

**Affidavit of Kimberly K. Bolin**

1. My name is Kimberly K. Bolin, and I am employed by the Office of the Public Counsel as a Public Utility Accountant.

2. I am familiar with the filing requirements for a formal rate case as contained in 4 CSR 240-3.030. I am also familiar with the requirements for filing informal requests for rate increases by small companies pursuant to 4 CSR 240-3.330 (sewer) and 240-3.365 (water). I am aware that the Missouri Public Service Commission sets rates based upon a company's cost of service in a historical test year, which may be updated for known and measurable changes. This Commission does not employ a "future test year" or "future budgeted year" method of determining a company's revenue requirement for the purpose of setting rates.

3. I have reviewed all of the direct testimony and rebuttal testimony filed by Osage Water Company in this case. William P. Mitchell is the only witness who has filed testimony on behalf of Osage Water Company.

4. After reviewing the direct testimony of William P. Mitchell and the rebuttal testimony of William P. Mitchell, and the attachments thereto, which constitutes the entirety of the Company's pre-filed testimony in this case, it is my opinion that Osage Water has failed to present justification of its request to increase its water and sewer rates. The information contained in these documents consists entirely of:

\*billing summaries for a period of several months, by service territory,

\*copies of DNR regulations which either do not apply to regulated utility companies, or, to the extent they do apply, are not relevant in determining the cost of service,

\*“projected budgets” that do not match actual operating expenses,

\* comparisons of rates and employee numbers between Osage Water and some other water systems, including systems not regulated by the Commission, without supporting documentation,

\* a “fixed asset” depreciation schedule,

\* a letter from Osage Water’s part owner/attorney,

\* an e-mail and attached spreadsheet indicating the Staff’s determination of “rate base” for purposes of selling Osage Water to a willing buyer, and

\* unsupported conclusions and allegations of William P. Mitchell.

5. The pre-filed testimony of the Company contains no documented evidence of the actual cost the Company incurred to provide service to its customers during the test year.

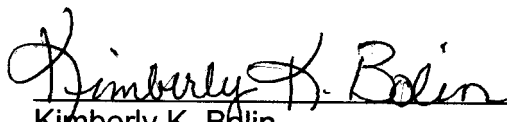
6. The pre-filed testimony of the Company contains no documented evidence regarding the Company’s proposed capital structure or rate of return.

7. participated as a witness in the Company’s last rate case, WR-2000-557 and SR-2000-556. attended the local public hearing in that case, and heard the testimony of numerous witnesses who voiced extreme dissatisfaction with the quality of service they were receiving from Osage Water Company at that time.

8. participated as a witness in the complaint case against Osage Water Company in which the Commission determined that the Company's owners had effectively abandoned the company and that the owners were unable or unwilling to provide safe or adequate service to the company's customers.


9. As part of my duties with the Office of the Public Counsel, I am aware of customer complaints regarding the quality of service. It is my opinion, as a result of my awareness of those complaints, that the Company's customers remain extremely dissatisfied with the quality of their water and sewer service through the present time. Although I was not able to attend the local public hearing held on January 13, 2004, in case No. SR-2003-0562, was briefed on the hearing by my counsel, M. Ruth O'Neill. expect that the transcript of that hearing will support my opinion that customers are continuing to receive unsafe and inadequate service from this company.

10. hereby swear and affirm that my statements contained in this affidavit are true and correct to the best of my knowledge and belief.

  
Kimberly K. Bolin  
Public Utility Accountant I

Subscribed and sworn to me this 14<sup>th</sup> day of January, 2004.

KATHLEEN HARRISON  
Notary Public - State of Missouri  
County of Cole  
My Commission Expires Jan. 31, 2006

  
Kathleen Harrison, Notary Public

My commission expires: January 31, 2006