

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held by telephone
and internet audio conference on
the 30th day of December, 2020.

In the Matter of Elm Hills Utility Operating Company, Inc.'s Request for a Water and Sewer Rate Increase	)	<u>File No. WR-2020-0275</u> Tariff Nos. YW-2021-0057 and YS-2021-0058
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**ORDER APPROVING SECOND DISPOSITION AGREEMENT AND
SMALL COMPANY RATE INCREASE**

Issue Date: December 30, 2020

Effective Date: January 29, 2021

On March 6, 2020,¹ Elm Hills Utility Operating Company, Inc. (Elm Hills) filed notices opening two staff assisted rate cases under Commission Rule 20 CSR 4240-10.075.² The cases asked for both a rate increase and a rate consolidation for four sewer systems.³ Elm Hills sought an increase of \$135,745 in its total annual water service operating revenues and a \$393,919 increase in sewer operating revenues. Elm Hills serves approximately 127 water customers and 378 sewer customers.

The Commission held a local public hearing by video and teleconference and heard from fourteen witnesses.⁴ Seventy-eight public comments were filed, apart from those received during the local public hearings.

On September 9, Elm Hills and the Staff of the Missouri Public Service Commission (Staff) filed a Nonunanimous Disposition Agreement Regarding Disposition of Small Utility Company Revenue Increase Request (First Disposition Agreement). Also on September 9, Elm Hills filed replacement tariffs with an effective date of October 24.

¹ Unless otherwise specified, all date references are to the year 2020.

² SR-2020-0274 was consolidated into this case on March 25.

³ The only water rates at issue in this case are those in the Missouri Utilities service area. The sewer system rates to be consolidated are as follows: Twin Oaks/Preserve; Rainbow Acres; State Park Village; and Missouri Utilities.

⁴ Due to COVID-19, the hearing was held via WebEx on July 14. See Transcript Volume I.

Tariff Nos. YS-2021-0058 and YW-2021-0057 were suspended by the Commission until February 21, 2021.⁵ On September 14, the Office of the Public Counsel (OPC) objected to the First Disposition Agreement and requested a hearing.

On December 14, Elm Hills and OPC filed a Nonunanimous Disposition Agreement Regarding Disposition of Small Utility Company Revenue Increase Request (Second Disposition Agreement). The Second Disposition Agreement purports to resolve all issues in this matter, agrees to annual revenue increases for all systems, and combines the multiple systems' water rates and sewer rates into single rates (see Appendix 1, which includes all internally referenced attachments).

On December 14, Staff filed its Notice of Non-Opposition. All parties have either signed the Second Disposition Agreement or stated its non-objection. No party requested an evidentiary hearing. The requirement for a hearing is met when the opportunity for a hearing has been provided.⁶ Without an evidentiary hearing, information regarding the rate increases and consolidations is contained solely in the Second Disposition Agreement and its supplemental filings.⁷

Pursuant to the Commission's staff assisted rate case rule, Staff conducted an audit of Elm Hills' books and records, a review of its customer service and general business practices, a review of Elm Hills' existing tariff, an inspection of Elm Hills' facilities and a review of the operation of its facilities. Subsequent to this investigation by Staff, the First Disposition Agreement was filed making fifteen specific agreements. These fifteen agreements were largely incorporated in the Second Disposition Agreement.

⁵ Order Granting Request for Evidentiary Hearing, Waiving Deadlines, Suspending Tariffs, and Directing New Joint Proposed Schedule, issued September 30.

⁶ *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989).

⁷ Attachments E and F to the Second Disposition Agreement were filed on December 15, and are included in the attached Second Disposition Agreement (Appendix 1).

The Second Disposition Agreement provides for an increase to Elm Hills' water revenue requirement of \$64,361. Added to the previous water revenues of \$28,745, this results in overall annual water revenues of \$93,106. The Second Disposition Agreement also provides for a sewer revenue requirement increase of \$326,474. Added to the previous sewer revenues of \$126,587, this results in overall annual sewer revenues of \$453,061. The revenue requirements detailed in the Second Disposition Agreement were the result of negotiations among the signatories following a full and complete audit of Elm Hills' books and records using the twelve month period ended December 31, 2019, updated to March 31, 2020. The agreed upon net rate base is \$343,843 for water and \$1,607,013 for sewer.

Metered water system customers with a 5/8" meter will have an increase to in their customer charge, going from an average monthly customer charge of \$7.13 to \$31.04. The related commodity charge will increase from \$2.47 to \$7.07. Flat rates for customers with a 5.8" meter connection but without a functioning meter will increase from an average monthly customer charge of \$7.13 to \$60.15. Sewer system customers will see an increase to their sewer rate, from an average monthly customer charge of \$20.60 to \$99.88 per month.⁸

The Second Disposition Agreement also provides that within six months of the effective date of this order, Elm Hills shall have installed meters measuring flows into and out of the Elm Hills Mobile Home Park. Within three years, Elm Hills shall have made necessary repairs and installations such that all other water customers are served by

⁸ Rates for four sewer systems are consolidated by the Second Disposition Agreement to a single rate. The four systems, and the prior monthly customer charge for each are as follows: Mo Utilities, \$19.21; Rainbow Acres, \$15.00; State Park Village, \$45.00; and Twin Oaks/Preserve, \$3.18.

functioning meters, with the exception of those commercial customers for which the installation of meters is infeasible.

Within ninety days of the effective date of this order and pursuant to the Second Disposition Agreement, Elm Hills shall implement the recommendations of the Auditing Department. These recommendations are summarized as below:

- (a) track all work conducted on behalf of Elm Hills by Central States Water Resources, Inc. in the form of a time record;
- (b) document when plant is placed in service on the related invoice;
- (c) maintain a spreadsheet for plant additions and retirement of property.

Under the Second Disposition Agreement, Elm Hills also agrees to modify its operations and maintenance contractor bidding process. The bidding process will now include a single request for proposals that will include all systems up for bid by Elm Hills, with bid responses including both separate and aggregate bids by pre-qualified prospective contractors. The bidding pool will be expanded, and bidders will be able to include bids for services outside the scope of those requested as well as include omissions for any portion of the bid the bidder cannot provide. Elm Hills will also seek and evaluate references from bidders.

Within three months of the effective date of this order as further provided by the Second Disposition Agreement, Elm Hills will meet with Staff and OPC to discuss long-term capitalization and financing. Financing discussions with prospective lenders shall involve OPC (and Staff, should it so choose). Additionally, Elm Hills will provide the data and documents necessary to discuss its financial situation, subject to the Commission rules governing discovery.

The terms of the Second Disposition Agreement reflect compromises between OPC and Elm Hills, and no party has agreed to any particular ratemaking principle in

arriving at the amount of the specified annual operating revenue increases. The Commission is tasked with setting just and reasonable rates, which may result in a revenue increase more or less than the increase originally sought by the utility.⁹ The Commission has the authority to approve a disposition agreement.¹⁰

The Commission finds and concludes that the Second Disposition Agreement is reasonable and should be approved. Furthermore, the unopposed proposed rates are just and reasonable in order to provide safe and adequate service to the ratepayers.

THE COMMISSION ORDERS THAT:

1. The Second Disposition Agreement filed on December 14, 2020, summarized in the body of this order and hereto attached as Appendix 1, is approved. All signatories shall comply with the terms of the Second Disposition Agreement.

2. Elm Hills is authorized to file tariffs in compliance with the Second Disposition Agreement.

3. Tariff Nos. YS-2020-0058 and YW-2020-0057, which were submitted on September 9, 2020, are rejected.

4. This order shall become effective on January 29, 2021.



BY THE COMMISSION

A handwritten signature in dark ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC., concur.

Hatcher, Regulatory Law Judge

⁹ Commission Rule 20 CSR 4240-10.075(14).

¹⁰ Commission Rule 20 CSR 4240-10.075(11).

APPENDIX 1

NONUNANIMOUS DISPOSITION AGREEMENT REGARDING DISPOSITION OF SMALL UTILITY COMPANY REVENUE INCREASE REQUEST

ELM HILLS UTILITY OPERATING COMPANY, INC.

MO PSC FILE NO. WR-2020-0275

BACKGROUND

Elm Hills Utility Operating Company, Inc. ("Company") initiated the small company revenue increase request ("Request") for water and sewer service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") File Number by submitting a letter to the Secretary of the Commission in accordance with the provisions of Commission Rule 20 CSR 4240-10.075, Small Utility Rate Case Procedure ("Small Company Procedure"). In its request letter, which was received at the Commission's offices on March 6, 2020, the Company set forth its request for an increase of \$135,745 in its total annual water service operating revenues and \$393,919 increase in sewer operating revenues. The Company also acknowledged that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions would be reviewed during the Commission Staff's ("Staff") review of the revenue increase request, and could thus be the subject of Staff's recommendations. The Company provides service to approximately 127 water customers and 378 sewer customers.

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

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

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

Pursuant to negotiations held subsequent to the Company's receipt of the above-referenced information regarding Staff's investigation of the Company's request, the Company and Public Counsel hereby state the following agreements:¹

- (1) The agreed upon water revenue requirement increase of \$64,361 added to the level of previous revenues of \$28,745 results in overall annual revenues of \$93,106. The agreed upon sewer revenue requirement increase of \$326,474 added to the level of previous revenues of \$126,587 results in overall annual revenues of \$453,061. These revenue requirements are just and reasonable and designed to recover the Company's cost of service;
- (2) The Auditing Department conducted a full and complete audit of the Company's books and records using the 12-month period ended December 31, 2019, updated to March 31, 2020, as the basis for the revenue requirement determined above. The audit findings can be found in Attachments B and C;
- (3) The agreed upon net rate base is \$343,843 for water and \$1,607,013 for sewer. The development of this amount is shown on the rate base worksheet that is found in Attachment C;
- (4) The schedule of depreciation rates in Attachment D includes the depreciation rates used by Staff in its revenue requirement analysis and shall be the prescribed schedule of water/sewer plant depreciation rates for the Company;
- (5) To allow the Company the opportunity to collect the revenue requirement agreed to in (1) above, the rates as shown on Attachment E are just and reasonable rates that the Company will be allowed to charge its customers. The impact of these rates will be as shown on Attachment F. Attachments E and F will be late-filed;
- (6) For the purposes of implementing the agreements set out in this disposition agreement, the Company will file with the Commission, proposed tariff revisions. The proposed tariffs will contain a set of consolidated rates for sewer customers in the Twin Oaks/Preserve, Rainbow Acres, State Park Village, and Missouri Utilities service areas;
- (7) The current PSC MO No. 1 and 2 tariffs will be cancelled and replaced by PSC MO Numbers 3 and 4;
- (8) Within six (6) months of the effective date of an order approving this Disposition Agreement, the Company agrees to have installed meters measuring flows into and out of the Elm Hills Mobile Home Park. Within three (3) years of the effective date of an order approving this Disposition Agreement, the Company agrees to have made necessary repairs and installations such that all other water customers are served by functioning meters, with the exception of those commercial customers for which the installation of meters is infeasible. The Company will provide Staff and OPC a diagram/illustration of the suspected

¹ With the exception of Attachments E and F (which will be late-filed), the identified attachments reference documents provided with the Nonunanimous Disposition Agreement filed on September 9, 2020.

location of main(s) running through the Elm Hills Mobile Home Park and proposed metering locations for that facility;

(9) Within ninety (90) days of the effective date of an order approving this Disposition Agreement, the Company shall implement the following recommendations and provide proof of implementing the recommendations to the Manager of the Commission's Auditing Department:

- (a) The Company will begin tracking all work conducted on its behalf by Central States Water Resources, Inc. in the form of a time record. This time record will include a description of the job performed, length of time to complete, name/title of the employee who conducted the work, and tracked by each system. The time record information should be maintained in sufficient detail to capture the amount of time each employee spends on operation and maintenance activities, as opposed to construction activities. The Company also agrees that detailed timesheets will be maintained for any future employees Central States Water Resources, Inc. may retain;
- (b) The Company shall document (i) on each water system invoice when each item is placed into plant in service following the Missouri Department of Natural Resources' final inspection and sign-off; and (ii) on each sewer system invoice when each item on the invoice is placed into plant in service following the engineer's sealed MDNR certificate of completion; and
- (c) The Company shall maintain a spreadsheet for Plant Additions and Retirement of Property (including book cost of plant retired, cost of removal, or salvage credit) along with supporting documentation (i.e. invoices) to ensure all plant assets are properly reflected in future rate case proceedings. This spreadsheet should reconcile to the invoices provided by vendor (refer to (b) listed above).

(10) The Company will modify its Operations and Maintenance (O&M) contractor bidding process, as necessary, to reflect the following principles agreed to by the parties to this Disposition Agreement:

- (a) The Company will send a single RFP to prospective contractors meeting pre-qualification requirements, including necessary licensing from the Missouri Department of Natural Resources, that lists all the systems that the Company seeks bids for and then requests separate bids for the operation of each system followed by an aggregate bid where the bidder lists all systems the bidder is willing to bid on and provides the total combined bid for that aggregate;
- (b) The Company will expand the bidding pool to reach as many prospective bidders as possible, which may include contacting contract operators registered with the Missouri Department of Natural Resources for the county where the system sits and adjacent counties as well as posting requests for bids to the websites for such organizations as the Missouri Section of the American Water Works Association and the Missouri Rural Water Association;
- (c) The Company will provide a place on the RFP response for bidders to include services outside the scope requested and estimates for the same;

- (d) The Company will provide a place on the RFP response for bidders to indicate any point where the bid does not include items otherwise required by the RFP along with an explanation for their omission and an estimate of the cost to include those items; and
 - (e) The Company will request bidders provide references and evaluate those references as needed.
- (11) Within three months of the effective date of any order issued by the Public Service Commission approving this disposition agreement, Elm Hills will meet with Staff and Public Counsel to discuss the Company's long-term capitalization and financing plan. Topics for discussion include what steps CSWR, LLC has taken or may take in the future to secure debt financing to fund CSWR, LLC's past, current, and future investments in its Missouri subsidiaries and the influence or impact of the involvement of Sciens Capital Management LLC on these plans. Discussion also shall include progress updates regarding the possible consolidation of any of CSWR, LLC's Missouri affiliates and the effect of the same on capital procurement.

From the effective date of any order issued by the Public Service Commission approving this disposition agreement until Elm Hills' next request for a rate increase/decrease, Elm Hills will involve Public Counsel (and Staff, to the extent it wants to be involved) in financing discussions with prospective lenders, such as CoBank, in an effort to enhance the chances of obtaining lower-cost debt financing for purpose of funding CSWR, LLC's past, current, and future investments in its Missouri subsidiaries. Elm Hills, CSWR, LLC, and their Missouri affiliates agree to permit Public Counsel to discuss confidential information regarding CSWR, LLC, Elm Hills, and their Missouri affiliates with potential lenders in conjunction with these discussions.

Subject to the Commission rules governing discovery, Elm Hills agrees to provide Staff and Public Counsel data and documents necessary to discuss the financial situation of CSWR, LLC, Elm Hills, and their Missouri affiliates with potential lenders. These data and documents will include correspondence between Elm Hills, CSWR, LLC, and their Missouri affiliates, on one hand, and potential lenders, on the other hand, including all attachments and requests for information made by the potential lenders.

Elm Hills and CSWR, LLC, will provide updates every subsequent three months from the first meeting regarding the topics discussed in the first meeting or any developments in financing procurement since the first meeting.

Elm Hills, CSWR, LLC, and their Missouri affiliates will review and consider any recommendations made by Staff and Public Counsel with regard to potential financing opportunities.

Elm Hills and Public Counsel (and Staff, to the extent it wants to be involved) agree to engage in subsequent meetings to engage in further discussion related to these topics as necessary.

(12) The Company shall mail its customers a final written notice of the rates and charges included in its proposed tariff revisions prior to or with its next billing cycle after issuance of the Commission order approving the terms of this Disposition Agreement. The notice shall include a summary of the impact of the proposed rates on an average residential customer's bill, and specifically address the transition to metered rates for applicable flat rate customers, as well as the anticipated approximate dates for the transition for different customer types.

(13) Staff may conduct follow-up reviews of the Company's operations to ensure that the Company has complied with the provisions of this Disposition Agreement;

(14) The Company and Public Counsel agree that they have read the foregoing Disposition Agreement, that facts stated therein are true and accurate to the best of the Company's knowledge and belief, that the foregoing conditions accurately reflect the agreement reached between the parties; and that the Company freely and voluntarily enters into this Disposition Agreement; and

(15) The above agreements satisfactorily resolve all issues identified by Public Counsel and the Company regarding the Company's request.

Additional Matters

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

SIGNATURES

Agreement Signed and Dated:

/s/ Dean L. Cooper
Dean L. Cooper
Counsel
Elm Hills Utility Operating Company, Inc.

14 December 2020
Date

/s/ John Clizer
John Clizer
Counsel
Office of the Public Counsel

12/14/2020
Date

List of Attachments

Attachment A – Ratemaking Income Statements

Attachment B – Auditing Department Report

Attachment C – EMS Runs

Attachment D – Schedules of Depreciation Rates

Attachment E – Rate Design Worksheets*

Attachment F – Billing Comparison Worksheets*

Disposition Agreement Attachment A

Ratemaking Income Statement

Missouri Utilities

Water Rate Making Income Statement

Operating Revenues at Current Rates

1		
2		
3	Total Operating Revenues	\$ 28,745
4	* See "Revenues - Current Rates" for Details.	

Cost of Service			Customer	Commodity
Item	Amount		Charge	Charge
5 Source of Supply	\$ 2,011	1.00 \$	2,011	\$ -
6 Pumping Expenses	\$ 4,134	0.00 \$	-	\$ 4,134
7 Water Treatment	\$ 28,101	0.20 \$	5,620	\$ 22,481
8 Transmission & Distribution	\$ 1,053	1.00 \$	1,053	\$ -
9 Customer Accounts	\$ 4,855	1.00 \$	4,855	\$ -
10 Customer Service	\$ -	\$	-	\$ -
11 Sales Promotion	\$ -	\$	-	\$ -
12 Administrative & General Expenses	\$ 12,552	0.50 \$	6,276	\$ 6,276
13 Depreciation	\$ 13,584	1.00 \$	13,584	\$ -
14 Other Operating Expense	\$ 1,380	1.00 \$	1,380	\$ -
15 Sub-Total Operating Expenses	\$ 67,670		\$ 34,779	\$ 32,891
16 Income Taxes	\$ 6,194	0.50 \$	3,097	\$ 3,097
17 Interest Expense	\$ 12,911	0.60 \$	7,747	\$ 5,164
18 Return on Equity	\$ 19,788	0.60 \$	11,873	\$ 7,915
19 Total Cost of Service	\$ 106,563		\$ 57,496	\$ 49,067
20 Cost to recover in rates	\$ 106,563		\$ 57,496	\$ 49,067
21 Overall Revenue Increase Needed	\$ 77,818			

MO Utilities, Rainbow Acres, State Park Village, and Twin Oaks

Sewer Rate Making Income Statement

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	126,587
2	Other Operating Revenues *	\$	2,542
3	Total Operating Revenues	\$	129,129

4 * See "Revenues - Current Rates" for Details

5

Cost of Service

7	Item	Amount
8	Collection Operation Expenses	\$ -
9	Collection Maintenance Expense	\$ 9,313
10	Pumping Operations Expense	\$ 1,973
11	Pumping Maintenance Expense	\$ 3,656
12	Treatment Operations Expenses	\$ 116,216
13	Treatment Maintenance Expenses	\$ 1,969
14	Customer Account Expense	\$ 13,725
15	Administration & General Expenses	\$ 98,842
16	Depreciation Expense	\$ 85,653
17	Other Operating Expenses	\$ 5,375
18	Sub-Total Operating Expenses	\$ 336,722
19	Income Tax	\$ 28,950
21	Interest Expense	\$ 60,343
22	Return on Equity	\$ 92,484
23	Total Cost of Service	\$ 518,499
24	Cost to Recover in Rates	\$ 515,957
25	Overall Revenue Increase Needed	\$ 389,369

Disposition Agreement Attachment B

Auditing Department Report

AUDITING DEPARTMENT

REVIEW AND AUDIT

Elm Hills Utility Operating Company, Inc. (“Elm Hills” or “Company”) is a regulated public water and sewer utility that provides water service to approximately 127 customers in four certificated service areas of Pettis County and sewer service to approximately 378 sewer customers in the service areas of Pettis and Johnson counties.

The Commission’s *Order Approving Stipulation and Agreement, Granting CCN and Transfer of Assets* in Case No. SM-2017-0150, effective September 29, 2017, granted the transfer of the utility assets of Missouri Utilities Company (“Missouri Utilities” or “MUC”) to Elm Hills and granted certificates of convenience and necessity (“CCN”) for Elm Hills to install, acquire, build construct, own operate, control, manage and maintain systems in the areas that had been served by Missouri Utilities and State Park Village. The Commission Order in Case No. SA-2018-0313, granted Elm Hills a CCN to provide sewer service within the Twin Oaks (or “The Preserve”) and Rainbow Acres properties, effective September 22, 2018.

On March 6, 2020, Elm Hills filed for a general rate increase to its water and sewer rates under the Commission’s Staff Assisted Rate Case Procedure, 20 CSR 4240-10.075, requesting increases in its annual operating revenues of \$135,745 for water service and \$393,919 for sewer services. Elm Hills provides water and sewer service to the following five systems:

Water / Sewer	System Name	Water Customers	Sewer Customers
Water & Sewer	Missouri Utilities Company	127	128
Sewer	State Park Village		162
Sewer	Rainbow Acres		44
Sewer	Twin Oaks/Preserve		44

REVENUE INCREASE RECOMMENDATION

The Auditing Department Staff (“Audit Staff”) reviewed the books and records including the general ledgers and invoices (if applicable) of the Company and Central States Water Resources (“CSWR”), the parent company of Elm Hills, from January 2017 through March 31, 2020. The Audit Staff’s activities in this case provide a reasonable basis for the recommendation presented in this Report. Based upon the examination of the Company’s activities, the Audit Staff’s cost of service calculation reflects the need for increases in annual revenues in the amount of \$77,818 for water and \$389,369 for sewer. It is the Audit Staff’s opinion that these revenue requirement recommendations are reasonable for the 120-Day audit/investigation results given the current operating environment of the Company and the information provided and reviewed in the audit to date. Attached to this Report are Audit Staff’s Accounting Schedules.

TEST YEAR AND UPDATE PERIOD

The test year for this case is the 12-months ending December 31, 2019, updated for known and measurable changes through March 31, 2020. The completion date for construction projects to be included in this case is May 20, 2020.

RATE OF RETURN AND CAPITAL STRUCTURE

The Commission’s Financial Analysis Department provided the Audit Staff with a rate of return recommendation. To recommend an allowed rate of return (“ROR”), Staff of the Financial Analysis Department examined the financial risk and business risk of Elm Hills. Using the S&P May 27, 2009 Credit Rating Criteria, Staff now assigns a Financial Risk Profile (“FRP”) of ‘Highly Leveraged’ and a Business Risk Profile (“BRP”) of ‘Satisfactory’ to Elm Hills.

Because capital structure plays an important role in ratemaking, Staff’s decision to assign Elm Hills an FRP of ‘Highly Leveraged’ is guided by the fact that Elm Hills is capitalized by about 94% long-term debt and about 6% equity. According to S&P May 27, 2009 Credit Rating Criteria, a company capitalized with more than 60% debt is considered ‘Highly Leveraged’.

An appropriate BRP for Elm Hills is “Satisfactory”. Staff changed its BRP estimation of “Weak” as reflected in its Day 90 recommendation after making a more detailed review of the S&P Credit Rating methodology. After its review, it appears that Staff previously gave too much weight to the past poor financial results of Elm Hills (i.e., Elm Hills’ reported negative profits). Determination of credit ratings is done by considering both retrospective and prospective factors. While Elm Hills reported negative profits and earnings before interest, taxes, depreciation and amortization (EBITDA) in the past, an increase in rates to better match its cost of service can be

reasonably expected to improve a utility's financial position.¹ Elm Hills is now seeking to raise its rates to cover its costs of operation and, as a result, the Staff expects that the Commission will allow Elm Hills to charge reasonable rates that will be enough to cover its costs of operation, and provide it an opportunity to earn a reasonable rate of return. Prospectively, this gives Elm Hills an opportunity for a much brighter financial position. Additionally, Elm Hills reported that it has not seen significant impact from the COVID-19 pandemic as of yet.² All these mitigating factors led Staff to change its earlier estimation of Elm Hills BRP.

Determination of BRP being mostly qualitative, some perspective from S&P Credit ratings was important in guiding Staff's analysis. S&P Credit Ratings assigns a BRP of 'Excellent' to major Water and Wastewater utilities. Regulated utilities and holding companies that are utility-focused virtually always fall in the upper range ("Excellent" or "Strong") of business risk profile.³ In Staff's reasonable estimation, a BRP of "Satisfactory" is consistent with Elm Hills' overall business risk.

With an estimated 'FRP/BRP' of "Highly Leveraged"/"Satisfactory", Staff assigns a credit rating of "B+" to Elm Hills.⁴ A credit rating of "B+" corresponds to a debt cost of 7.51%. Staff adds a risk premium of 4% to the debt cost to get a return on equity ("ROE") of 11.51% as prescribed by the Bond Yield plus Risk Premium method.⁵

Staff will use the same hypothetical capital structure ordered by the Commission in its decision in rate Case No. WR-2017-0259 for Indian Hills Utility Operating Company, Inc., another subsidiary of CSWR.

With this, Staff recommends an ROR of 9.51% calculated based on an ROE of 11.51%, debt cost of 7.51%, and a hypothetical capital structure of 50% debt and 50% equity. More details are found in Staff's workpapers.

RATE BASE

Staff included in its cost of service all capital improvements completed by the Company and in service as of March 31, 2020. Elm Hills' net rate base is approximately \$1,950,856 (water \$343,843 and sewer \$1,607,013). To update Elm Hills' rate base, Staff researched the Nonunanimous Stipulation and Agreement for Case No. SM-2017-0150, which states that the rate

¹ After Elm Hills' sister company, Indian Hills, had its rates increased in Case No. WR-2017- 0259 Indian Hills' financial position as reflected in EBITDA results went from negative to positive.

² Response to DR. No. 0112

³ U.S. Utilities Ratings Analysis Now Portrayed In The S&P Corporate Ratings Matrix, November 30, 2007.

⁴ S&P May 27, 2009 Credit Matrix

⁵ Analysis of Equity Investments: Valuation (2002) by John D. Stowe, Thomas R. Robinson, Jerald E. Pinto and Dennis W. McLeavey (Used as part of the curriculum in the Chartered Financial Analyst Program).

base for State Park Village Sewer and Missouri Utilities at acquisition was \$0.00. In the Staff Recommendation Memorandum for Case No. SA-2018-0313, Staff also determined the rate base for Rainbow Acres and Twin Oaks/Preserve to be \$0.00 at acquisition.

Staff updated these amounts through May 20, 2020, the deadline for completed construction to be included in the case. In order to ensure accuracy of the Company's plant in service and accumulated depreciation reserve balances for Elm Hills, Staff reviewed all invoices relating to the additions of plant in service for the water and sewer improvements. Staff requested additional information from the Company for invoices that lacked description of work performed, as without this information Staff was unable to assign these to plant subaccounts. With response to Staff Data Request No. 0066.3 and information provided by the Company in an email response on Friday May 22, 2020, Staff was able to break several of these invoices into plant subaccounts. In the email, the Company explained that they had allocated these costs between different systems and sub accounts. For example, an invoice for Engineering Inspection could be for multiple projects. Therefore, it would be appropriate to spread the cost across several subaccounts, rather than just one. Staff allocated these across the plant subaccounts. However, there are remaining invoices for which Staff did not receive sufficient information and could not be broken out to subaccounts; those invoices were disallowed from plant. Staff notes that there may be some documentation concerning plant valuation that it did not receive.

Staff reviewed the invoices provided by the Company on June 22, 2020. This was the first opportunity that Staff had to review Pre Survey Investments (PSI) for Elm Hills. Staff has included PSI in plant. PSI are organizational fees that CSWR accumulated prior to acquiring Elm Hills. Staff disallowed invoices submitted as PSI if the expense was a normal reoccurring expense that is built into rates such as, primacy fees and Nitor billing expense. Staff also reviewed six Construction Work in Progress (CWIP) invoices. Five of these invoices, totaling \$14,072, were disallowed. As of May 22, 2020, these plant items were not transferred to plant in service⁶. Staff will not include these invoices since the response date of May 22, 2020 was after the deadline for completed construction to be included in the case.

As a result of the review of the invoices and general ledger related to capital expenditures, in general, Staff made the following adjustments:

- 1) Reduced booked values for any costs associated with current construction, Construction Work In Progress ("CWIP").
- 2) Reduced booked values for any costs not related to Elm Hills.
- 3) Reclassified some items between expense and capital, which had been recorded to the incorrect account(s).

⁶ May 22, 2020 response to Staff Data Request No. 0063.3.

- 4) Included a 20-year amortization of organizational costs that was booked to National Association of Regulatory Utility Commissions (“NARUC”) Uniform Systems of Accounts (“USOA”) Account 301, Organization.
- 5) Included the capitalized portion of payroll expenses allocated to each system based on each system’s plant as a percentage of total plant.
- 6) Staff included in capital costs an allowance for funds used during construction (AFUDC). AFUDC was calculated by applying Staff’s recommended long-term debt rate to monthly capital expenditures.

In response to Staff Data Request No’s. 0059, 0060, 0061, and 0062, the Company states no Contributions in Aid of Construction (“CIAC”), Customer Advances, Customer Deposits, or Inventories have been booked. In November 2019, the Company began booking Prepayments in Missouri Utilities Water, Missouri Utilities Sewer, and State Park Village service areas.

DEPRECIATION

Staff’s Engineering Analysis Department reviewed existing depreciation rates for Elm Hills in conjunction with plant and depreciation reserve balances. Staff is proposing changes to the depreciation rates currently in effect for Elm Hills.

Because Elm Hills has made, and will continue to make, substantial capital improvements to most of its water and sewer systems, Staff proposes uniform depreciation rates for these systems’ accounts so the new assets can properly be evaluated in the future. The recommended depreciation rates can be found in attachments A and B.

CORPORATE ALLOCATION

CSWR is a corporation that currently owns five regulated Missouri utility operating companies (Hillcrest Utility Operating Company, Inc., Racoon Creek Utility Operating Company, Inc., Indian Hills Operating Company, Inc., Elm Hills Utility Operating Company, Inc., and Confluence Rivers Operating Company, Inc.) along with systems in Arkansas, Tennessee, Kentucky, Louisiana, and Texas. Each operating system has specific costs that are directly assigned on its books and records, therefore requiring no allocation. However, CSWR incurs other costs (i.e.: payroll, outside services, employee benefits, rent, etc.) that are common to all of CSWR’s service areas and that need to be allocated between the various regulated companies, and nonregulated operations (i.e., its acquisition activities). Staff excluded costs that were for expansion activities or were directly assigned to a state other than Missouri. Staff allocated 1.72% of the remaining corporate costs to Elm Hills. This allocation factor was based on the number of CSWR (current and acquisitions) customers for all systems as of March 31, 2020, compared to the Elm Hills

customer numbers at the same point. In addition, after corporate costs are allocated to Elm Hills, they must be allocated between the Elm Hills' systems. Staff allocated Elm Hills' corporate costs between these systems by using Staff's most current customer numbers for each of these systems. As a result, Staff's allocation factors for these systems are as follows:

System Name	Water Allocation Percentage	Sewer Allocation Percentage
Missouri Utilities Company	25.15%	25.35%
State Park Village		32.08%
Rainbow Acres		8.71%
Twin Oaks/Preserve		8.71%

REVENUES

Monthly Customer Charge Revenue

Elm Hills has one water system and four sewer systems. The water system bills have a fixed portion and a variable commodity portion. The four sewer system bills have fixed monthly customer charges. For purposes of annualizing water and sewer monthly charges for revenues, Staff used customer numbers as of March 31, 2020. These customer numbers were multiplied by the current monthly tariff rate and then multiplied by 12 to derive the annualized customer charge for revenues.

Water Commodity Revenues

In response to Staff Data Request No. 0031, the Company responded that Missouri Utilities Water had no functioning meters, so there is no commodity usage data per customer. To determine water commodity revenue for Missouri Utilities Water, Staff averaged the total monthly commodity usage and divided by the number of customers. The Company provided the total monthly commodity usage in an email on April 20, 2020.

Other Water and Wastewater Revenues

An additional source of revenue for Elm Hills is miscellaneous revenues which consists of: reconnect fees, disconnect fees, inspection, and water revenues. Primacy fees were excluded from expenses as a pass through expense. Therefore, these were excluded from revenue as well. Staff reviewed the Company's general ledger for the miscellaneous revenue accounts. Staff has included the Company's updated miscellaneous revenues amounts for the 12 months ending March 31, 2020. In Staff Data Request No. 0031, Staff requested information concerning late fees as well. Staff sent Data Request No. 0031.1, when it noted a difference in the amount shown in the response to Data Request No. 0031 for Miscellaneous Revenues compared to the amount for that item in the General Ledger. The Company responded that the data request response did not include late

fees. Staff submitted another Data Request No. 0032.2, to specifically request late fee amounts. The Company responded to Staff Data Request No. 0032.2 on June 2, 2020. Staff analysis of late fees revealed a downward trend, so Staff included the test year for the annualized late fee revenue.

OPERATING EXPENSES

Payroll, Payroll Tax, and 401(k)

Elm Hills does not have any direct employees. Employees of CSWR manage Elm Hills. As of March 31, 2020, CSWR has twenty-nine employees. However, CSWR employees informed Staff in discussions following their response to Data Request No. 0036, that they do not complete timesheets on a regular basis. So, the actual hours spent by these employees on Elm Hills could not be calculated.

Staff compared each employee's base salary as of March 2020 against the annual wage for similar occupations listed on the Missouri Economic Research and Information Center (MERIC) website to determine if CSWR employees' pay scale was comparable to salaries paid within the St. Louis Region. Staff's analysis determined that the base salary for each employee was not comparable to the annual wage for the mean (average) individual in the same occupation according to the MERIC database. Therefore, Staff made adjustments to CSWR's payroll to align each individual's salary within the average MERIC levels.

Due to the lack of timesheets, Staff could not verify the amount of time CSWR employees worked for Elm Hills. Therefore, for all CSWR employees, except Ms. Rehan Gerges, Staff applied the corporate allocation factor to determine payroll for Elm Hills. Staff was provided an accounting responsibility breakdown for Ms. Gerges, who is responsible for maintaining the accounting records and transactions for Elm Hills, Hayden's Place, St. Joseph's Glen, Eagle Ridge, and Oak Hill.⁷ Staff calculated her allocation factor using the customer numbers for each area she was assigned. Staff applied an allocation factor of 32.05% for Ms. Gerges's work on Elm Hills.

To account for the amount of labor that is associated with construction activities, Staff applied an estimated operation and maintenance (O&M) expense ratio to the CSWR employee's payroll expense. Since CSWR did not provide adequate timesheets, Staff estimated a 75% O&M expense ratio for all employees. The capitalized portion (25%) was included in plant in service as described in the Rate Base section above. Staff calculated payroll taxes based on Staff's annualized base salary and the current tax rates. In addition, CSWR has a 401k plan for its employees. CSWR matches up to 3% of each employee's pay for the Company 401k plan which Staff has included into its cost of service for Elm Hills using Staff's annualized salary.

Employee Benefits

⁷ Arkansas CSWC, LLC owns Hayden's Place, St. Joseph's Glen, Eagle Ridge, and Oak Hill.

CSWR provides medical, dental, vision, and life insurance for its employees. Staff reviewed all of the policies and invoices for the benefits in the test year period through March 31, 2020, in order to determine the level of insurance that should be included in the cost of service.

CSWR is paying 99% of the premiums for health, dental, and vision insurance, leaving only 1% to be paid by the employee. All other Missouri utilities of which Staff is aware require their employees to assume a greater percentage of responsibility for health benefits. Staff included 90% of the employees' premiums and disallowed 100% of family premiums. Therefore, Staff annualized only the employees' health, dental, and vision insurance by multiplying 90% of the monthly premium in effect as of March 2020 by 12 months to arrive at a recommended annual amount.

CSWR provides its employees life insurance based on the last two years of their salary. Staff reviewed other utilities' level of life insurance and determined a two year salary basis was reasonable. However, Mr. Josiah Cox, CSWR's President, is provided an additional insurance policy with premiums paid by CSWR. Staff believes this amount of coverage to be excessive. So, Staff made an adjustment to remove the premiums for this policy. Staff also annualized Accidental Death & Dismemberment, Long Term Disability, and Short Term Disability based on Staff's calculated salary amounts.

Workman's Compensation Insurance

For Workman's Compensation Insurance, Staff included the premium paid during the test year, then applied the corporate allocation factor of 1.72% to determine the amount to be included in the cost of service for Elm Hills.

Bank Fees

Staff reviewed the consolidated analysis statements provided by the Company in response to Staff Data Request No. 0022. Staff removed fees associated with transfers, fraud prevention services, deposited items returned unpaid, and "on us items," which are fees incurred when an item that is deposited is drawn on another Enterprise Bank account. Staff has included an annualized and normalized level of all other bank fees based off the most current twelve months of statement analysis's provided by the Company.

Billing Expense

MuniBilling is a utility accounting system that was previously used by Elms Hills to process customer billing and record customer notes. Elm Hills switched to Starnik as a billing software program effective for the February 2020 billing cycle. Elm Hills currently pays a \$6 fee annually per customer to Starnik. Elm Hills also uses Nitor Billing Services, LLC (Nitor) in conjunction with Starnik; Nitor is in charge of billing, payment collection, customer service, and coordination services for Elm Hill's customers. Nitor charges for the preparation and sending of customer bills

at the rate of \$2 per customer. This fee includes postage and materials for billing each customer. Elm Hills also uses Public Water Supply District No. 3 to supply water services to Elm Hill's sewer treatment plants. Public Water Supply District No. 3 also helps maintain a current monthly list of customers for \$100 a month. Staff annualized the Starnik billing software, Nitor Billing charges, and the Public Water Supply District No. 3 water services to calculate the level of customer billing expense to be included in the cost of service. Staff has removed all merchant fees, payment processing, one time fees, and customer side fees from this annualized number.

Department of Natural Resource ("DNR") Fees

Staff reviewed invoices regarding DNR expense for Account 928.1 for Elm Hills systems from January 1, 2017, through March 31, 2020. Staff included the annual state operating permit required by DNR and the other DNR expense incurred for the twelve months ending March 31, 2020, in their annualized level for this expense. Staff removed one-time primacy fees and permit transfer fees.

PSC Assessment

Staff reflected the most current Missouri Public Service Commission Assessment for the fiscal year 2020. For the systems that do not yet have a current assessment (Twin Oaks), Staff calculated an annual assessment by multiplying annualized revenues by the Commission's water/sewer assessment factor.

Rate Case Expense

At this time, Elm Hills has provided one invoice for rate case expense for this rate case. The invoice provided was for legal fees incurred by Elm Hills for the use of an outside attorney. Staff has disallowed this invoice because CSWR has internal counsel. Russ Mitten is the General Counsel for CSWR and Staff has included a portion of his salary in this rate case. The use of outside counsel while having in house counsel for a utility of this size is not necessary. The small water and sewer rate case proceedings are designed to prevent the utility from incurring sizeable costs for rate case proceedings. Many small water and sewer companies file for rate cases under the small water and sewer rate case proceedings without ever incurring legal costs while also not having in house attorneys.

Uncollectible Account / Bad Debts Expenses

During the test year, Elm Hills recorded \$82 in uncollectible expense and Staff believes the test year level reflects an ongoing level of expense. Therefore, no adjustments were made.

Outside Services - CSWR

Accounting/Auditor

Staff reviewed the invoices regarding financial statements and tax return fees for Account 923.5 for CSWR. Staff is allowing the costs associated with the audit of financial statements as of the

year ending December 31, 2018, and the 2017 corporate and partnership tax return preparation and review. Staff used the previously determined corporate allocation factor of 1.72% to allocate the cost to Elm Hills.

Outside Services – Elm Hills

Staff has reviewed general ledger Account 923 (including subaccounts) and supporting invoices for the period of January 1, 2017, through March 31, 2020 (39 months in total). For each subaccount, if there was an upward trend in expense level, Staff used the 12 months ending March 31, 2020, (the update period) as its normalized level for that subaccount. If there was no trend or a downward trend, Staff used a 39 month average to determine its normalized level for the subaccount. Staff excluded amounts for which the company did not provide invoices. Staff also removed non-reoccurring expenses, plant, invoices for holding companies, and Facebook advertising.

For one sub account (Account 923.1, Bank Fees), Staff only received one invoice. Staff normalized this cost by dividing the invoice amount by two because the service is not utilized by the Company very frequently.

Operations, Pumping, and Treatment

All the Elm Hills systems currently have a contract with Midwest Water Operations, LLC (“Midwest Water”) to operate and maintain the water and sewer systems, including required testing. The effective date for all these contracts is December 10, 2018, with a two year term. The contract amount for Missouri Utilities (sewer and water) and State Park Village is \$5,280 split equally between the systems. The Rainbow Acres and Twin Oaks contract amount is \$1,725 a month for each system. Staff annualized these monthly contract amounts and included these amounts in their annualized level of this expense.

Staff also reviewed invoices regarding operations, pumping, and treatment expense for Accounts 642, 722, and 742 for Elm Hills’ systems from January 1, 2017, through March 31, 2020. For Accounts 642 and 742, Staff annualized a 39 month average for the non-contract portion of the invoices and included this in their annualized level of this expense. For Account 722, Staff included the non-contract portion of the amount for the twelve months ending March 31, 2020, in their annualized level of this expense. Staff removed any mark-ups charged by Midwest Water for reimbursable expenses. The contract between Midwest Water and Elm Hills states that no markup will be charged on reimbursable expenses. Staff also removed any fees that should be included in determining late charges including door hangers for late payments and customer shut-offs/turn-ons for non-payment.

Repairs and Maintenance Expense

Staff reviewed invoices regarding repairs and maintenance expense for Accounts 673, 675, 712, 713, 732, and 752 for Elm Hills systems from January 1, 2017, through March 31, 2020. For Accounts 673, 675, 713, and 752, Staff annualized this cost using a 39 month average. For Accounts 712 and 732, Staff included the repairs and maintenance expense incurred for the twelve months ending March 31, 2020, in their annualized level for these accounts. Staff excluded general ledger entries for which the company did not provide invoices, any mark-ups charged by Midwest Water, customer side fees, work orders, vehicle use, non-reoccurring expenses, shut offs, door hangers, mileage, and plant. Staff included sewer backup charges, labor, costs of using jetter, lodging, and plumbing expenses in their annualized number.

Purchased Water

Staff reviewed invoices regarding purchased water for Account 602 for Elm Hills systems from January 1, 2017, through March 31, 2020. Staff annualized a 39 month average to determine their annualized level for purchased water. Staff removed general ledger entries for which the company did not provide invoices, corporate invoices, and late fees.

Communication Expense

CSWR has a policy which reimburses certain individual employees for their cell phone bills. Staff examined the amounts of AT&T Wireless, Spectrum and 8x8 Inc. payments made by CSWR during the test year and update period. Staff is disallowing half of the expense for all bills that CSWR has paid to reimburse employees for their cell phones bills, as the phones are used for both personal and business matters. Staff annualized all communication expense by developing a monthly level using the data that was available in the general ledger and the Company invoices. Staff then applied the previously determined corporate allocation factor of 1.72% to CSWR's communication expense for Elm Hills.

Property Insurance

CSWR has Property, Environmental, and Excess Liability over General Liability Insurance in place for all its operating systems. Staff reviewed the current insurance policies regarding insurance expense for Accounts 924.2 and 924.4 for Elm Hills systems. Staff calculated an allocation percentage by summing each systems value/coverage divided by the total value of all the systems. For Account 924.2, Staff applied each systems allocation percentage to the total cost of Colony and RUSI insurance to determine their annualized level for each system. For Account 924.4, Staff applied each systems allocation percentage to the total costs of Lloyds of London insurance to determine their annualized level for each system.

Property Taxes

Staff has reviewed all receipts paid in 2019 for property tax and real estate taxes provided in the response to Staff Data Request No. 0048. Staff determined the test year level represents and ongoing level of expense. Therefore, no adjustment was made.

Electricity Expense

Staff has reviewed the electric bills for each system to determine the amount of electricity expense to include in the rate for water and sewer operation. Staff reviewed the submitted invoices from January 1, 2018, to March 31, 2020. Staff annualized the electricity expense based on the trend determined for each system.

Fuel and Power Purchased for Pumping

Elm Hills sent Staff an email stating they started recording Account 721 general ledger entries in Account 743 beginning September 2019. Staff's annualized level for Account 721 is zero since Staff moved all the 721 general ledger entries to Account 743 Fuel & Power Sewage T and P.

Chemicals

Staff used the test year amounts for chemical expense because invoices were only provided for this time period. Staff removed any mark-ups charged by Midwest Water, any expenses that were not related to chemicals and any amounts charged to other systems not related to Elm Hills.

Travel Expenses

Staff reviewed monthly expense reports and receipts for travel expenses. Staff removed any non-recurring expense, if the travel was not for Elm Hills, and for employees who are not included in payroll. Staff allocated the total to the systems based on the customer numbers.

Miscellaneous Expense

Staff reviewed invoices regarding miscellaneous expense for Accounts 643, and 744 for the period of January 1, 2017, through March 31, 2020. For Account 643, Staff included the miscellaneous expense incurred for the twelve months ending March 31, 2020, in their annualized level for this account. For Account 744, Staff used a 39 month average to calculate an annualized level of this expense. Staff also included in these accounts amortizations of a regulatory asset that the Commission ordered in case No. SM-2017-0150, as described below. Staff removed any mark-ups charged by Midwest Water. Staff also removed invoices for Public Water Supply Dist. No. 3 because this is included in billing expense.

In Case No. SM-2017-0150, Elm Hills obtained a CCN for Missouri Utilities and State Park Village. Elm Hills and Missouri Utilities agreed to a purchase price that was based on the outstanding debts owed by Missouri Utilities; however, the Parties agreed that payment of these debts by Elm Hills should not be included in rate base. Instead, Elm Hills should be authorized to establish a regulatory asset and allowed to amortize the asset. The Commission ordered this regulatory asset to be recorded on the Company's balance sheet in the amount of approximately \$50,000, split equally between Missouri Utilities water and sewer systems, with this amount to be amortized to expense over a five year period. This amortization would begin the month after the

closing of the sale. The closing of the sale occurred in October 2017 and Elm Hills started amortizing the regulatory asset in November 2017.

Additional Adjustments

Staff has excluded from the cost of service those amounts related to: 1) late payment on invoices; 2) missing invoices; 3) non-reoccurring expenses; and 4) rounded up billing for electricity expense.

Audit Staff Recommendations for Elm Hills:

1. The Company should begin tracking all work conducted on its behalf by Central States Water Resources, Inc. in the form of a Time Record. This time record will include a description of the job performed, length of time to complete, name/title of the employee who conducted the work, and tracked by each system. The time record information should be maintained in sufficient detail to capture the amount of time each employee spends on operation and maintenance activities, as opposed to construction activities. The Company also agrees that detailed timesheets will be maintained for any future employees Elm Hill's Utility Operating Company, Inc. may retain. **This recommendation should be completed within ninety (90) days of any Commission order issued in this Case No. WR-2020-0275.**
2. The Company shall document on each invoice when each item on the invoice is placed into inventory and then subsequently the date when the item is placed into plant in service. **This recommendation should be completed within ninety (90) days of any Commission order issued in this Case, No. WR-2020-0275**
3. The Company shall immediately maintain a spreadsheet for Plant Additions and Retirement of Property (including book cost of plant retired, cost of removal, or salvage credit) along with supporting documentation (i.e. invoices) to ensure all plant assets are properly reflected in future rate case proceedings. This spreadsheet should reconcile to the invoices provided by vendor (refer to #2 listed above). **This recommendation should be completed within ninety (90) days of any Commission order issued in this Case, No. WR-2020-0275.**

Disposition Agreement Attachment C

EMS Runs

Elm Hills Utility Operating Company, Inc
Case No. WR-2020-0275

Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Water - Revenue Requirement

Line Number	A Description	B 9.51% Return	C 9.51% Return	D 9.51% Return
1	Net Orig Cost Rate Base	\$343,843	\$343,843	\$343,843
2	Rate of Return	9.51%	9.51%	9.51%
3	Net Operating Income Requirement	\$32,699	\$32,699	\$32,699
4	Net Income Available	-\$26,567	-\$26,567	-\$26,567
5	Additional Net Income Required	\$59,266	\$59,266	\$59,266
6	Income Tax Requirement			
7	Required Current Income Tax	\$6,194	\$6,194	\$6,194
8	Current Income Tax Available	-\$12,358	-\$12,358	-\$12,358
9	Additional Current Tax Required	\$18,552	\$18,552	\$18,552
10	Revenue Requirement	\$77,818	\$77,818	\$77,818
11	Allowance for Known and Measureable Changes/True-Up Estimate	\$0	\$0	\$0
12	Miscellaneous (e.g. MEEIA)	\$0	\$0	\$0
13	Gross Revenue Requirement	<u>\$77,818</u>	<u>\$77,818</u>	<u>\$77,818</u>

Elm Hills Utility Operating Company, Inc
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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
WATER - RATE BASE SCHEDULE

Line Number	<u>A</u> Rate Base Description	<u>B</u> Percentage Rate	<u>C</u> Dollar Amount
1	Plant In Service		\$353,104
2	Less Accumulated Depreciation Reserve		\$10,117
3	Net Plant In Service		\$342,987
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		\$0
6	Contributions in Aid of Construction Amortization		\$0
7	Materials & Supplies		\$0
8	Prepayments		\$521
9	Prepayments (CSWR)		\$335
10	TOTAL ADD TO NET PLANT IN SERVICE		\$856
11	SUBTRACT FROM NET PLANT		
12	Federal Tax Offset		\$0
13	State Tax Offset		\$0
14	City Tax Offset		\$0
15	Interest Expense Offset		\$0
16	Contributions in Aid of Construction		\$0
17	Customer Advances		\$0
18	Customer Deposits		\$0
19	TOTAL SUBTRACT FROM NET PLANT		\$0
20	Total Rate Base		\$343,843

Elm Hills Utility Operating Company, Inc

Case No. WR-2020-0275

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020

Water - Plant In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjust. Number	E Adjustments	F As Adjusted Plant	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	301.000	Organization	\$23,169	P-2	\$0	\$23,169		\$0	\$23,169
3	302.000	Franchises	\$0	P-3	\$0	\$0		\$0	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	P-4	\$0	\$0		\$0	\$0
5		TOTAL INTANGIBLE PLANT	\$23,169		\$0	\$23,169		\$0	\$23,169
6		SOURCE OF SUPPLY PLANT							
7	310.000	Land and Land Rights - SSP	\$40,689	P-7	\$0	\$40,689		\$0	\$40,689
8	311.000	Structures and Improvements - SSP	\$8,608	P-8	\$0	\$8,608		\$0	\$8,608
9	312.000	Collecting & Impounding Reservoirs	\$0	P-9	\$0	\$0		\$0	\$0
10	314.000	Wells and Springs	\$46,137	P-10	\$0	\$46,137		\$0	\$46,137
11	316.000	Supply Mains	\$58,882	P-11	\$0	\$58,882		\$0	\$58,882
12		TOTAL SOURCE OF SUPPLY PLANT	\$154,316		\$0	\$154,316		\$0	\$154,316
13		PUMPING PLANT							
14	321.000	Structures and Improvements - PP	\$0	P-14	\$0	\$0		\$0	\$0
15	323.000	Other Power Production Equipment	\$0	P-15	\$0	\$0		\$0	\$0
16	325.000	Electric Pumping Equipment	\$13,533	P-16	\$0	\$13,533		\$0	\$13,533
17	325.200	Booster Pump Equip	\$0	P-17	\$0	\$0		\$0	\$0
18		TOTAL PUMPING PLANT	\$13,533		\$0	\$13,533		\$0	\$13,533
19		WATER TREATMENT PLANT							
20	332.000	Water Treatment Equipment	\$0	P-20	\$0	\$0		\$0	\$0
21		TOTAL WATER TREATMENT PLANT	\$0		\$0	\$0		\$0	\$0
22		TRANSMISSION & DIST. PLANT							
23	341.000	Structures and Improvements - TDP	\$3,229	P-23	\$0	\$3,229		\$0	\$3,229
24	342.000	Distribution Reservoirs and Standpipes	\$42,980	P-24	\$0	\$42,980		\$0	\$42,980
25	343.000	Transmission and Distribution Mains	\$77,344	P-25	\$0	\$77,344		\$0	\$77,344
26	344.000	Fire Mains	\$0	P-26	\$0	\$0		\$0	\$0
27	345.000	Services	\$0	P-27	\$0	\$0		\$0	\$0
28	346.000	Meters	\$0	P-28	\$0	\$0		\$0	\$0
29	347.000	Meter Installations	\$0	P-29	\$0	\$0		\$0	\$0
30	348.000	Hydrants	\$0	P-30	\$0	\$0		\$0	\$0
31		TOTAL TRANSMISSION & DIST. PLANT	\$123,553		\$0	\$123,553		\$0	\$123,553
32		GENERAL PLANT							
33	390.000	Structures and Improvements - GP	\$0	P-33	\$0	\$0		\$0	\$0
34	391.000	Office Furniture and Equipment	\$209	P-34	\$0	\$209		\$0	\$209
35	391.100	Office Furniture and Equipment (IT)	\$0	P-35	\$0	\$0		\$0	\$0
36	392.000	Transportation Equipment	\$0	P-36	\$0	\$0		\$0	\$0
37	393.000	Stores Equipment	\$0	P-37	\$0	\$0		\$0	\$0
38	394.000	Tools, Shop and Garage Equipment	\$0	P-38	\$0	\$0		\$0	\$0
39	395.000	Laboratory Equipment	\$0	P-39	\$0	\$0		\$0	\$0
40	396.000	Power Operated Equipment	\$0	P-40	\$0	\$0		\$0	\$0
41	397.000	Communication Equipment	\$38,324	P-41	\$0	\$38,324		\$0	\$38,324
42	398.000	Misc. Equipment	\$0	P-42	\$0	\$0		\$0	\$0
43		TOTAL GENERAL PLANT	\$38,533		\$0	\$38,533		\$0	\$38,533
44		TOTAL PLANT IN SERVICE	\$353,104		\$0	\$353,104		\$0	\$353,104

Elm Hills Utility Operating Company, Inc

Case No. WR-2020-0275

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020

Water Depreciation Expense

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Line	Account	MO Adjusted	Depreciation	Depreciation
Number	Number	Jurisdictional	Rate	Expense
1				
2	301.000			
3	302.000			
4	303.000			
5				
6				
7	310.000			
8	311.000			
9	312.000			
10	314.000			
11	316.000			
12				
13				
14	321.000			
15	323.000			
16	325.000			
17	325.200			
18				
19				
20	332.000			
21				
22				
23	341.000			
24	342.000			
25	343.000			
26	344.000			
27	345.000			
28	346.000			
29	347.000			
30	348.000			
31				
32				
33	390.000			
34	391.000			
35	391.100			
36	392.000			
37	393.000			
38	394.000			

Elm Hills Utility Operating Company, Inc

Case No. WR-2020-0275

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020

Water Depreciation Expense

<u>A</u>		<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Line	Account		MO Adjusted	Depreciation	Depreciation
Number	Number	Plant Account Description	Jurisdictional	Rate	Expense
39	395.000	Laboratory Equipment	\$0	0.00%	\$0
40	396.000	Power Operated Equipment	\$0	0.00%	\$0
41	397.000	Communication Equipment	\$38,324	6.70%	\$2,568
42	398.000	Misc. Equipment	\$0	0.00%	\$0
43		TOTAL GENERAL PLANT	\$38,533		\$2,578
44	Total Depreciation		\$353,104		\$13,584

Elm Hills Utility Operating Company, Inc
Case No. WR-2020-0275
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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Water- Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjust. Number	E Adjustments	F As Adjusted Reserve	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	301.000	Organization	\$3,454	P-2	\$0	\$3,454		\$0	\$3,454
3	302.000	Franchises	\$0	P-3	\$0	\$0		\$0	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	P-4	\$0	\$0		\$0	\$0
5		TOTAL INTANGIBLE PLANT	\$3,454		\$0	\$3,454		\$0	\$3,454
6		SOURCE OF SUPPLY PLANT							
7	310.000	Land and Land Rights - SSP	\$0	P-7	\$0	\$0		\$0	\$0
8	311.000	Structures and Improvements - SSP	\$160	P-8	\$0	\$160		\$0	\$160
9	312.000	Collecting & Impounding Reservoirs	\$0	P-9	\$0	\$0		\$0	\$0
10	314.000	Wells and Springs	\$688	P-10	\$0	\$688		\$0	\$688
11	316.000	Supply Mains	\$878	P-11	\$0	\$878		\$0	\$878
12		TOTAL SOURCE OF SUPPLY PLANT	\$1,726		\$0	\$1,726		\$0	\$1,726
13		PUMPING PLANT							
14	321.000	Structures and Improvements - PP	\$0	P-14	\$0	\$0		\$0	\$0
15	323.000	Other Power Production Equipment	\$0	P-15	\$0	\$0		\$0	\$0
16	325.000	Electric Pumping Equipment	\$1,009	P-16	\$0	\$1,009		\$0	\$1,009
17	325.200	Booster Pump Equip	\$0	P-17	\$0	\$0		\$0	\$0
18		TOTAL PUMPING PLANT	\$1,009		\$0	\$1,009		\$0	\$1,009
19		WATER TREATMENT PLANT							
20	332.000	Water Treatment Equipment	\$0	P-20	\$0	\$0		\$0	\$0
21		TOTAL WATER TREATMENT PLANT	\$0		\$0	\$0		\$0	\$0
22		TRANSMISSION & DIST. PLANT							
23	341.000	Structures and Improvements - TDP	\$60	P-23	\$0	\$60		\$0	\$60
24	342.000	Distribution Reservoirs and Standpipes	\$801	P-24	\$0	\$801		\$0	\$801
25	343.000	Transmission and Distribution Mains	\$1,153	P-25	\$0	\$1,153		\$0	\$1,153
26	344.000	Fire Mains	\$0	P-26	\$0	\$0		\$0	\$0
27	345.000	Services	\$0	P-27	\$0	\$0		\$0	\$0
28	346.000	Meters	\$0	P-28	\$0	\$0		\$0	\$0
29	347.000	Meter Installations	\$0	P-29	\$0	\$0		\$0	\$0
30	348.000	Hydrants	\$0	P-30	\$0	\$0		\$0	\$0
31		TOTAL TRANSMISSION & DIST. PLANT	\$2,014		\$0	\$2,014		\$0	\$2,014
32		GENERAL PLANT							
33	390.000	Structures and Improvements - GP	\$0	P-33	\$0	\$0		\$0	\$0
34	391.000	Office Furniture and Equipment	\$0	P-34	\$0	\$0		\$0	\$0
35	391.100	Office Furniture and Equipment (IT)	\$0	P-35	\$0	\$0		\$0	\$0
36	392.000	Transportation Equipment	\$0	P-36	\$0	\$0		\$0	\$0
37	393.000	Stores Equipment	\$0	P-37	\$0	\$0		\$0	\$0
38	394.000	Tools, Shop and Garage Equipment	\$0	P-38	\$0	\$0		\$0	\$0
39	395.000	Laboratory Equipment	\$0	P-39	\$0	\$0		\$0	\$0
40	396.000	Power Operated Equipment	\$0	P-40	\$0	\$0		\$0	\$0
41	397.000	Communication Equipment	\$1,914	P-41	\$0	\$1,914		\$0	\$1,914
42	398.000	Misc. Equipment	\$0	P-42	\$0	\$0		\$0	\$0
43		TOTAL GENERAL PLANT	\$1,914		\$0	\$1,914		\$0	\$1,914
44		TOTAL DEPRECIATION RESERVE	\$10,117		\$0	\$10,117		\$0	\$10,117

Elm Hills Utility Operating Company, Inc
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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Water - Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
Rev-1		OPERATING REVENUES											
Rev-2	461.000	Residential	\$9,952	See Note(1)	See Note(1)	Rev-2	See Note(1)	\$9,952	100.00%	\$16,623	\$26,575	See Note(1)	See Note(1)
Rev-3	0.000	Commercial	\$0			Rev-3		\$0	0.00%	\$1,810	\$1,810		
Rev-4	0.000	Industrial	\$0			Rev-4		\$0	0.00%	\$0	\$0		
Rev-5	0.000	Private Fire Protection	\$0			Rev-5		\$0	0.00%	\$0	\$0		
Rev-6	0.000	Public Fire Protection	\$0			Rev-6		\$0	0.00%	\$0	\$0		
Rev-7	0.000	Other Public Auth.	\$0			Rev-7		\$0	0.00%	\$0	\$0		
Rev-8	0.000	Sales for Resale	\$0			Rev-8		\$0	0.00%	\$0	\$0		
Rev-9	471.000	Other Water Revenue - Oper. Rev.	\$182			Rev-9		\$182	100.00%	\$178	\$360		
Rev-10		TOTAL OPERATING REVENUES	\$10,134					\$10,134		\$18,611	\$28,745		
1		SOURCE OF SUPPLY EXPENSES											
2	602.000	Purchased Water	\$2,582	\$0	\$2,582	E-2	-\$571	\$2,011	100.00%	\$0	\$2,011	\$0	\$2,011
3	612.000	Maint. of Collecting and Impounding Reservoirs	\$0	\$0	\$0	E-3	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
4	614.000	Maint. of Wells & Springs	\$0	\$0	\$0	E-4	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
5		TOTAL SOURCE OF SUPPLY EXPENSES	\$2,582	\$0	\$2,582		-\$571	\$2,011		\$0	\$2,011	\$0	\$2,011
6		PUMPING EXPENSES											
7	623.000	Fuel or Power Purchased for Pumping	\$3,829	\$0	\$3,829	E-7	\$305	\$4,134	100.00%	\$0	\$4,134	\$0	\$4,134
8	633.000	Maint. of Pumping Equipment	\$0	\$0	\$0	E-8	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
9		TOTAL PUMPING EXPENSES	\$3,829	\$0	\$3,829		\$305	\$4,134		\$0	\$4,134	\$0	\$4,134
10		WATER TREATMENT EXPENSES											
11	641.000	Chemicals	\$0	\$0	\$0	E-11	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
12	642.000	Operation Labor & Expenses	\$22,244	\$0	\$22,244	E-12	\$635	\$22,879	100.00%	\$0	\$22,879	\$0	\$22,879
13	643.000	Miscellaneous Expenses	\$5,233	\$0	\$5,233	E-13	-\$11	\$5,222	100.00%	\$0	\$5,222	\$0	\$5,222
14	652.000	Maintenance of Water Treatment Equipment	\$0	\$0	\$0	E-14	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
15		TOTAL WATER TREATMENT EXPENSES	\$27,477	\$0	\$27,477		\$624	\$28,101		\$0	\$28,101	\$0	\$28,101
16		TRANSMISSION & DIST. EXPENSES											
17	666.000	Rents - TDE	\$0	\$0	\$0	E-17	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
18	671.000	Maint. of Structures and Improvements	\$0	\$0	\$0	E-18	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
19	673.000	Maint. of Transmission & Distribution Mains	\$154	\$0	\$154	E-19	\$895	\$1,049	100.00%	\$0	\$1,049	\$0	\$1,049
20	675.000	Maint. of Services - TDE	\$29	\$0	\$29	E-20	-\$25	\$4	100.00%	\$0	\$4	\$0	\$4
21	676.000	Maint. of Meters - TDE	\$0	\$0	\$0	E-21	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
22	678.000	Maint. of Miscellaneous Plant	\$0	\$0	\$0	E-22	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
23		TOTAL TRANSMISSION & DIST. EXPENSES	\$183	\$0	\$183		\$870	\$1,053		\$0	\$1,053	\$0	\$1,053
24		CUSTOMER ACCOUNTS EXPENSE											
25	903.100	Billing	\$3,891	\$0	\$3,891	E-25	-\$81	\$3,810	100.00%	\$0	\$3,810	\$0	\$3,810
26	903.100	Billing-CSWR	\$470	\$0	\$470	E-26	-\$470	\$0	0.00%	\$0	\$0	\$0	\$0
27	903.200	Postage-CSWR	\$768	\$0	\$768	E-27	-\$768	\$0	0.00%	\$0	\$0	\$0	\$0
28	903.280	Bank Fees	\$1,195	\$0	\$1,195	E-28	-\$124	\$1,071	100.00%	\$0	\$1,071	\$0	\$1,071
29	903.280	Bank Fees-CSWR	\$0	\$0	\$0	E-29	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
30	904.000	Uncollectible Accounts	-\$26	\$0	-\$26	E-30	\$0	-\$26	100.00%	\$0	-\$26	\$0	-\$26
31		TOTAL CUSTOMER ACCOUNTS EXPENSE	\$6,298	\$0	\$6,298		-\$1,443	\$4,855		\$0	\$4,855	\$0	\$4,855
32		ADMIN. & GENERAL EXPENSES											
33	920.000	Admin. & General Salaries-CSWR	\$744,855	\$744,855	\$0	E-33	-\$743,904	\$951	100.00%	\$0	\$951	\$951	\$0
34	921.000	Office Supplies & Expense	\$0	\$0	\$0	E-34	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
35	921.000	Office Supplies & Expense-CSWR	\$0	\$0	\$0	E-35	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
36	921.110	Office Supp Exp (Meal,Travel)-CSWR	\$82,948	\$0	\$82,948	E-36	-\$82,762	\$186	100.00%	\$0	\$186	\$0	\$186

Elm Hills Utility Operating Company, Inc
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Water - Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
37	921.500	Office Supp Exp (Communication)-CSWR	\$5,446	\$0	\$5,446	E-37	-\$5,386	\$60	100.00%	\$0	\$60	\$0	\$60
38	921.800	Office Supplies Expense	\$0	\$0	\$0	E-38	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
39	921.800	Office Supplies Expense-CSWR	\$9,257	\$0	\$9,257	E-39	-\$9,235	\$22	100.00%	\$0	\$22	\$0	\$22
40	923.100	Outside Services (Bank Fees)	\$5	\$0	\$5	E-40	\$10	\$15	100.00%	\$0	\$15	\$0	\$15
41	923.100	Outside Services (Bank Fees)-CSWR	\$412	\$0	\$412	E-41	-\$405	\$7	100.00%	\$0	\$7	\$0	\$7
42	923.300	Outside Services (Engg Consult)	\$1,159	\$0	\$1,159	E-42	-\$1,159	\$0	0.00%	\$0	\$0	\$0	\$0
43	923.300	Outside Services (Engg Consult)-CSWR	\$6,482	\$0	\$6,482	E-43	-\$6,482	\$0	0.00%	\$0	\$0	\$0	\$0
44	923.400	Outside Services (Legal Fees)	\$580	\$0	\$580	E-44	-\$552	\$28	100.00%	\$0	\$28	\$0	\$28
45	923.400	Outside Services (Legal Fees)-CSWR	\$17,756	\$0	\$17,756	E-45	-\$17,755	\$1	100.00%	\$0	\$1	\$0	\$1
46	923.500	Outside Services (Auditor/Accountant)	\$873	\$0	\$873	E-46	-\$722	\$151	100.00%	\$0	\$151	\$0	\$151
47	923.500	Outside Services (Auditor/Accountant)-CSWR	\$36,170	\$0	\$36,170	E-47	-\$35,891	\$279	100.00%	\$0	\$279	\$0	\$279
48	923.600	Outside Services (Manage Consult)	\$841	\$0	\$841	E-48	-\$841	\$0	0.00%	\$0	\$0	\$0	\$0
49	923.600	Outside Services (Manage Consult)-CSWR	\$244,029	\$0	\$244,029	E-49	-\$244,029	\$0	0.00%	\$0	\$0	\$0	\$0
50	923.800	Outside Services (Payroll Fees)-CSWR	\$1,023	\$0	\$1,023	E-50	-\$1,012	\$11	100.00%	\$0	\$11	\$0	\$11
51	923.900	Outside Services (IT)	\$175	\$0	\$175	E-51	\$404	\$579	100.00%	\$0	\$579	\$0	\$579
52	923.900	Outside Services (IT)-CSWR	\$74,827	\$0	\$74,827	E-52	-\$74,278	\$549	100.00%	\$0	\$549	\$0	\$549
53	924.200	Property Insurance (Environmental)	\$513	\$0	\$513	E-53	\$1,818	\$2,331	100.00%	\$0	\$2,331	\$0	\$2,331
54	924.200	Property Insurance (Environmental)-CSWR	\$65,373	\$0	\$65,373	E-54	-\$65,373	\$0	0.00%	\$0	\$0	\$0	\$0
55	924.300	Property Insurance (Worker's Comp)-CSWR	\$13,053	\$0	\$13,053	E-55	-\$12,903	\$150	100.00%	\$0	\$150	\$0	\$150
56	924.400	Property Insurance (Commercial)	\$8,584	\$0	\$8,584	E-56	-\$3,285	\$5,299	100.00%	\$0	\$5,299	\$0	\$5,299
57	924.400	Property Insurance (Commercial)-CSWR	-\$29,899	\$0	-\$29,899	E-57	\$29,899	\$0	0.00%	\$0	\$0	\$0	\$0
58	926.000	Employee Benefits (Other)-CSWR	\$6,671	\$6,671	\$0	E-58	-\$6,671	\$0	0.00%	\$0	\$0	\$0	\$0
59	926.100	Employee Benefits (Keyman)-CSWR	\$952	\$952	\$0	E-59	-\$952	\$0	0.00%	\$0	\$0	\$0	\$0
60	926.200	Employee Benefits (Healthcare)-CSWR	\$106,723	\$106,723	\$0	E-60	-\$105,924	\$799	100.00%	\$0	\$799	\$799	\$0
61	926.300	Employee Benefits (401k)-CSWR	\$31,537	\$31,537	\$0	E-61	-\$31,155	\$382	100.00%	\$0	\$382	\$382	\$0
62	926.400	Employee Benefits (Life/STD/LTD/AD)-CSWR	\$5,434	\$5,434	\$0	E-62	-\$5,348	\$86	100.00%	\$0	\$86	\$86	\$0
63	926.700	Employee Benefits (EE Traning & Tuition Reimb.)-CSWR	\$4,845	\$4,845	\$0	E-63	-\$4,826	\$19	100.00%	\$0	\$19	\$19	\$0
64	928.000	Regulatory Expense (Other)-CSWR	\$0	\$0	\$0	E-64	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
65	928.100	Regulatory Expense (DNR)	\$578	\$0	\$578	E-65	-\$378	\$200	100.00%	\$0	\$200	\$0	\$200
66	928.100	Regulatory Expense (DNR)-CSWR	\$9	\$0	\$9	E-66	-\$9	\$0	0.00%	\$0	\$0	\$0	\$0
67	928.200	Regulatory Expense (PSC Assessment)	\$69	\$0	\$69	E-67	\$0	\$69	100.00%	\$0	\$69	\$0	\$69
68	928.200	Regulatory Expense (PSC Assessment)-CSWR	\$0	\$0	\$0	E-68	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
69	928.300	Regulatory Expense (Rate Case Expense)	\$0	\$0	\$0	E-69	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
70	928.400	Regulatory Expense (Bus License)	\$0	\$0	\$0	E-70	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
71	928.400	Regulatory Expense (Bus License)-CSWR	\$225	\$0	\$225	E-71	-\$223	\$2	100.00%	\$0	\$2	\$0	\$2
72	930.200	Misc. General Expense	\$0	\$0	\$0	E-72	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
73	930.200	Misc. General Expense-CSWR	\$0	\$0	\$0	E-73	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
74	931.000	Rents-CSWR	\$23,689	\$0	\$23,689	E-74	-\$23,313	\$376	100.00%	\$0	\$376	\$0	\$376
75		TOTAL ADMIN. & GENERAL EXPENSES	\$1,465,194	\$901,017	\$564,177		-\$1,452,642	\$12,552		\$0	\$12,552	\$2,237	\$10,315
76		DEPRECIATION EXPENSE											
77	0.000	Depreciation Expense, Dep. Exp.	\$0	See note (1)	See note (1)	E-77	See note (1)	\$0	0.00%	\$13,584	\$13,584	See note (1)	See note (1)
78		TOTAL DEPRECIATION EXPENSE	\$0	\$0	\$0		\$0	\$0		\$13,584	\$13,584	\$0	\$0
79		OTHER OPERATING EXPENSES											
80	408.100	Taxes (Other)-CSWR	\$150	\$150	\$0	E-80	-\$150	\$0	0.00%	\$0	\$0	\$0	\$0
81	408.120	SS & Medicare-CSWR	\$50,118	\$50,118	\$0	E-81	-\$49,145	\$973	100.00%	\$0	\$973	\$973	\$0
82	408.140	Unemployment Tax-CSWR	\$1,541	\$1,541	\$0	E-82	-\$1,303	\$238	100.00%	\$0	\$238	\$238	\$0
83	408.160	Property Tax	\$162	\$0	\$162	E-83	\$0	\$162	100.00%	\$0	\$162	\$0	\$162
84	408.160	Property Tax-CSWR	\$379	\$0	\$379	E-84	-\$372	\$7	100.00%	\$0	\$7	\$0	\$7
85		TOTAL OTHER OPERATING EXPENSES	\$52,350	\$51,809	\$541		-\$50,970	\$1,380		\$0	\$1,380	\$1,211	\$169

Elm Hills Utility Operating Company, Inc
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Water - Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
86		TOTAL OPERATING EXPENSE	<u>\$1,557,913</u>	<u>\$952,826</u>	<u>\$605,087</u>		<u>-\$1,503,827</u>	<u>\$54,086</u>		<u>\$13,584</u>	<u>\$67,670</u>	<u>\$3,448</u>	<u>\$50,638</u>
87		NET INCOME BEFORE TAXES	<u>-\$1,547,779</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>	<u>-\$43,952</u>		<u>\$5,027</u>	<u>-\$38,925</u>	<u>\$0</u>	<u>\$0</u>
88		INCOME TAXES											
89	0.000	Current Income Taxes	<u>\$0</u>	<u>See note (1)</u>	<u>See note (1)</u>	E-89	<u>See note (1)</u>	<u>\$0</u>	0.00%	<u>-\$12,358</u>	<u>-\$12,358</u>	<u>See note (1)</u>	<u>See note (1)</u>
90		TOTAL INCOME TAXES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>		<u>-\$12,358</u>	<u>-\$12,358</u>	<u>\$0</u>	<u>\$0</u>
91		DEFERRED INCOME TAXES											
92	0.000	Deferred Income Taxes - Def. Inc. Tax.	<u>\$0</u>	<u>See note (1)</u>	<u>See note (1)</u>	E-92	<u>See note (1)</u>	<u>\$0</u>	0.00%	<u>\$0</u>	<u>\$0</u>	<u>See note (1)</u>	<u>See note (1)</u>
93	0.000	Amortization of Deferred ITC	<u>\$0</u>			E-93		<u>\$0</u>	0.00%	<u>\$0</u>	<u>\$0</u>		
94		TOTAL DEFERRED INCOME TAXES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
95		NET OPERATING INCOME	<u><u>-\$1,547,779</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>		<u><u>\$0</u></u>	<u><u>-\$43,952</u></u>		<u><u>\$17,385</u></u>	<u><u>-\$26,567</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Elm Hills Utility Operating Company, Inc
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Water - Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
Rev-2	Residential	461.000	\$0	\$0	\$0	\$0	\$16,623	\$16,623
	1. To Annualize Residential Revenue		\$0	\$0		\$0	\$16,623	
Rev-3	Commercial	0.000	\$0	\$0	\$0	\$0	\$1,810	\$1,810
	1. To Annualize Commercial Revenue		\$0	\$0		\$0	\$1,810	
Rev-9	Other Water Revenue - Oper. Rev.	471.000	\$0	\$0	\$0	\$0	\$178	\$178
	1. To Annualize Other Water Revenue - Oper. Rev.		\$0	\$0		\$0	\$178	
E-2	Purchased Water	602.000	\$0	-\$571	-\$571	\$0	\$0	\$0
	1. Adjustment for Purchased Water. (Barron)		\$0	-\$571		\$0	\$0	
E-7	Fuel or Power Purchased for Pumping	623.000	\$0	\$305	\$305	\$0	\$0	\$0
	1. Adjustment for fuel/electricity. (Niemeier)		\$0	\$305		\$0	\$0	
E-12	Operation Labor & Expenses	642.000	\$0	\$635	\$635	\$0	\$0	\$0
	1. Adjustment for operations. (Barron)		\$0	\$635		\$0	\$0	
E-13	Miscellaneous Expenses	643.000	\$0	-\$11	-\$11	\$0	\$0	\$0
	1. Adjustment for miscellaneous expense. (Barron)		\$0	-\$11		\$0	\$0	
E-19	Maint. of Transmission & Distribution Mains	673.000	\$0	\$895	\$895	\$0	\$0	\$0
	1. Adjustment for repairs and maintenance. (Barron)		\$0	\$895		\$0	\$0	
E-20	Maint. of Services - TDE	675.000	\$0	-\$25	-\$25	\$0	\$0	\$0
	1. Adjustment for Maint. Of Services (Barron)		\$0	-\$25		\$0	\$0	
E-25	Billing	903.100	\$0	-\$81	-\$81	\$0	\$0	\$0
	1. Adjustment for billing expense. (Barron)		\$0	-\$81		\$0	\$0	
E-26	Billing-CSWR	903.100	\$0	-\$470	-\$470	\$0	\$0	\$0
	1. Adjustment for billing. (Sarver)		\$0	-\$470		\$0	\$0	
E-27	Postage-CSWR	903.200	\$0	-\$768	-\$768	\$0	\$0	\$0
	1. Adjustment for postage. (Sarver)		\$0	-\$768		\$0	\$0	
E-28	Bank Fees	903.280	\$0	-\$124	-\$124	\$0	\$0	\$0
	1. Adjustment for bank fees. (Barron)		\$0	-\$124		\$0	\$0	
E-33	Admin. & General Salaries-CSWR	920.000	-\$743,904	\$0	-\$743,904	\$0	\$0	\$0
	1. Adjustment for payroll expense. (Sarver)		-\$743,904	\$0		\$0	\$0	

Elm Hills Utility Operating Company, Inc
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Water - Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
E-36	Office Supp Exp (Meal,Travel)-CSWR	921.110	\$0	-\$82,762	-\$82,762	\$0	\$0	\$0
	1. Adjustment for meal and travel. (Sarver)		\$0	-\$82,762		\$0	\$0	
E-37	Office Supp Exp (Communication)-CSWR	921.500	\$0	-\$5,386	-\$5,386	\$0	\$0	\$0
	1. Adjustment for communication. (Sarver)		\$0	-\$5,386		\$0	\$0	
E-39	Office Supplies Expense-CSWR	921.800	\$0	-\$9,235	-\$9,235	\$0	\$0	\$0
	1. Adjustment for office supplies expense. (Sarver)		\$0	-\$9,235		\$0	\$0	
E-40	Outside Services (Bank Fees)	923.100	\$0	\$10	\$10	\$0	\$0	\$0
	1. Adjustment for outside services. (Barron)		\$0	\$10		\$0	\$0	
E-41	Outside Services (Bank Fees)-CSWR	923.100	\$0	-\$405	-\$405	\$0	\$0	\$0
	1. Adjustment for bank fees. (Sarver)		\$0	-\$405		\$0	\$0	
E-42	Outside Services (Engg Consult)	923.300	\$0	-\$1,159	-\$1,159	\$0	\$0	\$0
	1. Adjustment for outside services. (Barron)		\$0	-\$1,159		\$0	\$0	
E-43	Outside Services (Engg Consult)-CSWR	923.300	\$0	-\$6,482	-\$6,482	\$0	\$0	\$0
	1. Adjustment for consultant. (Sarver)		\$0	-\$6,482		\$0	\$0	
E-44	Outside Services (Legal Fees)	923.400	\$0	-\$552	-\$552	\$0	\$0	\$0
	1. Adjustment for outside services. (Barron)		\$0	-\$552		\$0	\$0	
E-45	Outside Services (Legal Fees)-CSWR	923.400	\$0	-\$17,755	-\$17,755	\$0	\$0	\$0
	1. To include business fee. (Sarver)		\$0	-\$17,755		\$0	\$0	
E-46	Outside Services (Auditor/Accountant)	923.500	\$0	-\$722	-\$722	\$0	\$0	\$0
	1. Adjustment for outside services. (Barron)		\$0	-\$722		\$0	\$0	
E-47	Outside Services (Auditor/Accountant)-CSWR	923.500	\$0	-\$35,891	-\$35,891	\$0	\$0	\$0
	1. To include financial statement and tax return. (Sarver)		\$0	-\$35,891		\$0	\$0	
E-48	Outside Services (Manage Consult)	923.600	\$0	-\$841	-\$841	\$0	\$0	\$0
	1. Adjustment for Outside Services. (Barron)		\$0	-\$841		\$0	\$0	
E-49	Outside Services (Manage Consult)-CSWR	923.600	\$0	-\$244,029	-\$244,029	\$0	\$0	\$0
	1. Adjustment for management consultant. (Sarver)		\$0	-\$244,029		\$0	\$0	
E-50	Outside Services (Payroll Fees)-CSWR	923.800	\$0	-\$1,012	-\$1,012	\$0	\$0	\$0
	1. Adjustment for payroll fees. (Sarver)		\$0	-\$1,012		\$0	\$0	

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Water - Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
E-51	Outside Services (IT)	923.900	\$0	\$404	\$404	\$0	\$0	\$0
	1. Adjustment for Outside Services. (Barron)		\$0	\$404		\$0	\$0	
E-52	Outside Services (IT)-CSWR	923.900	\$0	-\$74,278	-\$74,278	\$0	\$0	\$0
	1. Adjustment for IT services. (Sarver)		\$0	-\$74,278		\$0	\$0	
E-53	Property Insurance (Environmental)	924.200	\$0	\$1,818	\$1,818	\$0	\$0	\$0
	1. Adjustment for Insurance. (Barron)		\$0	\$1,818		\$0	\$0	
E-54	Property Insurance (Environmental)-CSWR	924.200	\$0	-\$65,373	-\$65,373	\$0	\$0	\$0
	1. Adjustment for insurance. (Sarver)		\$0	-\$65,373		\$0	\$0	
E-55	Property Insurance (Worker's Comp)-CSWR	924.300	\$0	-\$12,903	-\$12,903	\$0	\$0	\$0
	1. Adjustment for insurance. (Sarver)		\$0	-\$12,903		\$0	\$0	
E-56	Property Insurance (Commercial)	924.400	\$0	-\$3,285	-\$3,285	\$0	\$0	\$0
	1. Adjustment for Property Insurance. (Barron)		\$0	-\$3,285		\$0	\$0	
E-57	Property Insurance (Commercial)-CSWR	924.400	\$0	\$29,899	\$29,899	\$0	\$0	\$0
	1. Adjustment for Property Insurance. (Sarver)		\$0	\$29,899		\$0	\$0	
E-58	Employee Benefits (Other)-CSWR	926.000	-\$6,671	\$0	-\$6,671	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$6,671	\$0		\$0	\$0	
E-59	Employee Benefits (Keyman)-CSWR	926.100	-\$952	\$0	-\$952	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$952	\$0		\$0	\$0	
E-60	Employee Benefits (Healthcare)-CSWR	926.200	-\$105,924	\$0	-\$105,924	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$105,924	\$0		\$0	\$0	
E-61	Employee Benefits (401k)-CSWR	926.300	-\$31,155	\$0	-\$31,155	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$31,155	\$0		\$0	\$0	
E-62	Employee Benefits (Life/STD/LTD/AD)-CSWR	926.400	-\$5,348	\$0	-\$5,348	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$5,348	\$0		\$0	\$0	
E-63	Employee Benefits (EE Traning & Tuition Reimb.)-CSWR	926.700	-\$4,826	\$0	-\$4,826	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$4,826	\$0		\$0	\$0	
E-65	Regulatory Expense (DNR)	928.100	\$0	-\$378	-\$378	\$0	\$0	\$0
	1. Adjustment for regulatory expense. (Barron)		\$0	-\$378		\$0	\$0	

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Water - Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
E-66	Regulatory Expense (DNR)-CSWR	928.100	\$0	-\$9	-\$9	\$0	\$0	\$0
	1. Adjustment for regulatory expense (DNR). (Sarver)		\$0	-\$9		\$0	\$0	
E-71	Regulatory Expense (Bus License)-CSWR	928.400	\$0	-\$223	-\$223	\$0	\$0	\$0
	1. Adjustment for business license. (Sarver)		\$0	-\$223		\$0	\$0	
E-74	Rents-CSWR	931.000	\$0	-\$23,313	-\$23,313	\$0	\$0	\$0
	1. Adjustment for rent. (Sarver)		\$0	-\$23,313		\$0	\$0	
E-77	Depreciation Expense, Dep. Exp.	0.000	\$0	\$0	\$0	\$0	\$13,584	\$13,584
	1. To Annualize Depreciation Expense		\$0	\$0		\$0	\$13,584	
E-80	Taxes (Other)-CSWR	408.100	-\$150	\$0	-\$150	\$0	\$0	\$0
	1. Adjustment for Taxes (Other). (Sarver)		-\$150	\$0		\$0	\$0	
E-81	SS & Medicare-CSWR	408.120	-\$49,145	\$0	-\$49,145	\$0	\$0	\$0
	1. Adjustment for social security and Medicare tax. (Sarver)		-\$49,145	\$0		\$0	\$0	
E-82	Unemployment Tax-CSWR	408.140	-\$1,303	\$0	-\$1,303	\$0	\$0	\$0
	1. Adjustment for unemployment tax. (Sarver)		-\$1,303	\$0		\$0	\$0	
E-84	Property Tax-CSWR	408.160	\$0	-\$372	-\$372	\$0	\$0	\$0
	1. Adjustment for property tax. (Sarver)		\$0	-\$372		\$0	\$0	
E-89	Current Income Taxes	0.000	\$0	\$0	\$0	\$0	-\$12,358	-\$12,358
	1. To Annualize Current Income Taxes		\$0	\$0		\$0	-\$12,358	
Total Operating Revenues			\$0	\$0	\$0	\$0	\$18,611	\$18,611
Total Operating & Maint. Expense			-\$949,378	-\$554,449	-\$1,503,827	\$0	\$1,226	\$1,226

Elm Hills Utility Operating Company, Inc

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020

Water - Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 9.51% Return	E 9.51% Return	F 9.51% Return
1	TOTAL NET INCOME BEFORE TAXES		-\$38,925	\$38,893	\$38,893	\$38,893
2	ADD TO NET INCOME BEFORE TAXES					
3	Book Depreciation Expense		\$13,584	\$13,584	\$13,584	\$13,584
4	TOTAL ADD TO NET INCOME BEFORE TAXES		\$13,584	\$13,584	\$13,584	\$13,584
5	SUBT. FROM NET INC. BEFORE TAXES					
6	Interest Expense calculated at the Rate of		\$12,911	\$12,911	\$12,911	\$12,911
7	Tax Straight-Line Depreciation		\$13,584	\$13,584	\$13,584	\$13,584
8	TOTAL SUBT. FROM NET INC. BEFORE TAXES		\$26,495	\$26,495	\$26,495	\$26,495
9	NET TAXABLE INCOME		-\$51,836	\$25,982	\$25,982	\$25,982
10	PROVISION FOR FED. INCOME TAX					
11	Net Taxable Inc. - Fed. Inc. Tax		-\$51,836	\$25,982	\$25,982	\$25,982
12	Deduct Missouri Income Tax at the Rate of		-\$1,864	\$934	\$934	\$934
13	Deduct City Inc Tax - Fed. Inc. Tax		\$0	\$0	\$0	\$0
14	Federal Taxable Income - Fed. Inc. Tax		-\$49,972	\$25,048	\$25,048	\$25,048
15	Federal Income Tax at the Rate of		-\$10,494	\$5,260	\$5,260	\$5,260
16	Subtract Federal Income Tax Credits					
17	Net Federal Income Tax		-\$10,494	\$5,260	\$5,260	\$5,260
19	PROVISION FOR MO. INCOME TAX					
20	Net Taxable Income - MO. Inc. Tax		-\$51,836	\$25,982	\$25,982	\$25,982
21	Deduct Federal Income Tax at the Rate of		-\$5,247	\$2,630	\$2,630	\$2,630
22	Deduct City Income Tax - MO. Inc. Tax		\$0	\$0	\$0	\$0
23	Missouri Taxable Income - MO. Inc. Tax		-\$46,589	\$23,352	\$23,352	\$23,352
24	Subtract Missouri Income Tax Credits					
25	Missouri Income Tax at the Rate of		-\$1,864	\$934	\$934	\$934
27	PROVISION FOR CITY INCOME TAX					
28	Net Taxable Income - City Inc. Tax		-\$51,836	\$25,982	\$25,982	\$25,982
29	Deduct Federal Income Tax - City Inc. Tax		\$0	\$0	\$0	\$0
30	Deduct Missouri Income Tax - City Inc. Tax		\$0	\$0	\$0	\$0
31	City Taxable Income		-\$51,836	\$25,982	\$25,982	\$25,982
32	Subtract City Income Tax Credits					
33	City Income Tax at the Rate of		\$0	\$0	\$0	\$0
35	SUMMARY OF CURRENT INCOME TAX					
36	Federal Income Tax		-\$10,494	\$5,260	\$5,260	\$5,260
37	State Income Tax		-\$1,864	\$934	\$934	\$934
38	City Income Tax		\$0	\$0	\$0	\$0
39	TOTAL SUMMARY OF CURRENT INCOME TAX		-\$12,358	\$6,194	\$6,194	\$6,194
40	DEFERRED INCOME TAXES					
41	Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0	\$0	\$0
42	Amortization of Deferred ITC		\$0	\$0	\$0	\$0
43	TOTAL DEFERRED INCOME TAXES		\$0	\$0	\$0	\$0
44	TOTAL INCOME TAX		-\$12,358	\$6,194	\$6,194	\$6,194

Federal Tax Table

Federal Taxable Income	-\$49,972	\$25,048	\$25,048	\$25,048
15% on first \$50,000	-\$7,496	\$3,757	\$3,757	\$3,757
25% on next \$25,000	\$0	\$0	\$0	\$0

Elm Hills Utility Operating Company, Inc

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020

Water - Income Tax Calculation

Line Number	<u>A</u> Description	<u>B</u> Percentage Rate	<u>C</u> Test Year	<u>D</u> 9.51% Return	<u>E</u> 9.51% Return	<u>F</u> 9.51% Return
	34% > \$75,000 < \$100,001		\$0	\$0	\$0	\$0
	39% > \$100,000 < \$335,001		\$0	\$0	\$0	\$0
	34% > \$335,000 < \$10,000,001		\$0	\$0	\$0	\$0
	35% > \$10MM < \$15,000,001		\$0	\$0	\$0	\$0
	38% > \$15MM < \$18,333,334		\$0	\$0	\$0	\$0
	35% > \$18,333,333		\$0	\$0	\$0	\$0
	Total Federal Income Taxes		-\$7,496	\$3,757	\$3,757	\$3,757

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Residential Water Revenue Feeder

Line Number	A Meter Size	Block Description	B Annualized Customers	C Bills Per Year	D Total Customer Bills B * C	E Monthly Customer Charge	F Annual Customer Charge Revenues D * E	G Annual Water Usage Per Customer	H Annualized Water Usage (B*G)	I Commodity Rate per Gallons in J	J Gallons Per Commodity Rate	K Annualized Commodity Revenues (B*G*I)/J
1	WATER RATES											
2	5/8"	0	121	12	1,452	\$6.34	\$10,741	52,980	6,410,580	\$2.47	1,000	\$15,834
3	TOTAL WATER RATES		121		1,452		\$10,741		\$6,410,580			\$15,834
4	TOTAL ALL CATEGORIES		121		1,452		\$10,741		6,410,580			\$15,834

Elm Hills Utility Operating Company, Inc
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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Commercial Water Revenue Feeder

Line Number	A Meter Size	Block Description	B Annualized Customers	C Bills Per Year	D Total Customer Bills B * C	E Monthly Customer Charge	F Annual Customer Charge Revenues D * E	G Annual Water Usage Per Customer	H Annualized Water Usage (B*G)	I Commodity Rate per Gallons in J	J Gallons Per Commodity Rate	K Annualized Commodity Revenues (B*G*I)/J
1	COMMERCIAL 1 INCH METER											
2	1"	1	6	12	72	\$14.24	\$1,025	52,980	317,880	\$2.47	1,000	\$785
3	TOTAL COMMERCIAL 1 INCH METER		6		72		\$1,025		\$317,880			\$785
4	TOTAL ALL CATEGORIES		6		72		\$1,025		317,880			\$785

Elm Hills Utility Operating Company, Inc
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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Sewer - Revenue Requirement

Line Number	A Description	B 9.51% Return	C 9.51% Return	D 9.51% Return
1	Net Orig Cost Rate Base	\$1,607,013	\$1,607,013	\$1,607,013
2	Rate of Return	9.51%	9.51%	9.51%
3	Net Operating Income Requirement	\$152,826	\$152,826	\$152,826
4	Net Income Available	-\$146,615	-\$146,615	-\$146,615
5	Additional Net Income Required	\$299,441	\$299,441	\$299,441
6	Income Tax Requirement			
7	Required Current Income Tax	\$28,950	\$28,950	\$28,950
8	Current Income Tax Available	-\$60,978	-\$60,978	-\$60,978
9	Additional Current Tax Required	\$89,928	\$89,928	\$89,928
10	Revenue Requirement	\$389,369	\$389,369	\$389,369
11	Allowance for Known and Measureable Changes/True-Up Estimate	\$0	\$0	\$0
12	Miscellaneous	\$0	\$0	\$0
13	Gross Revenue Requirement	<u>\$389,369</u>	<u>\$389,369</u>	<u>\$389,369</u>

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
SEWER - RATE BASE SCHEDULE

Line Number	<u>A</u> Rate Base Description	<u>B</u> Percentage Rate	<u>C</u> Dollar Amount
1	Plant In Service		\$1,704,222
2	Less Accumulated Depreciation Reserve		\$99,336
3	Net Plant In Service		\$1,604,886
4	ADD TO NET PLANT IN SERVICE		
5	Cash Working Capital		\$0
6	Contributions in Aid of Construction Amortization		\$0
7	Materials & Supplies		\$0
8	Prepayments		\$1,129
9	Prepayments (CSWR)		\$998
10	TOTAL ADD TO NET PLANT IN SERVICE		\$2,127
11	SUBTRACT FROM NET PLANT		
12	Federal Tax Offset		\$0
13	State Tax Offset		\$0
14	City Tax Offset		\$0
15	Interest Expense Offset		\$0
16	Contributions in Aid of Construction		\$0
17	Customer Advances		\$0
18	Customer Deposits		\$0
19	TOTAL SUBTRACT FROM NET PLANT		\$0
20	Total Rate Base		\$1,607,013

Elm Hills Utility Operating Company, Inc

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020

Sewer - Plant In Service

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjust. Number	E Adjustments	F As Adjusted Plant	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	301.000	Organization	\$49,000	P-2	\$0	\$49,000		\$0	\$49,000
3	302.000	Franchises	\$0	P-3	\$0	\$0		\$0	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	P-4	\$0	\$0		\$0	\$0
5		TOTAL INTANGIBLE PLANT	\$49,000		\$0	\$49,000		\$0	\$49,000
6		COLLECTION PLANT							
7	350.000	Land and Land Rights - CP	\$0	P-7	\$0	\$0		\$0	\$0
8	351.000	Structures and Improvements - CP	\$0	P-8	\$0	\$0		\$0	\$0
9	352.000	Collection Sewers	\$0	P-9	\$0	\$0		\$0	\$0
10	352.100	Collection Sewers - Force	\$41,983	P-10	\$0	\$41,983		\$0	\$41,983
11	352.200	Collection Sewers - Gravity	\$8,631	P-11	\$0	\$8,631		\$0	\$8,631
12	353.000	Services to Customers	\$0	P-12	\$0	\$0		\$0	\$0
13	354.000	Flow Measuring Devices	\$16,411	P-13	\$0	\$16,411		\$0	\$16,411
14		TOTAL COLLECTION PLANT	\$67,025		\$0	\$67,025		\$0	\$67,025
15		SYSTEM PUMPING PLANT							
16	362.000	Receiving Wells	\$0	P-16	\$0	\$0		\$0	\$0
17	363.000	Electric Pumping Equipment	\$14,009	P-17	\$0	\$14,009		\$0	\$14,009
18		TOTAL SYSTEM PUMPING PLANT	\$14,009		\$0	\$14,009		\$0	\$14,009
19		TREATMENT & DISPOSAL PLANT							
20	370.000	Land and Land Rights - TDP	\$88,246	P-20	\$0	\$88,246		\$0	\$88,246
21	371.000	Structures and Improvements - TDP	\$176,344	P-21	\$0	\$176,344		\$0	\$176,344
22	372.000	Treatment & Disposal Equip.	\$1,252,351	P-22	\$0	\$1,252,351		\$0	\$1,252,351
23	372.100	Oxidation Lagoons	\$0	P-23	\$0	\$0		\$0	\$0
24	373.000	Plant Sewers	\$1,700	P-24	\$0	\$1,700		\$0	\$1,700
25		TOTAL TREATMENT & DISPOSAL PLANT	\$1,518,641		\$0	\$1,518,641		\$0	\$1,518,641
26		GENERAL PLANT							
27	390.000	Structures and Improvements - GP	\$0	P-27	\$0	\$0		\$0	\$0
28	391.000	Office Furniture and Equipment	\$622	P-28	\$0	\$622		\$0	\$622
29	391.100	Office Furniture and Equipment (IT)	\$0	P-29	\$0	\$0		\$0	\$0
30	392.000	Transportation Equipment	\$0	P-30	\$0	\$0		\$0	\$0
31	393.000	Stores Equipment	\$0	P-31	\$0	\$0		\$0	\$0
32	394.000	Tools, Shop and Garage Equipment	\$0	P-32	\$0	\$0		\$0	\$0
33	395.000	Laboratory Equipment	\$0	P-33	\$0	\$0		\$0	\$0
34	396.000	Power Operated Equipment	\$0	P-34	\$0	\$0		\$0	\$0
35	397.000	Communication Equipment	\$54,925	P-35	\$0	\$54,925		\$0	\$54,925
36	398.000	Misc. Equipment	\$0	P-36	\$0	\$0		\$0	\$0
37		TOTAL GENERAL PLANT	\$55,547		\$0	\$55,547		\$0	\$55,547
38		TOTAL PLANT IN SERVICE	\$1,704,222		\$0	\$1,704,222		\$0	\$1,704,222

Elm Hills Utility Operating Company, Inc

Case No. WR-2020-0275

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020

Sewer Depreciation Expense

Line	A	B	C	D	E
Number	Account	Plant Account Description	MO Adjusted	Depreciation	Depreciation
	Number		Jurisdictional	Rate	Expense
1		INTANGIBLE PLANT			
2	301.000	Organization	\$49,000	20.00%	\$9,800
3	302.000	Franchises	\$0	0.00%	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	0.00%	\$0
5		TOTAL INTANGIBLE PLANT	\$49,000		\$9,800
6		COLLECTION PLANT			
7	350.000	Land and Land Rights - CP	\$0	0.00%	\$0
8	351.000	Structures and Improvements - CP	\$0	0.00%	\$0
9	352.000	Collection Sewers	\$0	0.00%	\$0
10	352.100	Collection Sewers - Force	\$41,983	2.00%	\$840
11	352.200	Collection Sewers - Gravity	\$8,631	2.00%	\$173
12	353.000	Services to Customers	\$0	0.00%	\$0
13	354.000	Flow Measuring Devices	\$16,411	3.30%	\$541
14		TOTAL COLLECTION PLANT	\$67,025		\$1,554
15		SYSTEM PUMPING PLANT			
16	362.000	Receiving Wells	\$0	0.00%	\$0
17	363.000	Electric Pumping Equipment	\$14,009	10.00%	\$1,401
18		TOTAL SYSTEM PUMPING PLANT	\$14,009		\$1,401
19		TREATMENT & DISPOSAL PLANT			
20	370.000	Land and Land Rights - TDP	\$88,246	0.00%	\$0
21	371.000	Structures and Improvements - TDP	\$176,344	3.70%	\$6,525
22	372.000	Treatment & Disposal Equip.	\$1,252,351	5.00%	\$62,618
23	372.100	Oxidation Lagoons	\$0	0.00%	\$0
24	373.000	Plant Sewers	\$1,700	2.53%	\$43
25		TOTAL TREATMENT & DISPOSAL PLANT	\$1,518,641		\$69,186
26		GENERAL PLANT			
27	390.000	Structures and Improvements - GP	\$0	0.00%	\$0
28	391.000	Office Furniture and Equipment	\$622	5.14%	\$32
29	391.100	Office Furniture and Equipment (IT)	\$0	0.00%	\$0
30	392.000	Transportation Equipment	\$0	0.00%	\$0
31	393.000	Stores Equipment	\$0	0.00%	\$0
32	394.000	Tools, Shop and Garage Equipment	\$0	0.00%	\$0
33	395.000	Laboratory Equipment	\$0	0.00%	\$0
34	396.000	Power Operated Equipment	\$0	0.00%	\$0
35	397.000	Communication Equipment	\$54,925	6.70%	\$3,680
36	398.000	Misc. Equipment	\$0	0.00%	\$0
37		TOTAL GENERAL PLANT	\$55,547		\$3,712
38		Total Depreciation	\$1,704,222		\$85,653

Elm Hills Utility Operating Company, Inc
Case No. WR-2020-0275
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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Sewer - Accumulated Depreciation Reserve

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjust. Number	E Adjustments	F As Adjusted Reserve	G Jurisdictional Allocations	H Jurisdictional Adjustments	I MO Adjusted Jurisdictional
1		INTANGIBLE PLANT							
2	301.000	Organization	\$10,712	P-2	\$0	\$10,712		\$0	\$10,712
3	302.000	Franchises	\$0	P-3	\$0	\$0		\$0	\$0
4	303.000	Miscellaneous Intangible Plant	\$0	P-4	\$0	\$0		\$0	\$0
5		TOTAL INTANGIBLE PLANT	\$10,712		\$0	\$10,712		\$0	\$10,712
6		COLLECTION PLANT							
7	350.000	Land and Land Rights - CP	\$0	P-7	\$0	\$0		\$0	\$0
8	351.000	Structures and Improvements - CP	\$0	P-8	\$0	\$0		\$0	\$0
9	352.000	Collection Sewers	\$0	P-9	\$0	\$0		\$0	\$0
10	352.100	Collection Sewers - Force	\$1,252	P-10	\$0	\$1,252		\$0	\$1,252
11	352.200	Collection Sewers - Gravity	\$21	P-11	\$0	\$21		\$0	\$21
12	353.000	Services to Customers	\$0	P-12	\$0	\$0		\$0	\$0
13	354.000	Flow Measuring Devices	\$67	P-13	\$0	\$67		\$0	\$67
14		TOTAL COLLECTION PLANT	\$1,340		\$0	\$1,340		\$0	\$1,340
15		SYSTEM PUMPING PLANT							
16	362.000	Receiving Wells	\$0	P-16	\$0	\$0		\$0	\$0
17	363.000	Electric Pumping Equipment	\$2,088	P-17	\$0	\$2,088		\$0	\$2,088
18		TOTAL SYSTEM PUMPING PLANT	\$2,088		\$0	\$2,088		\$0	\$2,088
19		TREATMENT & DISPOSAL PLANT							
20	370.000	Land and Land Rights - TDP	\$0	P-20	\$0	\$0		\$0	\$0
21	371.000	Structures and Improvements - TDP	\$8,800	P-21	\$0	\$8,800		\$0	\$8,800
22	372.000	Treatment & Disposal Equip.	\$71,384	P-22	\$0	\$71,384		\$0	\$71,384
23	372.100	Oxidation Lagoons	\$0	P-23	\$0	\$0		\$0	\$0
24	373.000	Plant Sewers	\$63	P-24	\$0	\$63		\$0	\$63
25		TOTAL TREATMENT & DISPOSAL PLANT	\$80,247		\$0	\$80,247		\$0	\$80,247
26		GENERAL PLANT							
27	390.000	Structures and Improvements - GP	\$0	P-27	\$0	\$0		\$0	\$0
28	391.000	Office Furniture and Equipment	\$0	P-28	\$0	\$0		\$0	\$0
29	391.100	Office Furniture and Equipment (IT)	\$0	P-29	\$0	\$0		\$0	\$0
30	392.000	Transportation Equipment	\$0	P-30	\$0	\$0		\$0	\$0
31	393.000	Stores Equipment	\$0	P-31	\$0	\$0		\$0	\$0
32	394.000	Tools, Shop and Garage Equipment	\$0	P-32	\$0	\$0		\$0	\$0
33	395.000	Laboratory Equipment	\$0	P-33	\$0	\$0		\$0	\$0
34	396.000	Power Operated Equipment	\$0	P-34	\$0	\$0		\$0	\$0
35	397.000	Communication Equipment	\$4,949	P-35	\$0	\$4,949		\$0	\$4,949
36	398.000	Misc. Equipment	\$0	P-36	\$0	\$0		\$0	\$0
37		TOTAL GENERAL PLANT	\$4,949		\$0	\$4,949		\$0	\$4,949
38		TOTAL DEPRECIATION RESERVE	\$99,336		\$0	\$99,336		\$0	\$99,336

Elm Hills Utility Operating Company, Inc
Case No. WR-2020-0275
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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Sewer - Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
Rev-1		OPERATING REVENUES											
Rev-2	521.000	Residential	\$124,715	See Note(1)	See Note(1)	Rev-2	See Note(1)	\$124,715	100.00%	\$1,872	\$126,587	See Note(1)	See Note(1)
Rev-3	0.000	Commercial	\$0			Rev-3		\$0	0.00%	\$0	\$0		
Rev-4	0.000	Industrial	\$0			Rev-4		\$0	0.00%	\$0	\$0		
Rev-5	536.000	Other Sewer Revenue - Oper. Rev.	\$1,778			Rev-5		\$1,778	100.00%	\$764	\$2,542		
Rev-6		TOTAL OPERATING REVENUES	\$126,493					\$126,493		\$2,636	\$129,129		
1		COLLECTION MAINT. EXPENSES											
2	712.000	Maintenance of Collection Sewers	\$300	\$0	\$300	E-2	\$1,341	\$1,641	100.00%	\$0	\$1,641	\$0	\$1,641
3	713.000	Maintenance of Servcies to Customers	\$19,831	\$0	\$19,831	E-3	-\$12,159	\$7,672	100.00%	\$0	\$7,672	\$0	\$7,672
4		TOTAL COLLECTION MAINT. EXPENSES	\$20,131	\$0	\$20,131		-\$10,818	\$9,313		\$0	\$9,313	\$0	\$9,313
5		PUMPING OPERATIONS EXPENSES											
6	721.000	Fuel and Power Purchased for Pumping	\$781	\$0	\$781	E-6	-\$781	\$0	0.00%	\$0	\$0	\$0	\$0
7	722.000	Pumping Labor and Expenses	\$1,523	\$0	\$1,523	E-7	\$450	\$1,973	100.00%	\$0	\$1,973	\$0	\$1,973
8		TOTAL PUMPING OPERATIONS EXPENSES	\$2,304	\$0	\$2,304		-\$331	\$1,973		\$0	\$1,973	\$0	\$1,973
9		PUMPING MAINTENANCE EXPENSES											
10	732.000	Maintenance of Pumping Equipment	\$3,262	\$0	\$3,262	E-10	\$394	\$3,656	100.00%	\$0	\$3,656	\$0	\$3,656
11		TOTAL PUMPING MAINTENANCE EXPENSES	\$3,262	\$0	\$3,262		\$394	\$3,656		\$0	\$3,656	\$0	\$3,656
12		TREAT. & DISP. OPER. EXPENSE											
13	741.000	Chemicals	\$3,158	\$0	\$3,158	E-13	\$232	\$3,390	100.00%	\$0	\$3,390	\$0	\$3,390
14	742.000	Treatment Labor and Expense	\$87,033	\$0	\$87,033	E-14	-\$634	\$86,399	100.00%	\$0	\$86,399	\$0	\$86,399
15	743.000	Fuel & Power Sewage - T&P	\$20,131	\$0	\$20,131	E-15	\$708	\$20,839	100.00%	\$0	\$20,839	\$0	\$20,839
16	744.000	Miscellaneous Expenses	\$6,036	\$0	\$6,036	E-16	-\$448	\$5,588	100.00%	\$0	\$5,588	\$0	\$5,588
17		TOTAL TREAT. & DISP. OPER. EXPENSE	\$116,358	\$0	\$116,358		-\$142	\$116,216		\$0	\$116,216	\$0	\$116,216
18		TREAT. & DISP. MAINT. EXPENSES											
19	752.000	Maintenance of Treatment and Disposal Plant	\$4,359	\$0	\$4,359	E-19	-\$2,390	\$1,969	100.00%	\$0	\$1,969	\$0	\$1,969
20		TOTAL TREAT. & DISP. MAINT. EXPENSES	\$4,359	\$0	\$4,359		-\$2,390	\$1,969		\$0	\$1,969	\$0	\$1,969
21		CUSTOMER ACCOUNTS EXPENSE											
22	903.100	Billing	\$15,578	\$0	\$15,578	E-22	-\$5,150	\$10,428	100.00%	\$0	\$10,428	\$0	\$10,428
23	903.100	Billing-CSWR	\$1,398	\$0	\$1,398	E-23	-\$1,398	\$0	0.00%	\$0	\$0	\$0	\$0
24	903.200	Postage-CSWR	\$2,287	\$0	\$2,287	E-24	-\$2,287	\$0	0.00%	\$0	\$0	\$0	\$0
25	903.280	Bank Fees	\$3,558	\$0	\$3,558	E-25	-\$370	\$3,188	100.00%	\$0	\$3,188	\$0	\$3,188
26	903.280	Bank Fees-CSWR	\$0	\$0	\$0	E-26	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
27	904.000	Uncollectible Accounts	\$109	\$0	\$109	E-27	\$0	\$109	100.00%	\$0	\$109	\$0	\$109
28		TOTAL CUSTOMER ACCOUNTS EXPENSE	\$22,930	\$0	\$22,930		-\$9,205	\$13,725		\$0	\$13,725	\$0	\$13,725
29		ADMIN. & GENERAL EXPENSES											
30	920.000	Admin. & General Salaries-CSWR	\$2,216,970	\$2,216,970	\$0	E-30	-\$2,188,574	\$28,396	100.00%	\$0	\$28,396	\$28,396	\$0
31	921.000	Office Supplies & Expense	\$0	\$0	\$0	E-31	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
32	921.000	Office Supplies & Expense-CSWR	\$0	\$0	\$0	E-32	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
33	921.110	Office Supp Exp (Meal,Travel)-CSWR	\$246,886	\$0	\$246,886	E-33	-\$246,209	\$677	100.00%	\$0	\$677	\$0	\$677
34	921.500	Office Supp Exp (Communication)-CSWR	\$16,210	\$0	\$16,210	E-34	-\$16,032	\$178	100.00%	\$0	\$178	\$0	\$178
35	921.800	Office Supplies Expense	\$0	\$0	\$0	E-35	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
36	921.800	Office Supplies Expense-CSWR	\$27,552	\$0	\$27,552	E-36	-\$27,486	\$66	100.00%	\$0	\$66	\$0	\$66
37	923.100	Outside Services (Bank Fees)	\$15	\$0	\$15	E-37	\$30	\$45	100.00%	\$0	\$45	\$0	\$45
38	923.100	Outside Services (Bank Fees)-CSWR	\$1,228	\$0	\$1,228	E-38	-\$1,204	\$24	100.00%	\$0	\$24	\$0	\$24
39	923.300	Outside Services (Engg Consult)	\$7,077	\$0	\$7,077	E-39	-\$7,037	\$40	100.00%	\$0	\$40	\$0	\$40

Elm Hills Utility Operating Company, Inc
Case No. WR-2020-0275
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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Sewer - Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
40	923.300	Outside Services (Engg Consult)-CSWR	\$19,293	\$0	\$19,293	E-40	-\$19,293	\$0	0.00%	\$0	\$0	\$0	\$0
41	923.400	Outside Services (Legal Fees)	\$4,614	\$0	\$4,614	E-41	-\$4,531	\$83	100.00%	\$0	\$83	\$0	\$83
42	923.400	Outside Services (Legal Fees)-CSWR	\$52,850	\$0	\$52,850	E-42	-\$52,848	\$2	100.00%	\$0	\$2	\$0	\$2
43	923.500	Outside Services (Auditor/Accountant)	\$2,597	\$0	\$2,597	E-43	-\$2,149	\$448	100.00%	\$0	\$448	\$0	\$448
44	923.500	Outside Services (Auditor/Accountant)-CSWR	\$107,654	\$0	\$107,654	E-44	-\$106,823	\$831	100.00%	\$0	\$831	\$0	\$831
45	923.600	Outside Services (Manage Consult)	\$2,501	\$0	\$2,501	E-45	-\$2,501	\$0	0.00%	\$0	\$0	\$0	\$0
46	923.600	Outside Services (Manage Consult)-CSWR	\$726,321	\$0	\$726,321	E-46	-\$726,321	\$0	0.00%	\$0	\$0	\$0	\$0
47	923.800	Outside Services (Payroll Fees)-CSWR	\$3,046	\$0	\$3,046	E-47	-\$3,013	\$33	100.00%	\$0	\$33	\$0	\$33
48	923.900	Outside Services (IT)	\$0	\$0	\$0	E-48	\$1,259	\$1,259	100.00%	\$0	\$1,259	\$0	\$1,259
49	923.900	Outside Services (IT)-CSWR	\$222,713	\$0	\$222,713	E-49	-\$221,080	\$1,633	100.00%	\$0	\$1,633	\$0	\$1,633
50	924.200	Property Insurance (Environmental)	\$1,528	\$0	\$1,528	E-50	\$14,792	\$16,320	100.00%	\$0	\$16,320	\$0	\$16,320
51	924.200	Property Insurance (Environmental)-CSWR	\$194,574	\$0	\$194,574	E-51	-\$194,574	\$0	0.00%	\$0	\$0	\$0	\$0
52	924.300	Property Insurance (Worker's Comp)-CSWR	\$38,849	\$0	\$38,849	E-52	-\$38,402	\$447	100.00%	\$0	\$447	\$0	\$447
53	924.400	Property Insurance (Commercial)	\$25,550	\$0	\$25,550	E-53	\$11,543	\$37,093	100.00%	\$0	\$37,093	\$0	\$37,093
54	924.400	Property Insurance (Commercial)-CSWR	-\$88,992	\$0	-\$88,992	E-54	\$88,992	\$0	0.00%	\$0	\$0	\$0	\$0
55	926.000	Employee Benefits (Other)-CSWR	\$19,854	\$19,854	\$0	E-55	-\$19,854	\$0	0.00%	\$0	\$0	\$0	\$0
56	926.100	Employee Benefits (Keyman)-CSWR	\$2,835	\$2,835	\$0	E-56	-\$2,835	\$0	0.00%	\$0	\$0	\$0	\$0
57	926.200	Employee Benefits (Healthcare)-CSWR	\$317,649	\$317,649	\$0	E-57	-\$315,269	\$2,380	100.00%	\$0	\$2,380	\$2,380	\$0
58	926.300	Employee Benefits (401k)-CSWR	\$93,867	\$93,867	\$0	E-58	-\$92,731	\$1,136	100.00%	\$0	\$1,136	\$1,136	\$0
59	926.400	Employee Benefits (Life/STD/LTD/AD)-CSWR	\$16,175	\$16,175	\$0	E-59	-\$15,920	\$255	100.00%	\$0	\$255	\$255	\$0
60	926.700	Employee Benefits (EE Traning & Tuition Reimb.)-CSWR	\$14,419	\$14,419	\$0	E-60	-\$14,364	\$55	100.00%	\$0	\$55	\$55	\$0
61	928.000	Regulatory Expense (Other)-CSWR	\$0	\$0	\$0	E-61	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
62	928.100	Regulatory Expense (DNR)	\$7,072	\$0	\$7,072	E-62	-\$1,543	\$5,529	100.00%	\$0	\$5,529	\$0	\$5,529
63	928.100	Regulatory Expense (DNR)-CSWR	\$27	\$0	\$27	E-63	-\$27	\$0	0.00%	\$0	\$0	\$0	\$0
64	928.200	Regulatory Expense (PSC Assessment)	\$776	\$0	\$776	E-64	\$11	\$787	100.00%	\$0	\$787	\$0	\$787
65	928.200	Regulatory Expense (PSC Assessment)-CSWR	\$0	\$0	\$0	E-65	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
66	928.300	Regulatory Expense (Rate Case Expense)	\$0	\$0	\$0	E-66	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
67	928.400	Regulatory Expense (Bus License)	\$0	\$0	\$0	E-67	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
68	928.400	Regulatory Expense (Bus License)-CSWR	\$671	\$0	\$671	E-68	-\$665	\$6	100.00%	\$0	\$6	\$0	\$6
69	930.200	Misc. General Expense	\$0	\$0	\$0	E-69	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
70	930.200	Misc. General Expense-CSWR	\$0	\$0	\$0	E-70	\$0	\$0	0.00%	\$0	\$0	\$0	\$0
71	931.000	Rents-CSWR	\$70,508	\$0	\$70,508	E-71	-\$69,389	\$1,119	100.00%	\$0	\$1,119	\$0	\$1,119
72		TOTAL ADMIN. & GENERAL EXPENSES	\$4,372,889	\$2,681,769	\$1,691,120		-\$4,274,047	\$98,842		\$0	\$98,842	\$32,222	\$66,620
73		DEPRECIATION EXPENSE											
74	0.000	Depreciation Expense, Dep. Exp.	\$0	See note (1)	See note (1)	E-74	See note (1)	\$0	0.00%	\$85,653	\$85,653	See note (1)	See note (1)
75		TOTAL DEPRECIATION EXPENSE	\$0	\$0	\$0		\$0	\$0		\$85,653	\$85,653	\$0	\$0
76		OTHER OPERATING EXPENSES											
77	408.100	Taxes (Other)-CSWR	\$446	\$446	\$0	E-77	-\$446	\$0	0.00%	\$0	\$0	\$0	\$0
78	408.120	SS & Medicare-CSWR	\$149,170	\$149,170	\$0	E-78	-\$146,274	\$2,896	100.00%	\$0	\$2,896	\$2,896	\$0
79	408.140	Unemployment Tax-CSWR	\$4,588	\$4,588	\$0	E-79	-\$3,881	\$707	100.00%	\$0	\$707	\$707	\$0
80	408.160	Property Tax	\$1,753	\$0	\$1,753	E-80	\$0	\$1,753	100.00%	\$0	\$1,753	\$0	\$1,753
81	408.160	Property Tax-CSWR	\$1,128	\$0	\$1,128	E-81	-\$1,109	\$19	100.00%	\$0	\$19	\$0	\$19
82		TOTAL OTHER OPERATING EXPENSES	\$157,085	\$154,204	\$2,881		-\$151,710	\$5,375		\$0	\$5,375	\$3,603	\$1,772
83		TOTAL OPERATING EXPENSE	\$4,699,318	\$2,835,973	\$1,863,345		-\$4,448,249	\$251,069		\$85,653	\$336,722	\$35,825	\$215,244
84		NET INCOME BEFORE TAXES	-\$4,572,825	\$0	\$0		\$0	-\$124,576		-\$83,017	-\$207,593	\$0	\$0
85		INCOME TAXES											

Elm Hills Utility Operating Company, Inc
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 Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
 Sewer - Income Statement Detail

Line Number	A Account Number	B Income Description	C Test Year Total (D+E)	D Test Year Labor	E Test Year Non Labor	F Adjust. Number	G Total Company Adjustments (From Adj. Sch.)	H Total Company Adjusted (C+G)	I Jurisdictional Allocations	J Jurisdictional Adjustments (From Adj. Sch.)	K MO Final Adj Jurisdictional (H x I) + J	L MO Adj. Juris. Labor L + M = K	M MO Adj. Juris. Non Labor
86	0.000	Current Income Taxes	\$0	See note (1)	See note (1)	E-86	See note (1)	\$0	0.00%	-\$60,978	-\$60,978	See note (1)	See note (1)
87		TOTAL INCOME TAXES	\$0	\$0	\$0		\$0	\$0		-\$60,978	-\$60,978	\$0	\$0
88		DEFERRED INCOME TAXES											
89	0.000	Deferred Income Taxes - Def. Inc. Tax.	\$0	See note (1)	See note (1)	E-89	See note (1)	\$0	0.00%	\$0	\$0	See note (1)	See note (1)
90	0.000	Amortization of Deferred ITC	\$0			E-90		\$0	0.00%	\$0	\$0		
91		TOTAL DEFERRED INCOME TAXES	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
92		NET OPERATING INCOME	-\$4,572,825	\$0	\$0		\$0	-\$124,576		-\$22,039	-\$146,615	\$0	\$0

Elm Hills Utility Operating Company, Inc
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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Sewer - Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
Rev-2	Residential	521.000	\$0	\$0	\$0	\$0	\$1,872	\$1,872
	1. To Annualize Residential Revenue		\$0	\$0		\$0	\$1,872	
Rev-5	Other Sewer Revenue - Oper. Rev.	536.000	\$0	\$0	\$0	\$0	\$764	\$764
	1. To Annualize Other Water Revenue - Oper. Rev.		\$0	\$0		\$0	\$764	
E-2	Maintenance of Collection Sewers	712.000	\$0	\$1,341	\$1,341	\$0	\$0	\$0
	1. Adjustment for Maintenance of Collection Sewers. (Barron)		\$0	\$1,341		\$0	\$0	
	No Adjustment		\$0	\$0		\$0	\$0	
E-3	Maintenance of Servcies to Customers	713.000	\$0	-\$12,159	-\$12,159	\$0	\$0	\$0
	1. Adjustment for repairs and maintenance. (Barron)		\$0	-\$12,159		\$0	\$0	
E-6	Fuel and Power Purchased for Pumping	721.000	\$0	-\$781	-\$781	\$0	\$0	\$0
	1. Adjustment for Fuel and Power Purchased for Pumping. (Barron)		\$0	-\$506		\$0	\$0	
	1. Adjustment for Fuel and Power Purchased for Pumping. (Barron)		\$0	-\$275		\$0	\$0	
	No Adjustment		\$0	\$0		\$0	\$0	
E-7	Pumping Labor and Expenses	722.000	\$0	\$450	\$450	\$0	\$0	\$0
	1. Adjustment to operations. (Barron)		\$0	\$450		\$0	\$0	
E-10	Maintenance of Pumping Equipment	732.000	\$0	\$394	\$394	\$0	\$0	\$0
	1. Adjustment for Maintenance of Pumping Equipment. (Barron)		\$0	\$394		\$0	\$0	
	1. No Adjustment		\$0	\$0		\$0	\$0	
E-13	Chemicals	741.000	\$0	\$232	\$232	\$0	\$0	\$0
	1. Adjustment for chemicals. (Barron)		\$0	\$232		\$0	\$0	
E-14	Treatment Labor and Expense	742.000	\$0	-\$634	-\$634	\$0	\$0	\$0
	1. Adjustment to operations. (Barron)		\$0	-\$634		\$0	\$0	
E-15	Fuel & Power Sewage - T&P	743.000	\$0	\$708	\$708	\$0	\$0	\$0
	1. Adjustment for fuel/electricity. (Niemeier)		\$0	\$708		\$0	\$0	
E-16	Miscellaneous Expenses	744.000	\$0	-\$448	-\$448	\$0	\$0	\$0
	1. Adjustment for miscellaneous expense. (Barron)		\$0	-\$448		\$0	\$0	
E-19	Maintenance of Treatment and Disposal Plant	752.000	\$0	-\$2,390	-\$2,390	\$0	\$0	\$0
	1. Adjustment for repairs and maintenance. (Barron)		\$0	-\$2,390		\$0	\$0	

Elm Hills Utility Operating Company, Inc
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Sewer - Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
E-22	Billing	903.100	\$0	-\$5,150	-\$5,150	\$0	\$0	\$0
	1. Adjustment for billing expense. (Barron)		\$0	-\$5,150		\$0	\$0	
E-23	Billing-CSWR	903.100	\$0	-\$1,398	-\$1,398	\$0	\$0	\$0
	1. Adjustment for billing. (Sarver)		\$0	-\$1,398		\$0	\$0	
E-24	Postage-CSWR	903.200	\$0	-\$2,287	-\$2,287	\$0	\$0	\$0
	1. Adjustment for postage. (Sarver)		\$0	-\$2,287		\$0	\$0	
E-25	Bank Fees	903.280	\$0	-\$370	-\$370	\$0	\$0	\$0
	1. Adjustment for bank fees. (Barron)		\$0	-\$370		\$0	\$0	
E-30	Admin. & General Salaries-CSWR	920.000	-\$2,188,574	\$0	-\$2,188,574	\$0	\$0	\$0
	1. Adjustment for payroll expense. (Sarver)		-\$2,188,574	\$0		\$0	\$0	
E-33	Office Supp Exp (Meal,Travel)-CSWR	921.110	\$0	-\$246,209	-\$246,209	\$0	\$0	\$0
	1. Adjustment for meal and travel. (Sarver)		\$0	-\$246,209		\$0	\$0	
E-34	Office Supp Exp (Communication)-CSWR	921.500	\$0	-\$16,032	-\$16,032	\$0	\$0	\$0
	1. Adjustment for communication. (Sarver)		\$0	-\$16,032		\$0	\$0	
E-36	Office Supplies Expense-CSWR	921.800	\$0	-\$27,486	-\$27,486	\$0	\$0	\$0
	1. Adjustment for office supplies expense. (Sarver)		\$0	-\$27,486		\$0	\$0	
E-37	Outside Services (Bank Fees)	923.100	\$0	\$30	\$30	\$0	\$0	\$0
	1. Adjustment for outside services. (Barron)		\$0	\$30		\$0	\$0	
E-38	Outside Services (Bank Fees)-CSWR	923.100	\$0	-\$1,204	-\$1,204	\$0	\$0	\$0
	1. Adjustment for bank fees. (Sarver)		\$0	-\$1,204		\$0	\$0	
E-39	Outside Services (Engg Consult)	923.300	\$0	-\$7,037	-\$7,037	\$0	\$0	\$0
	1. Adjustment for outside services. (Barron)		\$0	-\$7,037		\$0	\$0	
E-40	Outside Services (Engg Consult)-CSWR	923.300	\$0	-\$19,293	-\$19,293	\$0	\$0	\$0
	1. Adjustment for consultant. (Sarver)		\$0	-\$19,293		\$0	\$0	
E-41	Outside Services (Legal Fees)	923.400	\$0	-\$4,531	-\$4,531	\$0	\$0	\$0
	1. Adjustment for outside services. (Barron)		\$0	-\$4,531		\$0	\$0	
E-42	Outside Services (Legal Fees)-CSWR	923.400	\$0	-\$52,848	-\$52,848	\$0	\$0	\$0
	1. To include business fee. (Sarver)		\$0	-\$52,848		\$0	\$0	

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Sewer - Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
E-43	Outside Services (Auditor/Accountant)	923.500	\$0	-\$2,149	-\$2,149	\$0	\$0	\$0
	1. Adjustment for outside services. (Barron)		\$0	-\$2,149		\$0	\$0	
E-44	Outside Services (Auditor/Accountant)-CSWR	923.500	\$0	-\$106,823	-\$106,823	\$0	\$0	\$0
	1. To include financial statement and tax return. (Sarver)		\$0	-\$106,823		\$0	\$0	
E-45	Outside Services (Manage Consult)	923.600	\$0	-\$2,501	-\$2,501	\$0	\$0	\$0
	1. Adjustment for Outside Services. (Barron)		\$0	-\$2,501		\$0	\$0	
E-46	Outside Services (Manage Consult)-CSWR	923.600	\$0	-\$726,321	-\$726,321	\$0	\$0	\$0
	1. Adjustment for management consultant. (Sarver)		\$0	-\$726,321		\$0	\$0	
E-47	Outside Services (Payroll Fees)-CSWR	923.800	\$0	-\$3,013	-\$3,013	\$0	\$0	\$0
	1. Adjustment for payroll fees. (Sarver)		\$0	-\$3,013		\$0	\$0	
E-48	Outside Services (IT)	923.900	\$0	\$1,259	\$1,259	\$0	\$0	\$0
	1. Adjustment for Outside Services. (Barron)		\$0	\$1,259		\$0	\$0	
	1. No Adjustment		\$0	\$0		\$0	\$0	
E-49	Outside Services (IT)-CSWR	923.900	\$0	-\$221,080	-\$221,080	\$0	\$0	\$0
	1. Adjustment for IT services. (Sarver)		\$0	-\$221,080		\$0	\$0	
E-50	Property Insurance (Environmental)	924.200	\$0	\$14,792	\$14,792	\$0	\$0	\$0
	1. Adjustment for Insurance. (Barron)		\$0	\$14,792		\$0	\$0	
E-51	Property Insurance (Environmental)-CSWR	924.200	\$0	-\$194,574	-\$194,574	\$0	\$0	\$0
	1. Adjustment for insurance. (Sarver)		\$0	-\$194,574		\$0	\$0	
E-52	Property Insurance (Worker's Comp)-CSWR	924.300	\$0	-\$38,402	-\$38,402	\$0	\$0	\$0
	1. Adjustment for insurance. (Sarver)		\$0	-\$38,402		\$0	\$0	
E-53	Property Insurance (Commercial)	924.400	\$0	\$11,543	\$11,543	\$0	\$0	\$0
	1. Adjustment for Property Insurance. (Barron)		\$0	\$11,543		\$0	\$0	
E-54	Property Insurance (Commercial)-CSWR	924.400	\$0	\$88,992	\$88,992	\$0	\$0	\$0
	1. Adjustment for Property Insurance. (Sarver)		\$0	\$88,992		\$0	\$0	
E-55	Employee Benefits (Other)-CSWR	926.000	-\$19,854	\$0	-\$19,854	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$19,854	\$0		\$0	\$0	
E-56	Employee Benefits (Keyman)-CSWR	926.100	-\$2,835	\$0	-\$2,835	\$0	\$0	\$0

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Sewer - Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
	1. Adjustment for employee benefits. (Sarver)		-\$2,835	\$0		\$0	\$0	
E-57	Employee Benefits (Healthcare)-CSWR	926.200	-\$315,269	\$0	-\$315,269	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$315,269	\$0		\$0	\$0	
E-58	Employee Benefits (401k)-CSWR	926.300	-\$92,731	\$0	-\$92,731	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$92,731	\$0		\$0	\$0	
E-59	Employee Benefits (Life/STD/LTD/AD)-CSWR	926.400	-\$15,920	\$0	-\$15,920	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$15,920	\$0		\$0	\$0	
E-60	Employee Benefits (EE Traning & Tuition Reimb.)-CSWR	926.700	-\$14,364	\$0	-\$14,364	\$0	\$0	\$0
	1. Adjustment for employee benefits. (Sarver)		-\$14,364	\$0		\$0	\$0	
E-62	Regulatory Expense (DNR)	928.100	\$0	-\$1,543	-\$1,543	\$0	\$0	\$0
	1. Adjustment for regulatory expense. (Barron)		\$0	-\$1,543		\$0	\$0	
E-63	Regulatory Expense (DNR)-CSWR	928.100	\$0	-\$27	-\$27	\$0	\$0	\$0
	1. Adjustment for regulatory expense (DNR). (Sarver)		\$0	-\$27		\$0	\$0	
E-64	Regulatory Expense (PSC Assessment)	928.200	\$0	\$11	\$11	\$0	\$0	\$0
	1. Adjustment for regulatory expense. (Barron)		\$0	\$11		\$0	\$0	
	1. No Adjustment		\$0	\$0		\$0	\$0	
E-68	Regulatory Expense (Bus License)-CSWR	928.400	\$0	-\$665	-\$665	\$0	\$0	\$0
	1. Adjustment for business license. (Sarver)		\$0	-\$665		\$0	\$0	
E-71	Rents-CSWR	931.000	\$0	-\$69,389	-\$69,389	\$0	\$0	\$0
	1. Adjustment for rent. (Sarver)		\$0	-\$69,389		\$0	\$0	
E-74	Depreciation Expense, Dep. Exp.	0.000	\$0	\$0	\$0	\$0	\$85,653	\$85,653
	1. To Annualize Depreciation Expense		\$0	\$0		\$0	\$85,653	
E-77	Taxes (Other)-CSWR	408.100	-\$446	\$0	-\$446	\$0	\$0	\$0
	1. Adjustment for Taxes (Other). (Sarver)		-\$446	\$0		\$0	\$0	
E-78	SS & Medicare-CSWR	408.120	-\$146,274	\$0	-\$146,274	\$0	\$0	\$0
	1. Adjustment for social security and Medicare tax. (Sarver)		-\$146,274	\$0		\$0	\$0	
E-79	Unemployment Tax-CSWR	408.140	-\$3,881	\$0	-\$3,881	\$0	\$0	\$0
	1. Adjustment for unemployment tax. (Sarver)		-\$3,881	\$0		\$0	\$0	

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Sewer - Adjustments to Income Statement Detail

<u>A</u> Income Adj. Number	<u>B</u> Income Adjustment Description	<u>C</u> Account Number	<u>D</u> Company Adjustment Labor	<u>E</u> Company Adjustment Non Labor	<u>F</u> Company Adjustments Total	<u>G</u> Jurisdictional Adjustment Labor	<u>H</u> Jurisdictional Adjustment Non Labor	<u>I</u> Jurisdictional Adjustments Total
E-81	Property Tax-CSWR	408.160	\$0	-\$1,109	-\$1,109	\$0	\$0	\$0
	1. Adjustment for property tax. (Sarver)		\$0	-\$1,109		\$0	\$0	
E-86	Current Income Taxes	0.000	\$0	\$0	\$0	\$0	-\$60,978	-\$60,978
	1. To Annualize Current Income Taxes		\$0	\$0		\$0	-\$60,978	
Total Operating Revenues			\$0	\$0	\$0	\$0	\$2,636	\$2,636
Total Operating & Maint. Expense			-\$2,800,148	-\$1,648,101	-\$4,448,249	\$0	\$24,675	\$24,675

Elm Hills Utility Operating Company, Inc

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020

Sewer Income Tax Calculation

Line Number	A Description	B Percentage Rate	C Test Year	D 9.51% Return	E 9.51% Return	F 9.51% Return
1	TOTAL NET INCOME BEFORE TAXES		-\$207,593	\$181,776	\$181,776	\$181,776
2	ADD TO NET INCOME BEFORE TAXES					
3	Book Depreciation Expense		\$85,653	\$85,653	\$85,653	\$85,653
4	TOTAL ADD TO NET INCOME BEFORE TAXES		\$85,653	\$85,653	\$85,653	\$85,653
5	SUBT. FROM NET INC. BEFORE TAXES					
6	Interest Expense calculated at the Rate of		\$60,343	\$60,343	\$60,343	\$60,343
7	Tax Straight-Line Depreciation		\$85,653	\$85,653	\$85,653	\$85,653
8	TOTAL SUBT. FROM NET INC. BEFORE TAXES		\$145,996	\$145,996	\$145,996	\$145,996
9	NET TAXABLE INCOME		-\$267,936	\$121,433	\$121,433	\$121,433
10	PROVISION FOR FED. INCOME TAX					
11	Net Taxable Inc. - Fed. Inc. Tax		-\$267,936	\$121,433	\$121,433	\$121,433
12	Deduct Missouri Income Tax at the Rate of		-\$5,963	\$4,365	\$4,365	\$4,365
13	Deduct City Inc Tax - Fed. Inc. Tax		\$0	\$0	\$0	\$0
14	Federal Taxable Income - Fed. Inc. Tax		-\$261,973	\$117,068	\$117,068	\$117,068
15	Federal Income Tax at the Rate of		-\$55,015	\$24,585	\$24,585	\$24,585
16	Subtract Federal Income Tax Credits					
17	Net Federal Income Tax		-\$55,015	\$24,585	\$24,585	\$24,585
19	PROVISION FOR MO. INCOME TAX					
20	Net Taxable Income - MO. Inc. Tax		-\$267,936	\$121,433	\$121,433	\$121,433
21	Deduct Federal Income Tax at the Rate of		-\$27,508	\$12,293	\$12,293	\$12,293
22	Deduct City Income Tax - MO. Inc. Tax		\$0	\$0	\$0	\$0
23	Missouri Taxable Income - MO. Inc. Tax		-\$240,428	\$109,140	\$109,140	\$109,140
24	Subtract Missouri Income Tax Credits					
25	Missouri Income Tax at the Rate of		-\$5,963	\$4,365	\$4,365	\$4,365
27	PROVISION FOR CITY INCOME TAX					
28	Net Taxable Income - City Inc. Tax		-\$267,936	\$121,433	\$121,433	\$121,433
29	Deduct Federal Income Tax - City Inc. Tax		\$0	\$0	\$0	\$0
30	Deduct Missouri Income Tax - City Inc. Tax		\$0	\$0	\$0	\$0
31	City Taxable Income		-\$267,936	\$121,433	\$121,433	\$121,433
32	Subtract City Income Tax Credits					
33	City Income Tax at the Rate of		\$0	\$0	\$0	\$0
35	SUMMARY OF CURRENT INCOME TAX					
36	Federal Income Tax		-\$55,015	\$24,585	\$24,585	\$24,585
37	State Income Tax		-\$5,963	\$4,365	\$4,365	\$4,365
38	City Income Tax		\$0	\$0	\$0	\$0
39	TOTAL SUMMARY OF CURRENT INCOME TAX		-\$60,978	\$28,950	\$28,950	\$28,950
40	DEFERRED INCOME TAXES					
41	Deferred Income Taxes - Def. Inc. Tax.		\$0	\$0	\$0	\$0
42	Amortization of Deferred ITC		\$0	\$0	\$0	\$0
43	TOTAL DEFERRED INCOME TAXES		\$0	\$0	\$0	\$0
44	TOTAL INCOME TAX		-\$60,978	\$28,950	\$28,950	\$28,950

Federal Tax Table

Federal Taxable Income	-\$261,973	\$117,068	\$117,068	\$117,068
15% on first \$50,000	-\$29,160	\$17,561	\$17,561	\$17,561
25% on next \$25,000	-\$10,124	\$0	\$0	\$0

Elm Hills Utility Operating Company, Inc

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020

Sewer Income Tax Calculation

Line Number	<u>A</u> Description	<u>B</u> Percentage Rate	<u>C</u> Test Year	<u>D</u> 9.51% Return	<u>E</u> 9.51% Return	<u>F</u> 9.51% Return
	34% > \$75,000 < \$100,001		-\$8,500	\$0	\$0	\$0
	39% > \$100,000 < \$335,001		-\$810	\$0	\$0	\$0
	34% > \$335,000 < \$10,000,001		\$0	\$0	\$0	\$0
	35% > \$10MM < \$15,000,001		\$0	\$0	\$0	\$0
	38% > \$15MM < \$18,333,334		\$0	\$0	\$0	\$0
	35% > \$18,333,333		\$0	\$0	\$0	\$0
	Total Federal Income Taxes		-\$48,594	\$17,561	\$17,561	\$17,561

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Test Year Ending Dec. 31, 2019, Update Period Ending March 31, 2020
Residential Sewer Revenue Feeder

Line Number	A Customer Description	B Annualized Customers	C Bills Per Year	D Total Customer Bills B * C	E Customer Charge	F Annual Customer Charge Revenues D * E	G Annual Water Usage Per Customer	H Annualized Water Usage (B * G)	I Volmetric Rate per Gallons in I	J Gallons Per Volumetric Rate	K Annualized Volumetric Revenues (B*G*I)/J
1	FLAT RATE										
2	Missouri Utilities	128	12	1,536	\$19.21	\$29,507	0	0	\$0.00	0	\$0
3	Rainbow Acres	44	12	528	\$15.00	\$7,920	0	0	\$0.00	0	\$0
4	State Park Village	162	12	1,944	\$45.00	\$87,480	0	0	\$0.00	0	\$0
5	Twin Oaks/Preserve	1	12	12	\$140.00	\$1,680	0	0	\$0.00	0	\$0
6	TOTAL FLAT RATE	335		4,020		\$126,587		\$0			\$0
7	TOTAL ALL CATEGORIES	335		4,020		\$126,587		0			\$0
Annualized Volumetric Revenues											\$0
Annual Customer Charge Revenues											\$126,587
Total Annualized Revenues											\$126,587

Disposition Agreement Attachment D

Schedules of Depreciation Rates

Elm Hills Utility Operating Company

SCHEDULE of DEPRECIATION RATES

(SEWER Class A & B)

SR-2020-0275

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>DEPRECIATION RATE</u>
COLLECTION PLANT		
351	Structures & Improvements	4.0%
352.1	Collection Sewers (Force)	2.0%
352.2	Collection Sewers (Gravity)	2.0%
353	Services (A & B)	2.0%
354	Flow Measurement Devices	3.3%
PUMPING PLANT		
361	Structures & Improvements	4.0%
362	Receiving Wells	4.0%
363	Electric Pumping Equipment	10.0%
TREATMENT & DISPOSAL PLANT		
371	Structures & Improvements	3.7%
372	Treatment & Disposal Facilities	5.0%
372.1	Oxidation Lagoons	4.0%
373	Plant Sewers	2.5%
374	Outfall Sewer Lines	2.0%
GENERAL PLANT		
390	Structures & Improvements	2.5%
391	Office Furniture & Equipment	5.0%
391.1	Office Electronic & Computer Equip.	14.3%
392	Transportation Equipment	13.0%
393	Stores Equipment	4.0%
394	Tools, Shop, and Garage Equipment	5.0%
395	Laboratory Equipment	5.0%
396	Power Operated Equipment	6.7%
397	Communication Equipment	6.7%

Elm Hills Utility Operating Company

SCHEDULE of DEPRECIATION RATES

(WATER Class A & B)

WR-2020-0275

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>DEPRECIATION RATE</u>
SOURCE OF SUPPLY		
311	Structures & Improvements	2.5%
312	Collecting & Impoundment Reservoirs	2.0%
313	Lake, River & Other Intakes	2.5%
314	Wells & Springs	2.0%
316	Supply Mains	2.0%
PUMPING PLANT		
321	Structures & Improvements	2.5%
325	Electric Pumping Equipment	10.0%
325.1	Submersible Pumping Equipment	10.0%
325.2	High Service or Booster Pumping Equip.	6.7%
325.3	Shaft-driven Pumping Equipment	5.0%
326	Diesel Pumping Equipment	2.7%
328	Other Pumping Equipment	4.0%
328.1	Gas Pumping Equipment	3.3%
WATER TREATMENT PLANT		
331	Structures & Improvements	2.5%
332	Water Treatment Equipment	2.9%
TRANSMISSION AND DISTRIBUTION		
341	Structures & Improvements	2.5%
342	Distribution Reservoirs & Standpipes	2.5%
343	Transmission & Distribution Mains	2.0%
345	Customer Services	2.5%
346	Customer Meters, Bronze (Calibrate)	3.3%
346.1	Customer Meters, Plastic (Throw Aways)	10.0%
347	Customer Meter Pits & Installation	2.5%
348	Hydrants	2.0%
GENERAL PLANT		
390	Structures & Improvements	2.5%
391	Office Furniture & Equipment	5.0%
391.1	Office Electronic & Computer Equip.	14.3%
392	Transportation Equipment	13.0%
393	Stores Equipment	4.0%
394	Tools, Shop, Garage Equipment	5.0%
395	Laboratory Equipment	5.0%
396	Power Operated Equipment	6.7%
397	Communication Equipment	6.7%

Disposition Agreement Attachment E

Rate Design Worksheets

(filed December 15, 2020)

Elm Hills

Development of Tariffed Rates-Water

Revenues Generated by Current Tariffed Rates	\$ 28,745
Agreed-Upon Overall Revenue Increase	\$ 64,361
Percentage Increase Needed	223.903%

Metered Customer Rates				
Meter Size	Current Customer Charge*	Proposed Customer Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 7.13	\$ 31.04	\$ 2.47	\$ 7.07
1"	\$ 14.24	\$ 77.59	\$ 2.47	\$ 7.07
1 1/2"	\$ -	\$ 155.18		\$ 7.07
2"	\$ -	\$ 248.28		\$ 7.07
3"	\$ -	\$ 465.53		\$ 7.07
4"	\$ -	\$ 775.88		\$ 7.07
6"	\$ -	\$ 1,551.77		\$ 7.07

Customer Charge	Number	Factor	Customer Equivalents	Factored Customer Charge
5/8"	25	1	25.0	\$ 31.04
1"	12	2.5	30.0	\$ 77.59
1 1/2"	0	5	0.0	\$ 155.18
2"	0	8	0.0	\$ 248.28
3"	2	15	30.0	\$ 465.53
4"	0	25	0.0	\$ 775.88
6"	1	50	50.0	\$ 1,551.77
			135.0	

Customer Charge Calculation: \$ 50,277 \$ 31.04

Commodity		Gallons	
	\$ 42,829	6055614	\$ 7.07
			\$ 7.07

*5/8" Current customer charge represented here as a simple average of the two former customer charges. This representation is for illustrative purposes only, and is not used in the calculation of future rates on this page.

Elm Hills

Development of Tariffed Rates-Water

Revenues Generated by Current Tariffed Rates	\$ 26,724
Agreed-Upon Overall Revenue Increase	\$ 64,361
Percentage Increase Needed	240.835%

Flat Rates for Customers Without a Functioning Meter

Meter Size	Current Customer Charge*	Proposed Customer Charge		
5/8"	\$ 7.13	\$ 60.15		
1"	\$ 14.24	\$ 120.29		
1 1/2"	\$ -	\$ 300.73		
2"	\$ -	\$ 481.17		
3"	\$ -	\$ 902.19		
4"	\$ -	\$ 1,503.65		
6"	\$ -	\$ 3,007.30		
Customer Charge	Number	Factor	Customer Equivalents	Factored Customer Charge
5/8"	25	1	25.0	\$ 60.15
1"	12	2	24.0	\$ 120.29
1 1/2"	0	5	0.0	\$ 300.73
2"	0	8	0.0	\$ 481.17
3"	2	15	30.0	\$ 902.19
4"	0	25	0.0	\$ 1,503.65
6"	1	50	50.0	\$ 3,007.30
	40		129.0	
Cost to Recover in Rates		\$ 93,106	\$ 60.15	

*5/8" Current customer charge represented here as a simple average of the two former customer charges. This representation is for illustrative purposes only, and is not used in the calculation of future rates on this page.

MO Utilities, Rainbow Acres, State Park Village, and Twin Oaks

Development of Tariffed Rates-Sewer

Current Revenue	\$ 126,587
Agreed-Upon Overall Revenue Increase	\$ 326,474
Percentage Increase Needed	257.905%

Customer Rates

	Current Customer Charge	Proposed Customer Charge
Mo Utilities	\$ 19.21	\$ 99.88
Rainbow Acres	\$ 15.00	\$ 99.88
State Park Village	\$ 45.00	\$ 99.88
Twin Oaks/Preserve	\$ 3.18	\$ 99.88
Total # of customers		378
Cost to Recover in Rates		\$ 453,061
Resulting Rate		\$ 99.88

Disposition Agreement Attachment

F Billing Comparison Worksheets

(filed December 15, 2020)

Elm Hills

Residential Customer Bill Comparison-Water

Rates for 5/8" Meter

Customer	Current Customer Charge	Proposed Customer Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 7.13	\$ 31.04	\$ 2.47	\$ 7.07

MONTHLY BILL COMPARISON

Usage assumed at 3,800 gallons/month

Monthly Billing

Current Rates

Customer Charge	\$ 7.13
Usage Charge	\$ 9.39
Total Bill	\$ 16.52

Proposed Rates

Customer Charge	\$ 31.04
Usage Charge	\$ 26.88
Total Bill	\$ 57.91

INCREASES

Customer Charge

\$ Increase	\$23.91
% Increase	335.28%

Usage Charge

\$ Increase	\$17.49
% Increase	186%

Total Bill

\$ Increase	\$41.40
% Increase	250.64%

MO Utilities, Rainbow Acres, State Park Village, and Twin Oaks

Residential Customer Bill Comparison-Sewer

Rates for 5/8" Meter				
Customer	Current Base Customer Charge	Proposed Base Customer Charge	\$ Increase	Percent Increase
Mo Utilities	\$ 19.21	\$ 99.88	\$ 80.67	419.94%
Rainbow Acres	\$ 15.00	\$ 99.88	\$ 84.88	565.87%
State Park Village	\$ 45.00	\$ 99.88	\$ 54.88	121.96%
Twin Oaks/Preserve	\$ 3.18	\$ 99.88	\$ 96.70	3039.93%

Note that Twin Oaks/Preserve customers were not previously individually billed for sewer service. The current rates are an estimate based on

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

**WITNESS my hand and seal of the Public Service Commission,
at Jefferson City, Missouri, this 30th day of December, 2020.**




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

December 30, 2020

File/Case No. WR-2020-0275

**Missouri Public Service
Commission**

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Commission**

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.