%	\$156
45	395.000	Laboratory Equipment	\$108			100.00%	\$108
46	396.000	Power Operated Equipment	\$0			100.00%	\$0
47	397.000	Communications Equipment	\$0			100.00%	\$0
48	398.000	Misc Equipment	\$0			100.00%	\$0
49		<b>TOTAL GENERAL PLANT</b>	<u>\$264</u>		<u>\$0</u>		<u>\$264</u>

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 Accumulated Depreciation Reserve - Water

Schedule: 10  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:00 AM

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
50		ADMINISTRATIVE PLANT					
51	390.000	Structures and Improvements	\$8			100.00%	\$8
52	391.000	Office Equipment	-\$12			100.00%	-\$12
53		TOTAL ADMINISTRATIVE PLANT	-\$4		\$0		-\$4
54		TOTAL DEPRECIATION RESERVE	\$34,486		\$0		\$34,486

To Rate Base Schedule

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Adjustments for Accum. Deprec. Resv. - Water

Schedule: 11  
Sponsor: Lisa Hanneken  
Date: 7/10/2008  
Time: 10:00 AM

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

Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Depreciation Expense - Water

Schedule: 12  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:00 AM

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	\$2,000	0.000%	\$0
3	302.000	Franchises and Consents	\$0	0.000%	\$0
4		TOTAL INTANGIBLE PLANT	\$2,000		\$0
5		SOURCE OF SUPPLY PLANT			
6	310.000	Land & Land Rights SP	\$7,500	0.000%	\$0
7	311.000	Structures & Improvements - SSP	\$0	0.000%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0	0.000%	\$0
9	313.000	Lake, River & Other Intakes	\$0	0.000%	\$0
10	314.000	Wells & Springs	\$0	0.000%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0	0.000%	\$0
12	316.000	Supply Mains	\$30,821	2.000%	\$616
13	317.000	Other Water Source Plant	\$0	0.000%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$38,321		\$616
15		PUMPING PLANT			
16	321.000	Structures & Improvements - PP	\$0	0.000%	\$0
17	325.000	Electric Pumping Equipment	\$12,017	10.000%	\$1,202
18	326.000	Diesel Pumping Equipment	\$0	0.000%	\$0
19	328.000	Other Pumping Equipment	\$0	0.000%	\$0
20		TOTAL PUMPING PLANT	\$12,017		\$1,202
21		WATER TREATMENT PLANT			
22	330.000	Land & Land Rights-WTP	\$0	0.000%	\$0
23	331.000	Structures & Improvements - WTP	\$0	0.000%	\$0
24	332.000	Water Treatment Equipment	\$0	0.000%	\$0
25		TOTAL WATER TREATMENT PLANT	\$0		\$0
26		TRANSMISSION & DISTRIBUTION PLANT			
27	340.000	Land & Land Rights-T&D	\$0	0.000%	\$0
28	341.000	Structures & Improvements - T&D	\$996	2.500%	\$25
29	342.000	Distribution Reservoirs & Standpipes	\$0	0.000%	\$0
30	343.000	Transmission & Distribution Mains	\$0	0.000%	\$0
31	344.000	Fire Mains	\$0	0.000%	\$0
32	345.000	Services	\$25,098	2.500%	\$627
33	346.000	Meters	\$4,488	10.000%	\$449
34	348.000	Hydrants	\$786	2.000%	\$16
35	349.000	Other Transmission & Distribution Plant	\$0	0.000%	\$0
36		TOTAL TRANS. & DISTRIBUTION PLANT	\$31,368		\$1,117
37		GENERAL PLANT			
38	389.000	Land & Land Rights-GP	\$0	0.000%	\$0
39	390.000	Structures & Improvements - GP	\$0	0.000%	\$0
40	391.000	Office Furniture & Equipment	\$0	0.000%	\$0
41		Office Computer Equipment	\$0	0.000%	\$0



Aqua-RU Inc. d/b/a Aqua MO, Inc. (SV)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Depreciation Expense - Water

Schedule: 12  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:00 AM

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
42	392.000	Transportation Equipment - GP	\$0	0.000%	\$0
43	393.000	Stores Equipment	\$0	0.000%	\$0
44	394.000	Tools, Shop and Garage Equipment	\$1,217	5.000%	\$61
45	395.000	Laboratory Equipment	\$2,000	5.000%	\$100
46	396.000	Power Operated Equipment	\$0	0.000%	\$0
47	397.000	Communications Equipment	\$0	0.000%	\$0
48	398.000	Misc Equipment	\$0	0.000%	\$0
49		TOTAL GENERAL PLANT	\$3,217		\$161
50		ADMINISTRATIVE PLANT			
51	390.000	Structures and Improvements	\$94	2.900%	\$3
52	391.000	Office Equipment	\$7,300	14.300%	\$1,044
53		TOTAL ADMINISTRATIVE PLANT	\$7,394		\$1,047
54		Total Depreciation	\$94,317		\$4,143

## **WHITE BRANCH WATER**

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
Informal Rate Case  
Tracking Number WR-2008-0289  
Test Year Ending September 30, 2007  
Expense Schedule - Water

Schedule: 1  
Sponsor: Lisa Hanneken  
Date: 7/10/2008  
Time: 10:57 AM

Line Number	Account Number (Optional)	Expense Description	Company Test Year Amount	Adjustment Number	Adjustments	Jurisdictional Allocation	Adjusted Jurisdictional
1		OPERATIONS EXPENSES					
2		Salaries and Wages	\$14,179	W-2	-\$558	100.00%	\$13,620
3		Employee Pensions and Benefits	\$4,073	W-3	-\$1,386	100.00%	\$2,687
4		Electricity-(Pumping)	\$2,544	W-4	\$125	100.00%	\$2,669
5		Chemicals-(Chlorine)	\$448			100.00%	\$448
6		TOTAL OPERATIONS EXPENSE	\$21,244		-\$1,820		\$19,424
7		MAINTENANCE EXPENSES					
8		Outside Services Employed	\$1,503	W-8	\$3,417	100.00%	\$4,920
9		Supplies	\$5,328	W-9	-\$3,630	100.00%	\$1,698
10		TOTAL MAINTENANCE EXPENSE	\$6,831		-\$213		\$6,618
11		CUSTOMER ACCOUNT EXPENSE					
12		Uncollectible Accounts	\$964	W-12	-\$457	100.00%	\$507
13		TOTAL CUSTOMER ACCOUNT EXPENSE	\$964		-\$457		\$507
14		ADMINISTRATIVE & GENERAL EXPENSES					
15		Accounting	\$261			100.00%	\$261
16		Legal	\$5			100.00%	\$5
17		Lab Testing	\$200			100.00%	\$200
18		Computer Services	\$83			100.00%	\$83
19		Management Fees	\$4,425	W-19	\$211	100.00%	\$4,636
20		Leases	\$657	W-20	-\$90	100.00%	\$567
21		Transportation	\$4,717	W-21	-\$1,760	100.00%	\$2,957
22		Insurance	\$1,132	W-22	-\$440	100.00%	\$692
23		Other Expenses	\$6,302	W-23	-\$1,606	100.00%	\$4,696
24		TOTAL ADMINISTRATIVE AND GENERAL	\$17,782		-\$3,685		\$14,097
25		OTHER OPERATING EXPENSES					
26		Tank Inspections	\$0	W-26	\$501	100.00%	\$501
27		CIAC Depreciation Expense	\$0	W-27	-\$1,378	100.00%	-\$1,378
28		Rate Case Expense	\$1,584	W-28	-\$629	100.00%	\$955
29		PSC Regulatory Fees	\$449	W-29	-\$147	100.00%	\$302
30		Depreciation	\$0	W-30	\$8,794	100.00%	\$8,794
31		TOTAL OTHER OPERATING EXPENSES	\$2,033		\$7,141		\$9,174
32		TAXES OTHER THAN INCOME					
33		Property Taxes	\$0	W-33	\$961	100.00%	\$961
34		Payroll Taxes	\$1,265	W-34	-\$162	100.00%	\$1,103
35		TOTAL TAXES OTHER THAN INCOME	\$1,265		\$799		\$2,064
36		TOTAL OPERATING EXPENSES	\$30,119		\$1,785		\$31,834

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Expense Adjustment Schedule - Water

Schedule: 2  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:57 AM

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
<b>W-2</b>	<b>Salaries and Wages</b>			<b>-\$559</b>
	Staff annualization of payroll (Hanneken)		\$450	
	Staff normalization of overtime (Hanneken)		-\$255	
	To remove stock options and bonuses (Hanneken)		-\$754	
<b>W-3</b>	<b>Employee Pensions and Benefits</b>			<b>-\$1,386</b>
	Staff annualization of benefits (Hanneken)		-\$1,386	
<b>W-4</b>	<b>Electricity-(Pumping)</b>			<b>\$125</b>
	Staff annualization of electricity (Cassidy)		\$128	
	Staff annualization of water utilities (Cassidy)		-\$3	
<b>W-8</b>	<b>Outside Services Employed</b>			<b>\$3,417</b>
	Staff annualization of contract services (Hanneken)		\$3,417	
<b>W-9</b>	<b>Supplies</b>			<b>-\$3,630</b>
	Staff annualization of supplies (Hanneken)		-\$3,630	
<b>W-12</b>	<b>Uncollectible Accounts</b>			<b>-\$457</b>
	Staff annualization of bad debts (Cassidy)		-\$457	
<b>W-19</b>	<b>Management Fees</b>			<b>\$211</b>
	To disallow certain Sundry Items (Hanneken)		-\$269	
	To remove IL customer service replaced by Meritage (Hanneken)		-\$501	
	To annualize Meritage expense (Hanneken)		\$981	

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Expense Adjustment Schedule - Water

Schedule: 2  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:57 AM

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
W-20	Leases			-\$90
	Staff annualization of leases other than vehicle (Hanneken)		-\$90	
W-21	Transportation			-\$1,760
	Staff annualization of GE Fleet lease and maint (Hanneken)		-\$1,760	
W-22	Insurance			-\$440
	To annualize insurance expense (Hanneken)		-\$440	
W-23	Other Expenses			-\$1,606
	Staff annualization of telephone (Hanneken)		-\$171	
	Removal of late fees (Hanneken)		-\$6	
	Staff annualization of postage (Hanneken)		\$84	
	Staff annualization of office supplies and misc. other (Hanneken)		-\$49	
	Removal of accruals (Hanneken)		-\$188	
	Removal of non-ongoing expense (Hanneken)		-\$164	
	Removal of items annualized elsewhere (Hanneken)		-\$1,112	
W-26	Tank Inspections			\$501
	Staff normalization of tank inspection (Hanneken)		\$501	
W-27	CIAC Depreciation Expense			-\$1,378
	Staff annualization of CIAC expense (Hanneken)		-\$1,378	
W-28	Rate Case Expense			-\$629

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Expense Adjustment Schedule - Water

Schedule: 2  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:57 AM

A Expense Adj Number	B Adjustment Description	C Account Number	D Adjustment Amount	E Total Adjustment
	To normalize rate case expense (Hanneken)		-\$726	
	To normalize current rate case expense (Hanneken)		\$97	
W-29	PSC Regulatory Fees			-\$147
	Removal of PSC accruals (Hanneken)		-\$241	
	Staff annualization of PSC assessment (Hanneken)		\$94	
W-30	Depreciation			\$8,794
	To Annualize Depreciation		\$8,794	
W-33	Property Taxes			\$961
	Staff annualization of property taxes (Cassidy)		\$961	
W-34	Payroll Taxes			-\$162
	Staff annualization of payroll taxes (Hanneken)		-\$162	
	Total Expense Adjustments			<u>\$1,765</u>

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Revenue Summary Schedule - Water

Schedule: 3  
 Sponsor: John Cassidy  
 Date: 7/10/2008  
 Time: 10:56 AM

Line Number	A Description	Residential 65"		Commercial 65"	
		B Amount	C Amount	D Amount	E Amount
1	<u>Customer Charge Revenues:</u>				
2	Customer Number	106		76	
3	Bills Per Year	12		12	
4	Customer Bills Per year	1,272		912	
5	Current Customer Charge	\$25.36		\$20.29	
6	Annualized Customer Charge Revenues		\$32,258		\$18,504
7	<u>Commodity Charge Revenues:</u>				
8	Total Gallons Sold	-		-	
9	Less: Base Gallons Included in Customer Charge	-		-	
10	Commodity Gallons	-		-	
11	Block 1, Commodity Gallons per Block	-		-	
12	Block 1, Number of Commodity Gallons per Unit	-		-	
13	Block 1, Commodity Billing Units	0.00		0.00	
14	Block 1, Existing Commodity Charge	\$0.00		\$0.00	
15	Block 1, Annualized Commodity Charge Rev.		\$0		\$0
16	<u>Total Annualized Water Rate Revenues</u>		<u>\$32,258</u>		<u>\$18,504</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.

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Revenue Summary Schedule - Water

Schedule: 3  
 Sponsor: John Cassidy  
 Date: 7/10/2008  
 Time: 10:57 AM

Line Number	Description	Total	
		E Amount	G Amount
1	<u>Customer Charge Revenues:</u>		
2	Customer Number	182	
3	Bills Per Year		
4	Customer Bills Per year	2,184	
5	Current Customer Charge		
6	Annualized Customer Charge Revenues		\$50,762
7	<u>Commodity Charge Revenues:</u>		
8	Total Gallons Sold	-	
9	Less: Base Gallons Included In Customer Charge	-	
10	Commodity Gallons	-	
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	<u>Total Annualized Water Rate Revenues</u>		<u>\$50,762</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.



Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Miscellaneous Revenues Feeder - Water

Schedule: 3-1  
Sponsor: John Cassidy  
Date: 7/10/2008  
Time: 10:57 AM

Line	Description	Amount
1	Miscellaneous Revenue	\$260
2	Total Miscellaneous Revenues	\$260

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Rate Design Schedule - Water

Schedule: 4  
Sponsor: Jim Russo  
Date: 7/10/2008  
Time: 10:54 AM

Line Number	Description	Account Number (Optional)	Cost Annualized	Customer Charge	Commodity	Percentage Rate
Rev-1	ANNUALIZED REVENUES					
Rev-2	Annualized Rate Revenues	(1)	\$50,762			
Rev-3	Miscellaneous Revenues	(4)	\$260			
Rev-4	TOTAL ANNUALIZED REVENUES		\$51,022			
1	OPERATIONS EXPENSES	(2)				
2	Salaries and Wages		\$13,620	\$0	\$13,620	0.00%
3	Employee Pensions and Benefits		\$2,687	\$0	\$2,687	0.00%
4	Electricity-(Pumping)		\$2,669	\$0	\$2,669	0.00%
5	Chemicals-(Chlorine)		\$448	\$0	\$448	0.00%
6	TOTAL OPERATIONS EXPENSE		\$19,424	\$0	\$19,424	
7	MAINTENANCE EXPENSES					
8	Outside Services Employed		\$4,920	\$0	\$4,920	0.00%
9	Supplies		\$1,698	\$0	\$1,698	0.00%
10	TOTAL MAINTENANCE EXPENSE		\$6,618	\$0	\$6,618	
11	CUSTOMER ACCOUNT EXPENSE					
12	Uncollectible Accounts		\$507	\$0	\$507	0.00%
13	TOTAL CUSTOMER ACCOUNT EXPENSE		\$507	\$0	\$507	
14	ADMINISTRATIVE & GENERAL EXPENSES					
15	Accounting		\$261	\$0	\$261	0.00%
16	Legal		\$5	\$0	\$5	0.00%
17	Lab Testing		\$200	\$0	\$200	0.00%
18	Computer Services		\$83	\$0	\$83	0.00%
19	Management Fees		\$4,636	\$0	\$4,636	0.00%
20	Leases		\$567	\$0	\$567	0.00%
21	Transportation		\$2,957	\$0	\$2,957	0.00%
22	Insurance		\$692	\$0	\$692	0.00%
23	Other Expenses		\$4,696	\$0	\$4,696	0.00%
24	TOTAL ADMINISTRATIVE AND GENERAL		\$14,097	\$0	\$14,097	
25	OTHER OPERATING EXPENSES					
26	Tank Inspections		\$501	\$0	\$501	0.00%
27	CIAC Depreciation Expense		-\$1,378	\$0	-\$1,378	0.00%
28	Rate Case Expense		\$955	\$0	\$955	0.00%
29	PSC Regulatory Fees		\$302	\$0	\$302	0.00%
30	Depreciation		\$8,794	\$0	\$8,794	0.00%
31	TOTAL OTHER OPERATING EXPENSES		\$9,174	\$0	\$9,174	
32	TAXES OTHER THAN INCOME					
33	Property Taxes		\$981	\$0	\$981	0.00%
34	Payroll Taxes		\$1,103	\$0	\$1,103	0.00%
35	TOTAL TAXES OTHER THAN INCOME		\$2,084	\$0	\$2,084	
36	TOTAL OPERATING EXPENSES		\$51,884	\$0	\$51,884	
37	Interest Expense	(3)	\$5,572	\$0	\$5,572	0.00%
38	Return on Equity	(3)	\$8,456	\$0	\$8,456	0.00%
39	Income Taxes	(3)	\$5,269	\$0	\$5,269	0.00%
40	TOTAL INTEREST RETURN & TAXES		\$19,297	\$0	\$19,297	
41	TOTAL COST OF SERVICE		\$71,181	\$0	\$71,181	
42	Less: Miscellaneous Revenues		\$260	\$0	\$260	0.00%
43	COST TO RECOVER IN RATES		\$70,921	\$0	\$70,921	
44	INCREMENTAL INCREASE IN RATE REVENUES		\$20,159			

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Rate Design Schedule - Water

Schedule: 4  
 Sponsor: Jim Russo  
 Date: 7/10/2008  
 Time: 10:54 AM

Line Number	A Description	B Account Number (Optional)	C Staff Annualized	D Customer Charge	E Commodity	F Percentage Rate
45	PERCENTAGE OF INCREASE		<u>39.51%</u>			
46	REQUESTED INCREASE IN REVENUES		\$30,762			

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

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Rate of Return Including Income Tax - Water

Schedule: 5  
Sponsor: John Cassidy  
Date: 7/10/2008  
Time: 10:54 AM

	A	B	formulas
1 State Income Tax Rate Statutory / Effective	6.25% (2)	5.21%	$(1 - (B2 \times .5)) \times A1$
2 Federal Income Tax Rate Statutory / Effective	35.00% (1) & (2)	33.18%	$(1 - B1) \times A2$
3 Composite Effective Income Tax Rate		38.39%	$B1 + B2$
4 Equity Tax Factor		1.6231	$1 / (1 - B3)$
5 Recommended Weighted Rate of Return on Equity - Common and Preferred		4.72%	From Capital Structure Schedule
6 Weighted Rate of Return on Equity Including Income Tax		7.66%	$B4 \times B5$
7 Recommended Weighted Rate of Return on Debt - Long-Term and Short-Term		3.11%	From Capital Structure Schedule
8 Total Weighted Rate of Return Including Income Tax		10.77%	$B6 + B7$

To Rate Base Schedule

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

N

Equity Income Required \$9,948  
& Preliminary Federal Tax

Tax Rate Table

Net Income Range		Tax Rate	Amount in Range	Tax on Range
Start	End			
\$0	\$50,000	15.00%	\$9,948	\$1,492
\$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
			\$9,948	\$1,492
			Average Tax Rate:	35.00%

**Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)**  
**Informal Rate Case**  
**Tracking Number WR-2008-0269**  
**Test Year Ending September 30, 2007**  
**Rate Base Required Return on Investment Schedule - Water**

Schedule: 6  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:54 AM

Line Number	A Rate Base Description	B Dollar Amount	
1	Plant In Service	\$299,641	From Plant Schedule
2	Less Accumulated Depreciation Reserve	\$69,809	From Depreciation Reserve Schedule
3	Net Plant In Service	\$229,832	
4	Other Rate Base Items:	\$0	
	Contribution in Aid of Construction	-\$80,250	
	CIAC Depreciation	\$30,992	
	Deferred taxes	-\$1,414	
5	Total Rate Base	\$179,160	
6	Total Weighted Rate of Return Including Income Tax	10.77%	From PreTax Return & Taxes Schedule
7	Required Return & Income Tax	\$19,297	

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Capital Structure Schedule - Water

Schedule: 7  
 Sponsor: Rob Bible  
 Date: 7/10/2008  
 Time: 10:55 AM

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	\$964,939,000	46.77%	10.10%	4.72%
2	Other Security-Non Tax Deductible	\$0	0.00%	0.00%	0.00%
3	Preferred Stock	\$0	0.00%	0.00%	0.00%
4	Long Term Debt	\$1,062,304,000	51.49%	5.84%	3.01%
5	Short Term Debt	\$35,703,079	1.73%	5.67%	0.10%
6	Other Security-Tax Deductible	\$0	0.00%	0.00%	0.00%
7	<b>TOTAL CAPITALIZATION</b>	<b><u>\$2,062,946,079</u></b>	<b><u>100.00%</u></b>		<b><u>7.83%</u></b>

To PreTax Return Rate Schedule

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Plant In Service - Water

Schedule: 8  
Sponsor: Lisa Hanneken  
Date: 7/10/2008  
Time: 10:55 AM

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	\$3,760			100.00%	\$3,760
3	302.000	Franchises and Consents	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$3,760		\$0		\$3,760
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights SP	\$3,032			100.00%	\$3,032
7	311.000	Structures & Improvements - SSP	\$1,719			100.00%	\$1,719
8	312.000	Collection & Impounding Reservoirs	\$740			100.00%	\$740
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Wells & Springs	\$66,221			100.00%	\$66,221
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$3,516			100.00%	\$3,516
13	317.000	Other Water Source Plant	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$75,228		\$0		\$75,228
15		PUMPING PLANT					
16	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
17	325.000	Electric Pumping Equipment	\$9,874			100.00%	\$9,874
18	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
19	328.000	Other Pumping Equipment	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$9,874		\$0		\$9,874
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	\$150			100.00%	\$150
25		TOTAL WATER TREATMENT PLANT	\$150		\$0		\$150
26		TRANSMISSION & DISTRIBUTION PLANT					
27	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
28	341.000	Structures & Improvements - T&D	\$30,159			100.00%	\$30,159
29	342.000	Distribution Reservoirs & Standpipes	\$77,815			100.00%	\$77,815
30	343.000	Transmission & Distribution Mains	\$73,180			100.00%	\$73,180
31	344.000	Fire Mains	\$0			100.00%	\$0
32	345.000	Services	\$13,752			100.00%	\$13,752
33	346.000	Meters	\$1,002			100.00%	\$1,002
34	348.000	Hydrants	\$392			100.00%	\$392
35	349.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
36		TOTAL TRANS. & DISTRIBUTION PLANT	\$196,300		\$0		\$196,300
37		GENERAL PLANT					
38	389.000	Land & Land Rights-GP	\$0			100.00%	\$0
39	390.000	Structures & Improvements - GP	\$0			100.00%	\$0
40	391.000	Office Furniture & Equipment	\$5			100.00%	\$5
41		Office Computer Equipment	\$0			100.00%	\$0
42	392.000	Transportation Equipment - GP	\$0			100.00%	\$0
43	393.000	Stores Equipment	\$0			100.00%	\$0
44	394.000	Tools, Shop and Garage Equipment	\$753			100.00%	\$753
45	395.000	Laboratory Equipment	\$2,433			100.00%	\$2,433
46	396.000	Power Operated Equipment	\$0			100.00%	\$0
47	397.000	Communications Equipment	\$0			100.00%	\$0
48	398.000	Misc Equipment	\$0			100.00%	\$0
49		TOTAL GENERAL PLANT	\$3,191		\$0		\$3,191
50		ADMINISTRATIVE PLANT					
51	390.000	Structures and Improvements	\$142			100.00%	\$142
52	391.000	Office Equipment	\$10,996			100.00%	\$10,996

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Plant In Service - Water

Schedule: 8  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:55 AM

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
53		TOTAL ADMINISTRATIVE PLANT	\$11,138		\$0		\$11,138
54		TOTAL PLANT IN SERVICE	<u>\$299,641</u>		<u>\$0</u>		<u>\$299,641</u>

To Rate Base & Depreciation Schedules



Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Schedule of Adjustments for Plant in Service - Water

Schedule: 9  
Sponsor: Lisa Hanneken  
Date: 7/10/2008  
Time: 10:55 AM

A	B	C	D	E
Plant Adjustment Number	Plant In Service Adjustment Description	Account Number	Adjustment Amount	Total Adjustment

Total Plant Adjustments

\$0

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Accumulated Depreciation Reserve - Water

Schedule: 10  
Sponsor: Lisa Hanneken  
Date: 7/10/2008  
Time: 10:56 AM

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 and Consents	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights SP	\$0			100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$544			100.00%	\$544
8	312.000	Collection & Impounding Reservoirs	\$583			100.00%	\$583
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Wells & Springs	\$4,508			100.00%	\$4,508
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$1,126			100.00%	\$1,126
13	317.000	Other Water Source Plant	\$0			100.00%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$6,761		\$0		\$6,761
15		PUMPING PLANT					
16	321.000	Structures & Improvements - PP	\$0			100.00%	\$0
17	325.000	Electric Pumping Equipment	\$8,064			100.00%	\$8,064
18	326.000	Diesel Pumping Equipment	\$0			100.00%	\$0
19	328.000	Other Pumping Equipment	\$0			100.00%	\$0
20		TOTAL PUMPING PLANT	\$8,064		\$0		\$8,064
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	\$53			100.00%	\$53
25		TOTAL WATER TREATMENT PLANT	\$53		\$0		\$53
26		TRANSMISSION & DISTRIBUTION PLANT					
27	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
28	341.000	Structures & Improvements - T&D	\$7,322			100.00%	\$7,322
29	342.000	Distribution Reservoirs & Standpipes	\$27,395			100.00%	\$27,395
30	343.000	Transmission & Distribution Mains	\$13,018			100.00%	\$13,018
31	344.000	Fire Mains	\$0			100.00%	\$0
32	345.000	Services	\$6,148			100.00%	\$6,148
33	346.000	Meters	\$660			100.00%	\$660
34	348.000	Hydrants	\$147			100.00%	\$147
35	349.000	Other Transmission & Distribution Plant	\$0			100.00%	\$0
36		TOTAL TRANS. & DISTRIBUTION PLANT	\$54,690		\$0		\$54,690
37		GENERAL PLANT					
38	389.000	Land & Land Rights-GP	\$0			100.00%	\$0
39	390.000	Structures & Improvements - GP	\$0			100.00%	\$0
40	391.000	Office Furniture & Equipment	\$0			100.00%	\$0
41		Office Computer Equipment	\$0			100.00%	\$0
42	392.000	Transportation Equipment - GP	\$2,012	R-42	-\$2,012	100.00%	\$0
43	393.000	Stores Equipment	\$0			100.00%	\$0
44	394.000	Tools, Shop and Garage Equipment	\$126			100.00%	\$126
45	395.000	Laboratory Equipment	\$121			100.00%	\$121
46	396.000	Power Operated Equipment	\$0			100.00%	\$0
47	397.000	Communications Equipment	\$0			100.00%	\$0
48	398.000	Misc Equipment	\$0			100.00%	\$0
49		TOTAL GENERAL PLANT	\$2,259		-\$2,012		\$247

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Accumulated Depreciation Reserve - Water

Schedule: 10  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:56 AM

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
50		ADMINISTRATIVE PLANT					
51	390.000	Structures and Improvements	\$12			100.00%	\$12
52	391.000	Office Equipment	-\$18			100.00%	-\$18
53		TOTAL ADMINISTRATIVE PLANT	-\$6		\$0		-\$6
54		TOTAL DEPRECIATION RESERVE	<u>\$71,821</u>		<u>-\$2,012</u>		<u>\$69,809</u>

To Rate Base Schedule

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
Informal Rate Case  
Tracking Number WR-2008-0269  
Test Year Ending September 30, 2007  
Adjustments for Accum. Deprec. Resv. - Water

Schedule: 11  
Sponsor: Lisa Hanneken  
Date: 7/10/2008  
Time: 10:56 AM

A	B	C	D	E
Reserve Adjustment Number	Accumulated Depreciation Reserve Adjustments Description	Account Number	Adjustment Amount	Total Adjustment Amount
R-42	Transportation Equipment - GP	392.000		\$2,012
	To adjust for current vehicle inventory		-\$2,012	
Total Reserve Adjustments				<u>-\$2,012</u>

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Depreciation Expense - Water

Schedule: 12  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:55 AM

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	\$3,760	0.000%	\$0
3	302.000	Franchises and Consents	\$0	0.000%	\$0
4		TOTAL INTANGIBLE PLANT	\$3,760		\$0
5		SOURCE OF SUPPLY PLANT			
6	310.000	Land & Land Rights SP	\$3,032	0.000%	\$0
7	311.000	Structures & Improvements - SSP	\$1,719	2.500%	\$43
8	312.000	Collection & Impounding Reservoirs	\$740	2.000%	\$15
9	313.000	Lake, River & Other Intakes	\$0	0.000%	\$0
10	314.000	Wells & Springs	\$66,221	2.000%	\$1,324
11	315.000	Infiltration Galleries & Tunnels	\$0	0.000%	\$0
12	316.000	Supply Mains	\$3,516	2.000%	\$70
13	317.000	Other Water Source Plant	\$0	0.000%	\$0
14		TOTAL SOURCE OF SUPPLY PLANT	\$75,228		\$1,452
15		PUMPING PLANT			
16	321.000	Structures & Improvements - PP	\$0	0.000%	\$0
17	325.000	Electric Pumping Equipment	\$9,874	10.000%	\$987
18	326.000	Diesel Pumping Equipment	\$0	0.000%	\$0
19	328.000	Other Pumping Equipment	\$0	0.000%	\$0
20		TOTAL PUMPING PLANT	\$9,874		\$987
21		WATER TREATMENT PLANT			
22	330.000	Land & Land Rights-WTP	\$0	0.000%	\$0
23	331.000	Structures & Improvements - WTP	\$0	0.000%	\$0
24	332.000	Water Treatment Equipment	\$150	2.900%	\$4
25		TOTAL WATER TREATMENT PLANT	\$150		\$4
26		TRANSMISSION & DISTRIBUTION PLANT			
27	340.000	Land & Land Rights-T&D	\$0	0.000%	\$0
28	341.000	Structures & Improvements - T&D	\$30,159	2.500%	\$754
29	342.000	Distribution Reservoirs & Standpipes	\$77,815	2.500%	\$1,945
30	343.000	Transmission & Distribution Mains	\$73,180	2.000%	\$1,464
31	344.000	Fire Mains	\$0	0.000%	\$0
32	345.000	Services	\$13,752	2.500%	\$344
33	346.000	Meters	\$1,002	10.000%	\$100
34	348.000	Hydrants	\$392	2.000%	\$8
35	349.000	Other Transmission & Distribution Plant	\$0	0.000%	\$0
36		TOTAL TRANS. & DISTRIBUTION PLANT	\$196,300		\$4,615
37		GENERAL PLANT			
38	389.000	Land & Land Rights-GP	\$0	0.000%	\$0
39	390.000	Structures & Improvements - GP	\$0	0.000%	\$0
40	391.000	Office Furniture & Equipment	\$5	5.000%	\$0
41		Office Computer Equipment	\$0	0.000%	\$0

Aqua-RU Inc. d/b/a Aqua MO, Inc. (WB)  
 Informal Rate Case  
 Tracking Number WR-2008-0269  
 Test Year Ending September 30, 2007  
 Depreciation Expense - Water

Schedule: 12  
 Sponsor: Lisa Hanneken  
 Date: 7/10/2008  
 Time: 10:55 AM

Line Number	A Account Number	B Plant Account Description	C Adjusted Jurisdictional	D Depreciation Rate	E Depreciation Expense
42	392.000	Transportation Equipment - GP	\$0	0.000%	\$0
43	393.000	Stores Equipment	\$0	0.000%	\$0
44	394.000	Tools, Shop and Garage Equipment	\$753	5.000%	\$38
45	395.000	Laboratory Equipment	\$2,433	5.000%	\$122
46	396.000	Power Operated Equipment	\$0	0.000%	\$0
47	397.000	Communications Equipment	\$0	0.000%	\$0
48	398.000	Misc Equipment	\$0	0.000%	\$0
49		TOTAL GENERAL PLANT	\$3,191		\$160
50		ADMINISTRATIVE PLANT			
51	390.000	Structures and Improvements	\$142	2.900%	\$4
52	391.000	Office Equipment	\$10,996	14.300%	\$1,572
53		TOTAL ADMINISTRATIVE PLANT	\$11,138		\$1,576
54		Total Depreciation	\$299,641		\$8,794

# Agreement Attachment D

## Rate Design Worksheet

## **AQUA MO R/U-LAKEWOOD MANOR**

### **Development of Tariffed Rates-Water**

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 11,684
Agreed-Upon Overall Revenue Increase	\$ 12,340
Percentage Increase Needed	105.614%

#### **Metered Customer Rates**

Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 17.42	\$ 35.82	\$ 4.310	\$ 8.86
1"	\$ -	0	\$ -	0
2"	\$ -	0	\$ -	0
3"	\$ -	0	\$ -	0
4"	\$ -	0	\$ -	0
6"+	\$ -	0	\$ -	0



## AQUA MO R/U-LTA

### Development of Tariffed Rates-Water

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 37,181
Agreed-Upon Overall Revenue Increase	\$ 20,709
Percentage Increase Needed	55.697%

#### Metered Customer Rates

Meter Size	Current Customer Charge	Proposed Customer Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 14.54	\$ 22.64	\$ 3.260	\$ 5.08

## **AQUA MO R/U-OZARK MOUNTAIN**

### **Development of Tariffed Rates-Water**

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 138,674
Agreed-Upon Overall Revenue Increase	\$ 52,035
Percentage Increase Needed	37.524%

#### **Metered Customer Rates**

<b>Meter Size</b>	<b>Current Service Charge</b>	<b>Proposed Service Charge</b>	<b>Current Usage Rate</b>	<b>Proposed Usage Rate</b>
5/8"	\$ 20.48	\$ 28.16	\$ 4.240	\$ 5.83
1"	\$ 24.44	\$ 33.61	\$ 4.240	\$ 5.83

## **AQUA MO R/U-RANKIN ACRES**

### **Development of Tariffed Rates-Water**

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 26,115
Agreed-Upon Overall Revenue Increase	\$ 27,430
Percentage Increase Needed	105.036%

#### **Non-Metered Customer Rates**

Meter Size	Current Customer Charge	Proposed Customer Charge	Current Usage Rate	Proposed Usage Rate
3/4"	\$ 24.73	\$ 50.71	\$ 2.610	\$ -

## **AQUA MO R/U-RANKIN ACRES**

### **Development of Tariffed Rates-Water**

Proposed rate design includes zero water in proposed customer charge.

#### **Customer Charge**

<b>Revenues Generated by Current Tariffed Rates</b>	<b>\$</b>	<b>9,449</b>
<b>Agreed-Upon Overall Revenue Increase</b>	<b>\$</b>	<b>9,896</b>
<b>Total Cost of Service-Customer Charge</b>	<b>\$</b>	<b>19,345</b>

#### **Metered Customer Rates**

<b>Meter Size</b>	<b>Proposed Customer Charge</b>
5/8"	\$ 18.32

#### **Commodity Charge**

<b>Revenues Generated by Current Tariffed Rates</b>	<b>\$</b>	<b>16,666</b>
<b>Agreed-Upon Overall Revenue Increase</b>	<b>\$</b>	<b>17,534</b>
<b>Total Cost of Service-Commodity</b>	<b>\$</b>	<b>34,200</b>

#### **Metered Customer Rates**

<b>Meter Size</b>	<b>Proposed Usage Rate</b>
5/8"	\$ 3.8138

## **AQUA MO R/U-RIVERSIDE ESTATES**

### **Development of Tariffed Rates-Water**

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 107,223
Agreed-Upon Overall Revenue Increase	\$ (2,600)
Percentage Increase Needed	-2.425%

#### **Metered Customer Rates**

Meter Size	Current Customer Charge	Proposed Customer Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 17.88	\$ 16.98	\$ 4.320	\$ 4.22
1"	\$ 17.88	\$ 41.58	\$ 4.320	\$ 4.22

## **AQUA MO R/U-SPRING VALLEY**

### **Development of Tariffed Rates-Water**

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 44,952
Agreed-Upon Overall Revenue Increase	\$ 24,636
Percentage Increase Needed	54.807%

Metered Customer Rates				
Meter Size	Current Customer Charge	Proposed Customer Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 19.24	\$ 29.78	\$ 5.140	\$ 7.96

## **AQUA MO R/U-WHITE BRANCH**

### **Development of Tariffed Rates-Water**

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 50,762
Agreed-Upon Overall Revenue Increase	\$ 20,159
Percentage Increase Needed	39.712%

<b>Customer Rates</b>		
<b>Customer Type</b>	<b>Current Customer Charge</b>	<b>Proposed Customer Charge</b>
Full-time	\$ 25.36	\$ 35.43
Part-time	\$ 20.29	\$ 28.35

# Agreement Attachment E

## Billing Comparison Worksheet



# **AQUA MO R/U-LAKEWOOD MANOR**

## **Residential Customer Bill Comparison-Water**

<b>Rates for 5/8" Meter</b>			
<u>Current Base</u> <u>Customer Charge</u>	<u>Proposed Base</u> <u>Customer Charge</u>	<u>Current</u> <u>Usage Rate</u>	<u>Proposed</u> <u>Usage Rate</u>
<b>\$17.42</b>	<b>\$35.82</b>	<b>\$4.310</b>	<b>\$8.862</b>

Customer charge includes 2,000 gallons

usage rate is per 1,000 gallons used

### **MONTHLY BILL COMPARISON**

5,000 gallons/month usage

#### Current Rates

Customer Charge	\$ 17.42
Usage Charge	\$ 12.93
Total Bill	\$ 30.35

#### Proposed Rates

Customer Charge	\$ 35.82
Usage Charge	\$ 26.59
Total Bill	\$ 62.40

#### INCREASES

##### Customer Charge

\$ Increase	\$18.40
% Increase	105.61%

##### Usage Charge

\$ Increase	\$13.66
% Increase	105.61%

##### Total Bill

\$ Increase	\$32.05
% Increase	105.61%

## AQUA MO R/U-LTA

### Residential Customer Bill Comparison-Water

Rates for 5/8" Meter			
Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$14.54	\$22.64	\$3.260	\$5.076

Customer charge includes 2,000 gallons

#### MONTHLY BILL COMPARISON

5,000 gallons/month usage

##### Current Rates

Customer Charge	\$ 14.54
Usage Charge	\$ 9.78
Total Bill	\$ 24.32

##### Proposed Rates

Customer Charge	\$ 22.64
Usage Charge	\$ 15.23
Total Bill	\$ 37.87

##### INCREASES

##### Customer Charge

\$ Increase	\$8.10
% Increase	55.70%

##### Usage Charge

\$ Increase	\$5.45
% Increase	55.70%

##### Total Bill

\$ Increase	\$13.55
% Increase	55.70%

# AQUA MO R/U-OZARK MOUNTAIN

## Residential Customer Bill Comparison-Water

Rates for 5/8" Meter			
Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$20.48	\$28.16	\$4.240	\$5.831

Customer charge includes 3,000 gallons.

### MONTHLY BILL COMPARISON

5,000 gallons/month usage

#### Current Rates

Customer Charge	\$ 20.48
Usage Charge	\$ 8.48
Total Bill	\$ 28.96

#### Proposed Rates

Customer Charge	\$ 28.16
Usage Charge	\$ 11.66
Total Bill	\$ 39.83

#### INCREASES

##### Customer Charge

\$ Increase	\$7.68
% Increase	37.52%

##### Usage Charge

\$ Increase	\$3.18
% Increase	37.52%

##### Total Bill

\$ Increase	\$10.87
% Increase	37.52%

## AQUA MO R/U-RANKIN ACRES

### Residential Customer Bill Comparison-Water

Rates for 5/8" Meter			
Current Base Customer Charge	Proposed Base Customer Charge	Current Usage Rate	Proposed Usage Rate
\$24.73	\$50.71	\$2.610	\$0.000

Customer charge includes 6,000 gallons

#### MONTHLY BILL COMPARISON

5,000 gallons/month usage

##### Current Rates

Customer Charge	\$ 24.73
Usage Charge	\$ -
Total Bill	\$ 24.73

##### Proposed Rates

Customer Charge	\$ 50.71
Usage Charge	\$ -
Total Bill	\$ 50.71

##### INCREASES

Total Bill	
\$ Increase	\$25.98
% Increase	105.04%

# **AQUA MO R/U-RIVERSIDE ESTATES**

## **Residential Customer Bill Comparison-Water**

<b>Rates for 5/8" Meter</b>			
<u>Current Base Customer Charge</u>	<u>Proposed Base Customer Charge</u>	<u>Current Usage Rate</u>	<u>Proposed Usage Rate</u>
<b>\$17.88</b>	<b>\$16.98</b>	<b>\$4.320</b>	<b>\$4.215</b>

Customer charge includes 3,000 gallons

### **MONTHLY BILL COMPARISON**

5,000 gallons/month usage

#### **Current Rates**

Customer Charge	\$ 17.88
Usage Charge	\$ 8.64
Total Bill	\$ 26.52

#### **Proposed Rates**

Customer Charge	\$ 16.98
Usage Charge	\$ 8.43
Total Bill	\$ 25.41

#### **INCREASES**

##### **Customer Charge**

\$ Increase	(\$0.90)
% Increase	-5.03%

##### **Usage Charge**

\$ Increase	(\$0.21)
% Increase	-2.42%

##### **Total Bill**

\$ Increase	(\$1.11)
% Increase	-4.18%

# AQUA MO R/U-SPRING VALLEY

## Residential Customer Bill Comparison-Water

### Rates for 5/8" Meter

<u>Current Base</u> <u>Customer Charge</u>	<u>Proposed Base</u> <u>Customer Charge</u>	<u>Current</u> <u>Usage Rate</u>	<u>Proposed</u> <u>Usage Rate</u>
\$19.24	\$29.78	\$5.140	\$7.957

Customer charge includes 2,000 gallons

### MONTHLY BILL COMPARISON

5,000 gallons/month usage

#### Current Rates

Customer Charge	\$ 19.24
Usage Charge	\$ 15.42
Total Bill	\$ 34.66

#### Proposed Rates

Customer Charge	\$ 29.78
Usage Charge	\$ 23.87
Total Bill	\$ 53.66

#### INCREASES

##### Customer Charge

\$ Increase	\$10.54
% Increase	54.81%

##### Usage Charge

\$ Increase	\$8.45
% Increase	54.81%

##### Total Bill

\$ Increase	\$19.00
% Increase	54.81%

## AQUA MO R/U-WHITE BRANCH

### Residential Customer Bill Comparison-Water

#### Rates for 5/8" Meter

<u>Current Base</u>	<u>Proposed Base</u>
<u>Customer Charge</u>	<u>Customer Charge</u>
\$25.36	\$35.43

#### MONTHLY BILL COMPARISON

##### Current Rates

Customer Charge	\$ 25.36
Usage Charge	\$ -
Total Bill	\$ 25.36

##### Proposed Rates

Customer Charge	\$ 35.43
Usage Charge	\$ -
Total Bill	\$ 35.43

##### INCREASES

##### Customer Charge

\$ Increase	\$10.07
% Increase	39.71%

##### Total Bill

\$ Increase	\$10.07
% Increase	39.71%

## Agreement Attachment F

### Schedule of Depreciation Rates



# Aqua Missouri, Inc. C/U Water & Aqua Missouri, Inc. R/U Water

## DEPRECIATION RATES

(WATER)

QW-2008-0004 & QW-2008-0007

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
311	Structures & Improvements	2.5%	40	
312	Collection & Impound Reservoirs	2.0%	50	
314	Wells & Springs	2.0%	50	
316	Supply Mains	2.0%	50	
321	Electric Pumping Equipment	2.5%	40	
325	Electric Pumping Equipment	10.0%	10	
328	Other Pumping Equipment	4.0%	25	
331	Structures & Improvements	2.5%	40	
332	Water Treatment Equipment	2.9%	35	
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	
348	Hydrants	2.0%	50	
349	Other Transmission & Distribution Plant	2.5%	40	
390	Structures & Improvements	2.9%	35	
391	Office Furniture & Equipment	5.0%	20	
391.1	Office Computers & Equipment	14.3%	7	
392	Transportation Equipment	13.0%	7	9%
394	Tools, Shop, Garage Equipment	5.0%	20	
395	Laboratory Equipment	5.0%	20	
396	Power Operated Equipment	6.7%	15	
397	Communications Equipment	6.7%	15	
398	Miscellaneous Equipment	5.0%	20	
399	Other Tangible Property	5.0%	20	

# Agreement Attachment G

## EMSD Report

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

### **Engineering and Management Services Department**

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

**Tracking File No: WR-2008-0266, SR-2008-0267, SR-2008-0268, WR-2008-0269**

#### **Aqua Missouri Inc.**

The Engineering and Management Services Department (EMSD) staff initiated a review of the customer service processes, procedures, and practices of Aqua Missouri, Inc. (Aqua Missouri or Company) on January 7, 2008. The review was performed in conjunction with a small company rate increase request submitted by Aqua Missouri on October 22, 2007, and given Tracking Numbers QW-2008-0004, QS-2008-0005, QS-2008-0006 and QW-2008-0007. The EMSD staff examined Company tariffs, annual reports for the past four years, Commission complaint and inquiry records, and information provided by the Company in relation to its customer service operations.

The purpose of the EMSD 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 service at the lowest possible cost, while providing utilities the opportunity to earn a fair return on their investment.

The objectives of the EMSD staff's review were to document and analyze the management control processes, procedures, and practices used by the Company to ensure adequate customer service is provided. The findings of this review provide the Commission with information regarding the Company's customer service operations. This review also includes recommendations, when appropriate, to improve the quality of service Aqua Missouri provides to its customers.

The scope of this review focused on Company policy, procedure and practices related to:

- Administrative
- Customer Billing
- Credit and Collections
- Call Center
- Complaint and Inquiry Handling and Recording

- Record Storage and Security
- Customer Communications

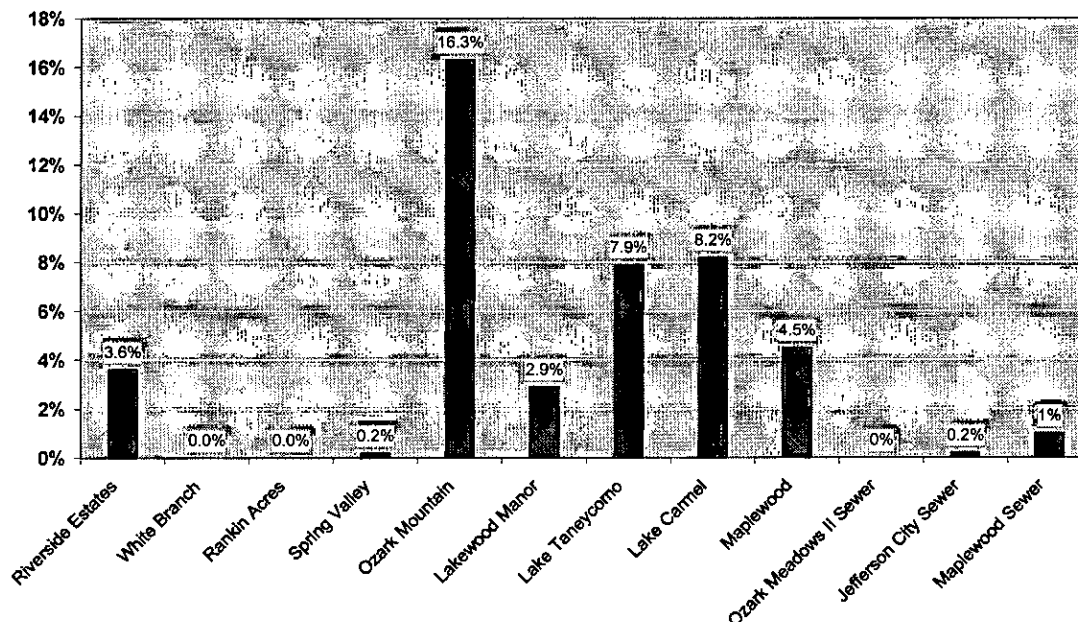
### **Company Overview**

The Company began as Capital Utilities in 1989 and became Riverside. It was acquired by Aqua Source in October of 1998 and purchased by Aqua America on August 1, 2003 and became Aqua Missouri. Aqua America provides water and wastewater services to approximately 2.8 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York and South Carolina. Aqua America has acquired several water and sewer companies in the recent past, including Aqua Source, which is now known as Aqua Missouri.

Aqua Missouri stated they currently provide service to approximately 1,700 water and 2,300 sewer customers distributed over service areas in the areas of Jefferson City, Holts Summit, Sedalia, Shell Knob (Table Rock), Branson, Ozark and Eugene. The Company has typically experienced 3-4% customer growth in their Jefferson City area, but is forecasting growth to be minimal. Several of the Company's service areas are landlocked and have little or no room for growth to occur such as the Maplewood and Lake Taneycomo sites.

The following graph displays the customer growth that Aqua Missouri has been experiencing within their service territories. The largest percent increase in new customers has been in the Ozark Mountain service area, followed by Lake Carmel and Lake Taneycomo.

**Percent Increase in New Customers  
May 2007-Dec 2007 by Service Area**



Source: Information provided by Company

Aqua Missouri is planning approximately \$800,000 in capital expenditures for 2008. The planned expenditures are for treatment plant equipment, lift station, chlorination de-chlorinator, lab equipment, water meters, storage tank, well house rehab, tools and hydrant for chlorine room.

**Administrative**

Commission Rule 4 CSR 240-13 pertains to electric, gas, and water utilities, while Chapters 60 and 61 relate to sewer utilities. The Company does have a copy of the Commission's Chapter 13 Rule pertaining to water utilities and Chapters 60 and 61 pertaining to sewer utilities, which have been provided to the corporate office and to certain Aqua Missouri employees.

The Area/Regional Manager is responsible for the day-to-day operations of the Company. Corporate refers to this person as the Regional Manager. The Company currently has five Operators and one Facility Supervisor in Jefferson City. There is also one Operator in Sedalia and one Supervisor for the southwest area. The operators and

supervisors perform general maintenance and repair on the systems. The Company performs monthly well testing through the DNR state lab and is funded through the primacy fee collected from customers.

Aqua Missouri employees receive 30 hours of training every three years as required by DNR. The Company tracks their employee work time with time sheets, by facility or tariff entity and division such as collections or treatment. Employees also include a description of the work they perform.

### **Customer Billing**

Billing was historically handled at the local level at Aqua Missouri under previous ownership. It is now handled through central billing in Bryn Mawr, PA. Acquiring many water and sewer companies has increased complexity in billing nationally for Aqua America. Their solution to this has been to convert to a centralized billing system for all service areas and to utilize Banner software for all service areas, including Aqua Missouri.

Banner software was acquired by Aqua America in 1996 and first implemented in the southeast Pennsylvania area in 1999. Aqua Missouri switched to Reflections billing software from Avatar leading up to the conversion to Banner software. The conversion to Banner software for Aqua Missouri took place in May of 2007 and included approximately 160,000 Aqua America customers in Ohio, Illinois, Indiana and Missouri.

The conversion contributed to billing challenges for Aqua Missouri. Extended billing periods and customers receiving unbilled service were the two major challenges that significantly impacted Aqua Missouri customers. The Company did not send bills to Missouri customers in the month of June following the May conversion to Banner. The Company stated they wanted to ensure correct bills were sent to customers. The Company did send information via mail notifying customers of the situation. They claimed that 99% of their customers received bills in July for June, but there were some receiving even longer extended billing timeframes. The Company gave customers an amount of time to pay their bill that is equal to the billing period on their bill.

Aqua Missouri has had challenges in processing applications for service on new construction and is still experiencing delays. Several new construction customers have

been receiving unbilled service due to work orders not being completed. The source of this problem is at both the central billing office in Bryn Mawr, PA and the local Jefferson City office. Bryn Mawr employees were spending a majority of the time working on challenges surrounding the conversions of Missouri and other states to the Banner system. The conversion work volume caused the Bryn Mawr office to fall behind on new service work orders. There was also decreased attention given to completing work order entries for new construction customers at the local Jefferson City office. The staff person primarily responsible for this task left the Company and no attention had been given to training other staff or new staff to ensure this function was completed. Aqua Missouri stated they were aware of 17 customers in the Ozark Meadows area receiving unbilled service. Based on information provided by customers at the local public hearings, customers receiving unbilled service are still an area of concern for Aqua Missouri.

The Company explained that they now have an employee trained to enter these customers into the system. The Company stated they would backbill customers receiving unbilled service as discovered to bring charges up to date. Aqua Missouri was able to identify 17 customers, and six of these situations still have not been resolved. Of the 12 customers the Company displayed as being resolved, back billing varied from one month to 12 months. The Company was unable to state a dollar amount or number of customers that were back billed.

Incorrect coding of the primacy fee was another challenge that faced the Company after the May 2007 conversion for Missouri. This problem resulted in overcharging for Missouri customers. The Company credited customer accounts to correct this situation and also notified customers. The incorrect primacy fee charges were in the months of June, July and August. The correct primacy fee amount is \$3.24 and now appears on the bill.

The Company stated they were aware of a problem with customers receiving unbilled service where they had hooked in without notifying the Company. They stated it has historically been a problem with sewer rather than water service. They have had instances where new construction has connected to the sewer system without notice to Aqua Missouri. The Company has developed one solution to this problem by providing a list of customers to their Operators biannually and requiring the Operators to site check

locations for customers that connected to a Company system without arranging service with the Company. Although the Company has explained that this is a solution to identifying residences receiving unbilled service, information gathered at local public hearings indicates the issue has not been fully resolved.

Cole County currently sends Aqua Missouri a copy of permits for new construction. The Company uses these records to send a letter to the builder with information and fee requirements. The letter also encourages service to be set up or the Company can dig up their service and disconnect. Customers can be back billed for up to one year of usage.

The Company has new customers complete an application for service and pay an application fee on new construction. Written customer applications have not been required since the conversion to billing software in May 2007. Customers are allowed to apply via phone, Internet or mail. The Company typically does not require an application or fee from new customers at residences that have changed ownership. The Company also provides a brochure to new customers that summarizes rights and responsibilities of the Company and customers. Aqua Missouri has a new "Welcome Package" program they hope to implement by February or March 2008.

The Company uses Banner 3.1 billing software by Ventyx. Aqua Missouri began using this software in May of 2007. This software is operated in conjunction with Service Link for uploading meter read data. The meter read data is first entered monthly into handheld units and then uploaded through Service Link software to the Banner billing system. Work orders are also downloaded to the handheld systems daily. Meters are read the 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> of the month in the southwest region and the 21<sup>st</sup>, 22<sup>nd</sup>, and 23<sup>rd</sup> in the Jefferson City Service territory. Customers receive estimated bills on occasion.

Central billing runs a monthly billing report and then allows any corrections made for billing amounts. The bills are then processed and mailed to customers the following day. Most billing functions are done in-house; however, the Company utilizes an outside vendor (Workflow) to print, sort and send bills to the post office. Customers are billed monthly; however, the Company is aware of customers not being billed for extended time periods. The Company stated in April of 2008, accounts that were not metered



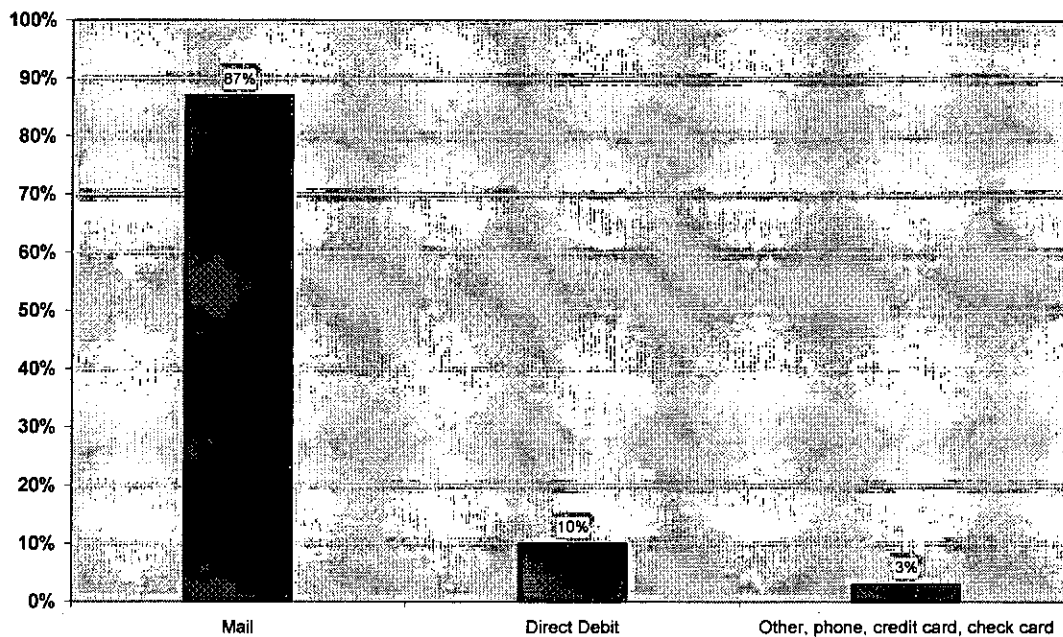
experienced an extended billing period of 37 days and a shortened billing period of 24 days in January. The Company explained that this was due to the Company working to separate non-metered accounts out of the same billing cycle as metered accounts. 1,905 customers were affected by this issue and the Company stated that the problem is now resolved.

### **Credit and Collections**

Customers have the option to pay by mail-in (Newark, NJ), credit card (Visa, MasterCard, Discover), or check via phone. The check pay via the phone costs the customer \$2.95. The Company also has zip check, which is payment by an automatic debit from their checking account. Payment options are located on customer bills and the Aqua Missouri Web site. The Company does not collect deposits and payments are never collected in the field.

A majority of customers make payments through the mail, followed by direct debit and payment by phone with credit card or check. The following graph displays the breakdown of customers' use of payment options.

### Percentage of Customer Payment Method



Source: Information provided by Company

Consistent with the Commission's rules, customers are given 21 days to pay their bills and are considered delinquent after 21 days. Five out of the twelve Aqua Missouri service territories have late fees of varying amounts and the other service territories do not have a late fee. The following table displays late fee information for each Aqua Missouri service territory.

Service Territory	Late Charge
<b>Water</b>	
CU-Maplewood	none
CU-Lake Carmel	none
RU-Riverside Estates	none
RU-White Branch	none
RU-Rankin Acres	none
RU-Spring Valley	none
RU-Ozark Mountain	\$2.10/month
RU-Lakewood Manor	\$5.00 or 10%
RU-LTA	none
<b>Sewer</b>	
CU-Maplewood	\$5.00
CU-Jefferson City	\$5.00
Ozark Meadows	5% or \$2.00

Info taken from Company Tariff

Seven days after the delinquent date, a delinquent notice is issued on a late balance of \$200 or more. A shut-off notice is mailed on day 15 after the delinquent date followed next by a customer call (by an outside vendor) for a payment reminder. On day 24 after the due date, shut-off service orders are issued for all accounts with \$200 or more due. The Company utilizes an outside vendor to autodial notice of disconnect three days prior to the shut off date. A door hanger is also placed on the customer's door 24 hours before actual shut off. Service is then disconnected until payment is made. Downloading work orders daily helps the Company verify delinquent accounts and avoid disconnection to customers when payment for a past due amount has been received.

Disconnection notices are prepared and mailed from the Bryn Mawr, PA, central billing office. All of the Operators perform customer disconnects as needed. The Company has disconnected sewer customers in the past; however, disconnection of water customers for nonpayment is more common. Elder valves are used to shut off service to delinquent sewer customers. Disconnections are not completed on Fridays, weekends or the day before a holiday.

The Company stated reconnections are completed within 24 hours of payment and usually during the same day of receiving payment. They schedule exact times, instead of time periods, for reconnection of service. A resident must be present to perform a reconnect. Payment of all past due amounts must be verified before reconnects are performed. Customers are charged a reconnect fee, which is determined by the local service area tariff.

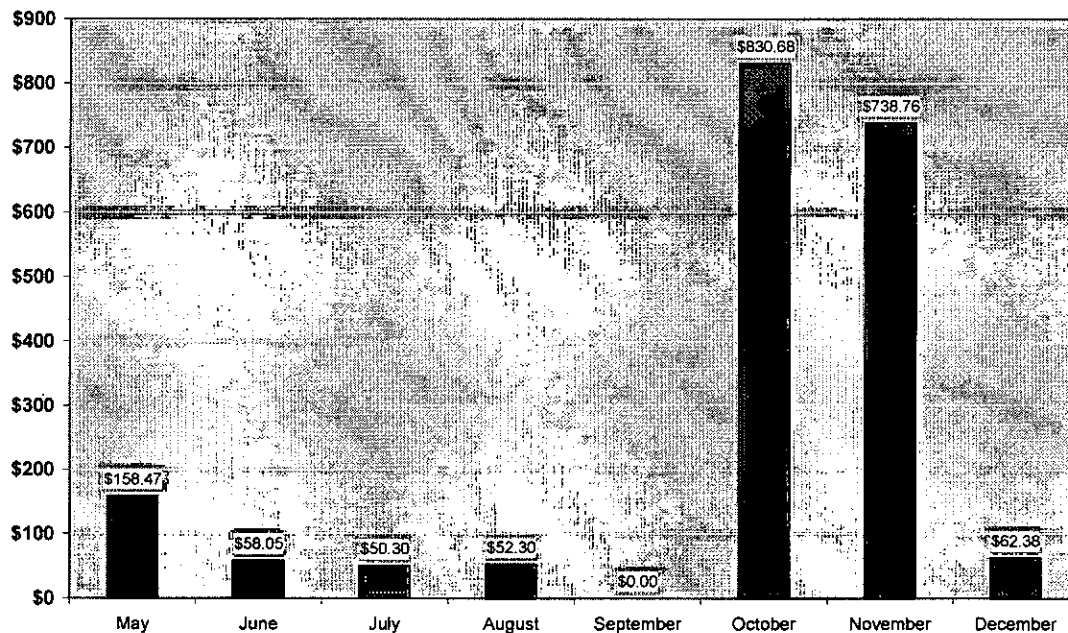
Aqua Missouri could not provide data on the number of delinquent disconnections performed in the months before the May 2007 conversion; however, they stated that the average was 20 per month leading up to the conversion. The Company did not perform delinquent disconnections on accounts converted to Banner between June and August 2007. The following table displays how many delinquent disconnections the Company performed between September 2007 and December 2007.

Aqua Missouri Disconnections 2007 (Water Only)	
June	0
July	0
August	0
September	7
October	6
November	2
December	8

Source: Information provided by Company

Returned checks are handled by the central billing office. The returned check is posted to the customer's account, charges are reversed and the billing amount is added back onto the account. The Company then adds a returned check fee of \$10.00 to the customer's account and mails the check back with correspondence. The Company had a total of \$1,950.94 in bad check amounts from May 2007 to December 2007. The following graph shows the total amount in bad checks from May 2007 to December 2007.

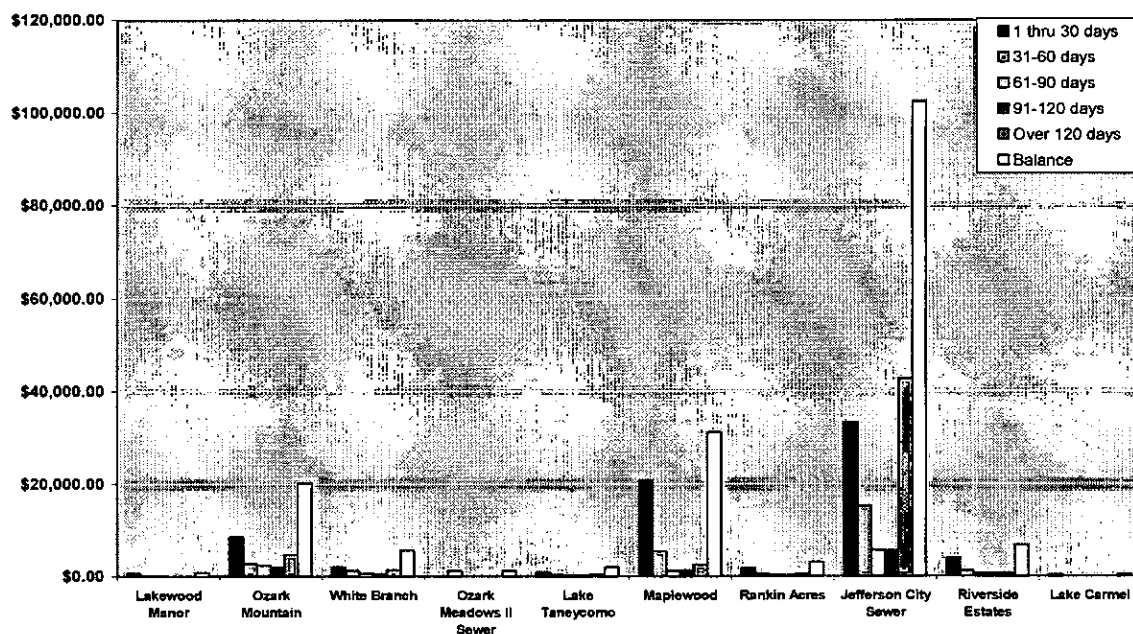
**Dollar Amount of Returned Checks May 2007-Dec 2007**



Source: Information provided by Company

The Company has a substantial amount of money uncollected from customers. The following graph displays information indicating how much in customer usage fees are uncollected for customers 1-30, 31-60, 61-90, 91-120 and over 120 days past the date of being billed.

**Customer Amounts Due Past Billing Dates by Service Area**

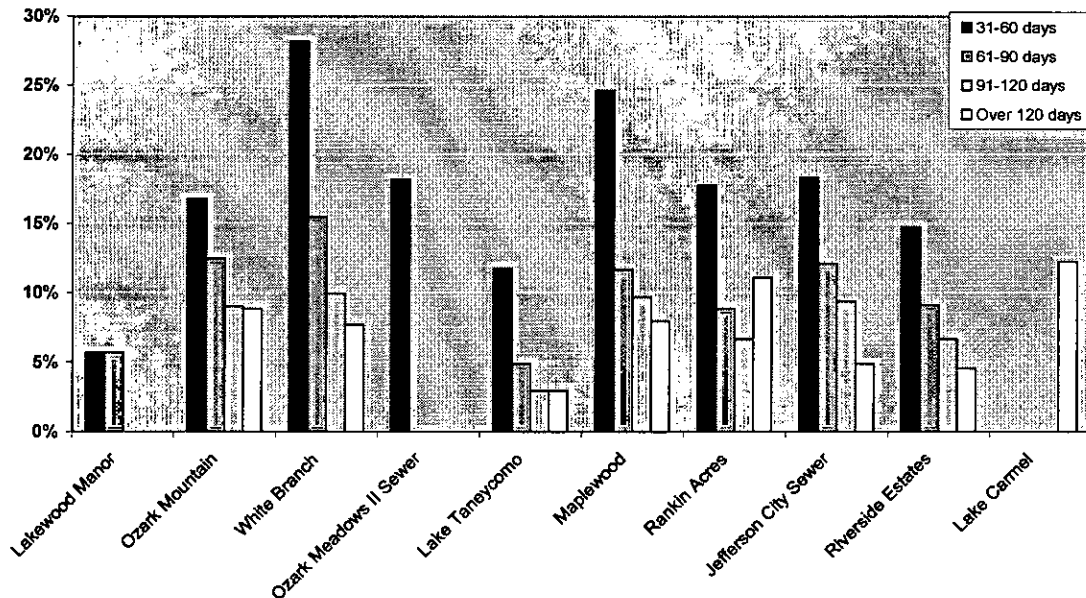


Source: Information provided by Company

The data shows the Jefferson City Sewer service area has a significant amount of uncollected service usage fees that are over 120 days past the date of billing. The Company explained that Jefferson City Sewer has many accounts that do not have a shut off valve at the property. A shut off for non-payment requires a 30 day notification by certified letter. The shut off valve can be done after the 30 days, if necessary. This process was recently re-started after a moratorium period following the conversion to the Banner Customer Information System.

The next graph displays the percent of customers with amounts due from 31-60, 61-90, 91-120 and over 120 days past the date of being billed.

### Percentage of Customers with Payments due Beyond 30 Days by Service Area



Source: Information provided by Company

The previous graph shows that each service area contains customers with payments due beyond 30 days. Several service areas contain a significant amount of customers with payments due beyond 120 days.

### Call Center

Calls were previously handled in the Jefferson City office prior to Aqua America acquiring the Company. In 2004 Missouri calls were routed to Kankakee, IL. Now calls are primarily routed to the Kankakee office, but can be handled by two other locations in Bryn Mawr, PA and Cary, NC, depending on call volumes of various regions. The Company explained they chose these three locations due to regional distribution, labor pool and prior system knowledge. The Company stated that utilizing three locations allows for greater continuity of service by facilitating the ability to route calls when there are unforeseen circumstances at one particular call center location. The Company stated that June 12, 2007, was the first time that Missouri calls were permitted to be handled in

Bryn Mawr or Cary. This was a high call volume time period shortly after the conversion.

The Company believes the centralization of certain processes has allowed smaller entities to benefit from service options they formerly were unable to provide; such as, the ability to measure performance, payment by phone and access to account balance information.

Centralizing these functions has allowed certain functions to be available to smaller entities such as Aqua Missouri; however, there was a significant decrease in customer service levels during implementation of a centralized billing system when nearly all customers experienced extended billing periods. An Aqua Missouri service representative stated that they did experience an increase in call volume after the conversion during the months of August and September with questions regarding extended billing periods.

The Company maintains four call center performance targets:

- 1) Abandoned Call Rate (Company target is less than 5%)
- 2) Average Speed of Answer, or percent of calls customer service representative can answer in less than 90 seconds (Company target is greater than 80%)
- 3) Average Speed of Answer, (Company target is less than 60 seconds)
- 4) Average Handled Time, Includes CSR talking, listening, hold-time and CSR time between calls while entering information from last call (Company target is 4 minutes or less)

Performance reports are distributed to the Jefferson City office monthly to display call center performance and reasons for customers calling. All calls are coded by a reason that a customer is calling. There are close to 100 codes for customer call types. Service Representatives generally handle 6-10 various types of calls per day. A Customer Service Representative stated the top three coded phone calls include: customer moving in or out, late payments not updated on a customer's bill and the amount of the customer's last meter read. The following exhibit displays call center statistics for Aqua America customers in PA, NC, VA, TX, FL, NJ, IL, MO and IN. Aqua Missouri customers are included within these statistics.

Aqua Missouri Call Center Metrics						
Year	Month	Abandoned Call Rate	Answer Speed Service Level	Average Speed to Answer	Average Handle Time	Average Number Calls Per Day
	Goal	<5%	>80%	<60 seconds	<4 minutes	
2006	January	3.60%	86%	40	3:24	1393
	February	3.8%	83%	41	3:41	1292
	March	1.6%	93%	20	3:41	1243
	April	2.2%	89%	27	3:53	1177
	May	1.7%	91%	24	3:39	na
	June	2.0%	89%	25	3:34	na
	July	7.0%	70%	73	4:03	2100
	August	3.3%	84%	39	3:57	2363
	September	4.4%	81%	46	4:06	2671
	October	3.1%	85%	36	3:45	2475
	November	6.0%	77%	58	3:39	2973
	December	8.5%	72%	63	3:37	3192
2007	January	16.0%	51%	129	3:44	3812
	February	7.8%	66%	81	4:11	3487
	March	5.4%	72%	64	4:06	3749
	April	8.3%	62%	91	4:14	4041
	May	14.5%	40%	171	4:35	4331
	June	16.0%	38%	179	4:38	4909
	July	15.7%	41%	182	4:38	5200
	August	15.8%	38%	190	4:49	5394
	September	7.6%	63%	110	4:38	4825
	October	3.9%	78%	58	4:30	4688
	November	5.2%	71%	77	4:23	4548
	December	2.4%	86%	37	4:14	3913
2008	January	3.4%	81%	50	4:01	4355

Source: Information provided by Company

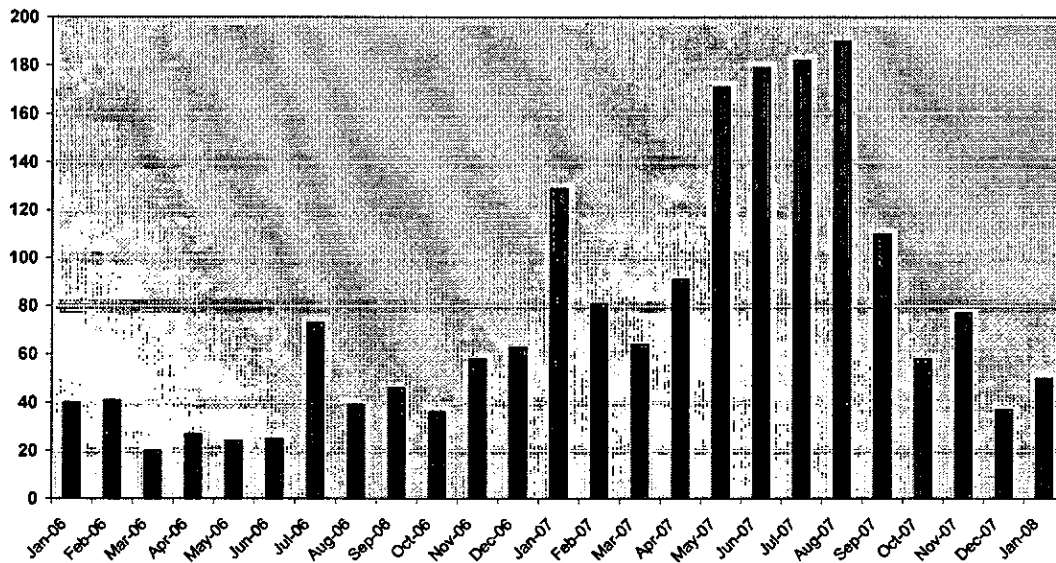
The information in the previous exhibit shows the Company had a significantly larger amount of calls in the months immediately following the May 2007 conversion than in other months. The Company saw a decrease in performance in their average speed of answer and abandoned call rate metrics.

The Company explained they did have challenges concerning what they described as “busy outs” right after the conversion to Banner software. Call volumes were high and some customers were unable to get through to a representative. The Company has stated that they added more phone lines to correct the problems that they experienced with “busy outs.”



The following two graphs illustrate ASA and ACR performance for January 2006 through January 2008.

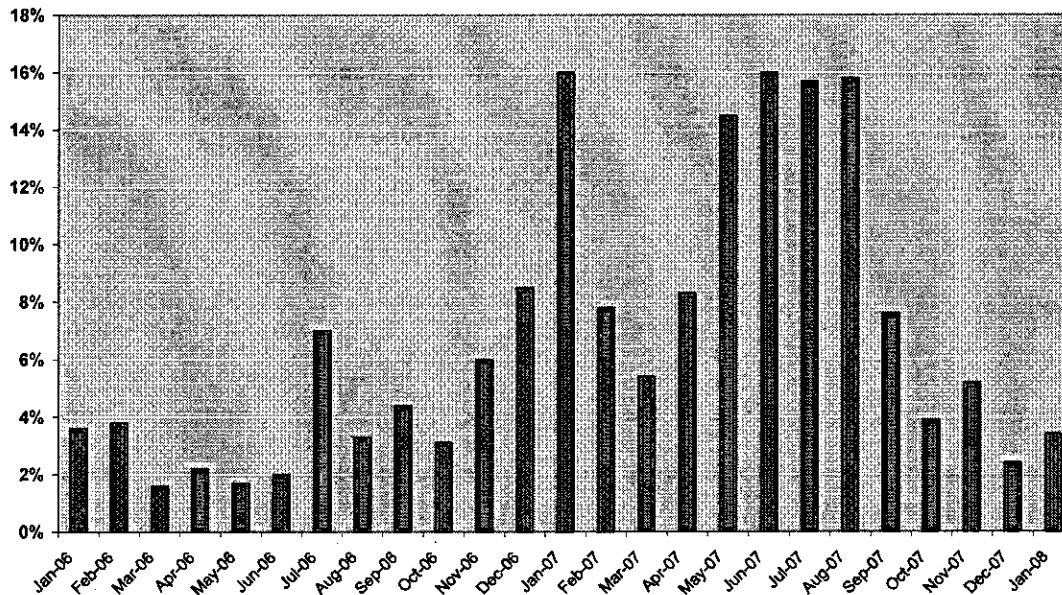
**Aqua Missouri Average Speed to Answer Jan. 2006-Jan.2008**  
**(Includes Calls from PA, NC, VA, TX, FL, NJ, IL, MO and IN)**



Source: Information provided by Company

The proceeding graph shows a significant increase in average speed of answer for Aqua Missouri in the months following the May conversion. The following graph also shows this similar impact on Aqua Missouri ACR.

**Aqua Missouri Abandoned Call Rate Jan. 2006-Jan. 2008**  
*(Includes Calls from PA, NC, VA, TX, FL, NJ, IL, MO and IN)*



Source: Information provided by Company

**Complaint and Inquiry Handling and Recording**

Customer complaints and inquiries are handled by representatives located in Bryn Mawr, PA, Cary, NC, and Kankakee, IL. Missouri customer complaints and inquiries are primarily handled in Kankakee, IL, depending on call volumes. The call centers can be reached via an 800 number, which is printed on the customer's bill and is available 24/7 in case of emergency. Company staff has pagers and cell phones for the call center to contact in emergency situations. Company management stated they are unaware of any problems with customers being able to get through to a service representative; however, information from local public hearings suggests that some customers have found difficulty in getting through to a representative. The Bryn Mawr office compiles the complaint data from customer calls and sends a monthly report to the Jefferson City office. The Company was able to provide a number of these reports; however, a report displaying complaints and inquiries by specific Aqua Missouri territories was not available.

The Company does perform customer satisfaction surveys every quarter. Data provided to staff by the Company suggests that the survey data could be improved as a valid tool in determining customer satisfaction in Missouri territories. The survey response data provided to staff indicated that the Company interviewed 53 Aqua Missouri customers and the survey included customers from Illinois, Indiana and Missouri. The number of Missouri customers interviewed and overall level of Missouri customer satisfaction is unclear.

#### **Record Storage and Security**

Company records are stored on an on-site server, which is backed up nightly on an external hard drive. Data is archived to magnetic tape weekly on Mondays and stored in a fireproof container.

#### **Customer Communication**

The Company communicates to customers through letters and bill inserts. There is also information available on their Web site. The CCR water quality is also provided to customers. The Company has not held any public meetings.

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

The following discussion contains findings, conclusions and recommendations pertaining to Aqua Missouri customer service operations. This section focuses on the following areas that warrant Company management attention:

- Customer Billing
- Credit and Collections
- Call Center

#### **Customer Billing**

Aqua Missouri has issued a substantial number of bills since May 2007 that have exceeded a 31-day billing period. The Company stated that bills were not sent to customers in June 2007. They were aware of problems with extended billing periods due to the May 2007 conversion. Customers testifying at local public hearings expressed concerns with extended billing periods. Company management was unable to quantify

the number of customers experiencing extended billing periods and the duration of the extended billing periods that have occurred since May 2007. The Company also stated that this problem has been remedied by the conversion being fully complete and up to date. However, data has not been supplied to the EMSD staff to verify that all bills have a billing period that complies with Commission rules. In addition, recent testimony by customers at local public hearings indicates extended billing periods have still been a problem within the past 6 months.

Customer billing periods that extend beyond 35 days is in violation of Commission Rule 4 CSR 240-13.015, which states: "*Billing period means a normal usage period of not less than twenty-six (26) nor more than thirty-five (35) days for a monthly billed customer nor more than one hundred (100) days for a quarterly billed customer, except for initial, corrected or final bills;*"

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANGEMENT*

*Develop internal control procedures and a tracking mechanism that ensures monthly billing periods do not exceed 35 days and are in accordance with Commission Rules.*

The Company acknowledged they have had problems with new customers receiving unbilled service, especially on newly constructed homes. The Company stated they still have approximately 20 customers receiving unbilled service. EMSD later received a report displaying 12 customers receiving unbilled service. Based on customer testimony at local public hearings, it appears there are additional instances of customers receiving unbilled service.

Aqua Missouri stated they had lost a local employee that was in charge of processing applications on newly constructed homes, and this vacancy has resulted in customers receiving unbilled service. This problem causes existing customers to incur higher costs. Training multiple staff at critical functions will help to ensure all customers are paying for service and the cost of providing service is distributed fairly. While additional training to ensure that all customers receiving service are billed may be a

beneficial tool to addressing this issue, the Company needs to take additional actions to make certain this problem is resolved.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT*

*Ensure that multiple staff in the Jefferson City office is adequately trained to fully process new construction applications for service. Take additional actions to ensure customers are not receiving unbilled service.*

**Credit and Collections**

The Jefferson City sewer service area shows they have \$42,780.79 in uncollected balances due over 120 days from the billing date. This amount is much higher than other Aqua Missouri service territories. This decreases the cash flow of the Company and may represent unfair treatment of customers depending on service territory. Decreasing the amount of uncollected balances will increase the cash flow of the organization and ensure timely payment by customers and fair treatment of customers.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT*

*Develop cost-effective management procedures that decrease the amount of uncollected past due balances, particularly in the Jefferson City service territory.*

**Complaint and Inquiry Handling and Recording**

The Company currently does not have the capability to view complaint and inquiries specific to each Aqua Missouri service territory. The EMSD staff recommended in the previous rate case that the Company implement a complaint and inquiry log. Aqua Missouri has begun documenting all calls coming into the call center, however the Company does not have the capability to present a complaint and inquiry log specific to Aqua Missouri service territories. The Company should continually evaluate the cost-effectiveness of implementing a complaint and inquiry log specific to Missouri service territories. Developing a report that identifies customer complaints and inquiries by service territory may assist in ensuring quality customer service for each service territory.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Conduct a periodic evaluation, as system capabilities increase, that analyzes the cost-effectiveness of developing a complaint and inquiry log specific to each Aqua Missouri service territory.*

**Call Center**

The Company experienced an increase in ACR and ASA levels after the May 2007 conversion. This demonstrates a decrease in customer service levels for customers. Several customers also expressed concern of call center performance at local public hearings. The Commission has a regulatory responsibility to ensure that Missouri ratepayers receive safe and adequate service. It was also ordered by the Commission in the previous rate case, WR-2007-0021, that staff continue to monitor call center performance. Reporting call center data will provide a means for staff to more closely monitor the quality of service provided to Aqua Missouri customers. Staff also receives call center reports from several other utility service providers in Missouri to monitor their service. Data requested by staff is presently maintained by the Company and should pose no additional burden to the Company to provide. Such reporting would enable the EMSD to determine the level of call center performance the Company is providing its Missouri customers.

*THE EMSD STAFF RECOMMENDS THAT COMPANY MANAGEMENT:*

*Provide monthly data on a quarterly basis for call center performance. Reports should include ASA, ACR, call center Staffing levels and Number of Calls Offered data. Data should be provided to staff no later than the 45<sup>th</sup> day after the proceeding quarter.*