

Red Bird Late Filed Exhibit 1

Docket Nos. W-933, Sub 12; W-1328, Sub 0

Attachment D

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

**GREAT RIVER UTILITY
OPERATING COMPANY, LLC
SC-123-2515-00**

DOCKET NO. 2022-UN-087

**IN RE: NOTICE OF INTENT OF GREAT RIVER UTILITY OPERATING
COMPANY, LLC TO ESTABLISH STATE-WIDE RATES FOR
WASTEWATER DISPOSAL SERVICE IN ITS CERTIFICATED AREAS IN
MISSISSIPPI**

RECOMMENDED ORDER OF THE HEARING EXAMINER

THIS CAUSE came on for consideration by the Mississippi Public Service Commission (“Commission”), upon referral to C. Ross Hammons, on the Notice of Intent to Establish State-Wide Rates for Wastewater Disposal Service in its Certificated Areas in Mississippi (“2022 Rate Filing”), filed by Great River Utility Operating Company, LLC (“Great River” or “Company”) in the above referenced docket, and, being fully apprised in the premises and having considered the documents and record before it, this Commission renders a final decision as follows:

FILING UTILITY

1. Great River is a public utility as defined in Section 77-3-3(d)(iv) of the *Mississippi Code of 1972, as amended*, and is a Mississippi limited liability company engaged in the business of providing water and wastewater utility service to and for the public for compensation in certificated service areas throughout Mississippi, having its principal place of business and mailing address at 1630 Des Peres Road, Suite 140, St. Louis, MO 63131. Great River is part of an affiliate group of state utility operating companies that are owned and controlled by CSWR, LLC, a Missouri limited liability company (“CSWR”). CSWR owns and controls several other state utility operating companies which operate small water or wastewater systems in Missouri, Kentucky, Louisiana, Texas, Tennessee, North Carolina, Arizona, Florida and Arkansas. As of the

Company's filing, CSWR, combined, served approximately 220,000 customers through 88,000 connections.

2. Great River is the holder of a Certificate of Public Convenience and Necessity issued in Docket Nos. 2020-UA-143 and 2020-UA-144, as supplemented from time to time, authorizing its water and wastewater operations in specified areas throughout Mississippi, and is rendering service in accordance with its service rules and regulations and in accordance with a schedule of rates and charges, both of which are a part of its tariffs that have been previously approved by orders of this Commission.

SUMMARY OF REQUEST

3. With each system acquisition, Great River committed to make the necessary investment and improvements to stabilize the systems and bring their operation into compliance with applicable federal and state regulations. Great River continues to conduct these repairs and refurbishments and has provided periodic status reports to the Commission and the Mississippi Public Utilities Staff ("Staff") in Docket Nos. 2021-AD-115 and 2021-AD-116 as required by the various sale and transfer orders previously issued by the Commission.

4. In each acquisition case, Great River indicated its overall intent to operate each newly acquired system through an initial stabilization period after which Great River would file a notice of intent to establish state-wide rates, charges and service rules for all of its systems. This docket was initiated for that purpose. A summary of the approvals sought from the Commission in this filing are as follows:

- (a) Approval of proposed Revenue Requirement;
 - (b) Approval of the Company's proposed state-wide tariff, including proposed consolidated changes to its rate schedules, service rules, service charges and main extension policy;
- and

- (c) Approval of the Company's Proposed Formula Rate Plan ("FRP").

PROCEDURAL HISTORY

5. On or about July 25, 2022, Great River filed its 2022 Rate Filing, pre-filed testimony, and exhibits in this Docket. Pursuant to the Commission's Public Utilities Rules of Practice and Procedure ("Rules"), Great River served notice of the 2022 Rate Filing on all "interested persons" as identified in Exhibit "E" to the Notice of Intent.

6. In compliance with Section 77-3-37(9) of the *Mississippi Code of 1972, as amended* and RP 9.101(1) of the Commission's Rules, on August 9, 2022, Great River filed a Verification of Notice to Customers verifying all of Great River's customers were provided a notice of the 2022 Rate Filing via U.S. Mail on or before August 8, 2022. A copy of the notice sent to customers as well as the customer lists used in this effort are on file with the Commission in this Docket. In addition, Great River filed a Verification of Notice filing confirming that notice by publication has been accomplished in compliance with Section 77-3-37(9) of the *Mississippi Code of 1972, as amended*.

7. Over Seven-Hundred-Forty (740) wastewater customers provided correspondence to the Commission in response to the notice of filing received.

8. Four (4) parties were granted intervention in this Docket: Blythe Dorn; Robert Lane Dossett; Rhea Cassandra Dossett; and Savannah Black.

9. No motion has been filed with the Commission by any party or the Staff as to any deficiency in or lack of access to discovery in this proceeding.

10. A pre-hearing conference as provided by law was noticed to the Staff and all parties of record, and was held in Jackson, Mississippi on January 12, 2023.

11. On February 27, 2023, public comments were taken before the full Commission. On February 28, 2023, prior to the previously noticed¹ Evidentiary Hearing² in Docket Nos. 2022-UN-086 and 2022-UN-087, these matters were referred to Ross Hammons for hearing, report, and recommendation of an appropriate order pursuant to Miss. Code Ann. § 77-3-40(2).³

12. Following conclusion of the Hearing, the Hearing Examiner was notified by a party of record that due to an administrative error, the Notice of Hearing sent via U.S. Mail to the parties was delayed such that at least one party of record had not received the notice prior to the commencement of the Hearing on February 28, 2023.

13. After procedural discussions⁴ with parties of record, the Hearing Examiner noticed a Supplemental Hearing in Docket No. 2022-UN-087 on March 3, 2023, with said Supplemental Hearing commencing on Monday, March 27, 2023, in Jackson, Mississippi.⁵ The Commission provided notice of the Supplemental Hearing via email to any and all customers that previously submitted correspondence to the Commission in this proceeding. Finally, through the office of the Executive Secretary, notice by publication was perfected as required by law.

14. On March 21, 2023, the Hearing Examiner issued an Order, pursuant to Miss. Code Ann. § 77-3-40(5)(a), affording all parties an opportunity to submit proposed findings of facts and conclusions of law for consideration by March 31, 2023; no parties of record submitted any such findings of facts or conclusions of law for consideration.

¹ Notice by publication of the Commission's February 28, 2023, Evidentiary Hearing was perfected as required by law through the office of the Commission's Executive Secretary.

² Order Setting Hearing, Docket Nos: 2022-UN-086 and 2022-UN-087, (Feb. 2, 2023).

³ Order Referring Consolidated Hearing to Hearing Examiner, Docket Nos. 2022-UN-086 and 2022-UN-087, (Feb. 28, 2023).

⁴ Parties in Docket No. 2022-UN-087 were provided a copy of the transcript from the Commission's February 27, 2023, and February 28, 2023, Hearings on March 15, 2023.

⁵ Order Setting Supplemental Hearing, Docket No. 2022-UN-087, (Mar. 3, 2023).

APPLICABLE LAW

15. The Commission has jurisdiction over the parties and subject matter pursuant to Section 77-3-5 of the *Mississippi Code of 1972, as amended*. Great River's 2022 Rate Filing and the requests therein were made pursuant to Sections 77-3-2 and 77-3-37 of the *Mississippi Code of 1972, as amended* and RP 9 of the Commission's Rules. These statutes and rules govern public utility rate cases.

16. In establishing rates for public utilities, the Commission is primarily guided by Section 77-3-33 of the *Mississippi Code of 1972, as amended*, which provides:

No rate made, deposit or service charge demanded or received by any public utility shall exceed that which is just and reasonable. Such public utility, the rates of which are subject to regulation under the provisions of this article, may demand, collect and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person. Rates prescribed by the commission shall be such as to yield a fair rate of return to the utility furnishing service, upon the reasonable value of the property of the utility used or useful in furnishing service.

17. The Mississippi Supreme Court has specifically held the Commission is not bound by statute to use any specific formula for establishing just and reasonable rates:

Our statute does not bind the Commission to the use of any particular formula in determining the reasonable value of the property of a public utility for rate-making purposes. Our statute merely provides that the rates prescribed shall be such as to yield a fair rate of return upon the reasonable value of the property used and useful in furnishing service, and that, the Commission in arriving at such rate base "shall give due consideration to all elements that are generally considered in determining the rate base for rate making purposes." There are a number of formulas which are useful in the determination of the reasonable value of a utility's property for rate-making purposes. No public utility has a vested right to any particular method of valuation.

18. Because Great River's 2022 Rate Filing constitutes a "major change" as defined by Section 77-3-37 of the *Mississippi Code of 1972, as amended*, both a pre-hearing conference and a hearing are required under Section 77-3-39 of the *Mississippi Code of 1972, as amended*. The

Commission's hearings in this case fully comply with these statutory requirements and the requirements of Section 77-3-47 of the *Mississippi Code of 1972, as amended*.

SUMMARY OF FILING

19. Great River's 2022 Rate filing generally provided the following documentation concerning its proposed rate adjustments:

(a) Pre-filed direct testimonies and exhibits of Mr. Josiah Cox, President; Todd Thomas, Senior Vice President; Jacob Freeman, Director of Engineering; Brent Thies, Vice President and Corporate Controller; Mike Duncan, Vice President; and Dylan W. D'Ascendis, Partner of ScottMadden, Inc;

(b) A schedule of proposed rates, fares, tolls and charges for wastewater service;

(c) Consolidated and audited financial statements of Great River;

(d) Confidential federal and state income tax returns; and

(e) A revenue requirement calculating the proposed revenue adjustment and resulting increase in rates.

20. The Commission finds that the pleadings, testimony, exhibits, data and documentation submitted by Great River in this Docket reasonably comply with all applicable statutes and Commission Rules. Therefore, for good cause shown, the Commission waives any other filing requirements which may be prescribed by its Rules.

STIPULATION

21. As a result of the pre-hearing conference, Great River filed an executed Stipulation with the Commission on February 23, 2023. A true and correct copy of the Stipulation and its referenced exhibits is attached as Exhibit "A" hereto and incorporated herein by reference. The Stipulation presents for the Commission's consideration a rate mitigation plan consisting of four

(4) separate measures that combine to significantly lower the upfront rate impact as compared to Great River's original 2022 Rate Filing:

a. A System Acquisition Regulatory Asset ("SARA") designed to permit Great River to continue its practice of adopting the billing rates of any acquired utility and keeping those rates in place until the next rate adjustment provided for in the annual FRP process.⁶ SARA will avoid the upfront rate shock that might otherwise occur on the date of acquisition, and will also provide Great River the time needed to make initial system repairs and improve customer service before adjusting rates to reflect the current cost of service. From the date of acquisition until approval of Great River's next FRP annual filing, Great River shall defer into a regulatory asset the actual monthly net operating loss incurred for each newly acquired system. This deferral shall exclude any lost profits or return of or on capital. Each SARA deferral will be accounted for separately for ease of audit by the Commission and Staff. The approved SARA will be amortized for ratemaking purposes over a seven (7) year period with: (1) the unamortized portion included in the rate base; and (2) the amortized amount included as Amortization of Regulatory Asset.

b. A Rate Mitigation Regulatory Asset ("RMRA") designed to provide a glide path to customer rate adjustments between the billing rates of the acquired utility and the then applicable Commission-approved state-wide rate for Great River's existing customers. For the first year a newly acquired utility system is charged rates under Great River's approved state-wide tariff (i.e. not rates from previous system owner), a RMRA regulatory asset shall be accrued for the purpose of deferring a percentage of annual general and administrative expense and operation and maintenance expense. For newly acquired water systems the deferral percentage shall be

⁶ Great River will continue to request temporary rates to apply during the SARA rate period for those systems that are acquired without an existing Commission-approved rate. The temporary rates previously approved by the Commission for this purposes is equal to a monthly flat rate for water service of \$15.00 per month and \$27.00 per month for wastewater service.

sixteen and one-half percent (16.5%); for newly acquired wastewater systems the deferral percentage shall be thirty-two percent (32%). The RMRA deferral shall be limited to one (1) year per utility system. Each RMRA deferral will be accounted for separately for ease of audit by the Commission and Staff. The approved RMRA will be amortized for ratemaking purposes over a seven (7) year period with: (1) the unamortized portion included in the Rate Base; and (2) the amortized amount included as Amortization of Regulatory Asset.

c. An FRP designed to create a level of predictability that will help ensure continued access to the capital necessary to complete capital improvement on currently owned systems as well as fund the continued acquisition of more distressed wastewater and water systems throughout Mississippi. On or before February 28th of each year, Great River shall file a report with the Commission and Staff containing a calculation of the Company's revenue requirement and Actual Return on Rate Base based for the twelve (12) months ending December 31 of the previous year. Consistent with other FRPs already in operation in Mississippi, should the FRP Annual Report indicate a revenue and rate adjustment is needed, interim rates, subject to refund, would take effect April 1st and Permanent Rates, plus any necessary surcharge or refund, would take effect following Commission approval. Similar to other approved FRPs, rate adjustments are determined by comparing actual results against a fixed Return on Rate Base "band" derived from the stipulated Return on Rate Base. Great River also stipulated to a review of the cost of capital provisions of the FRP following the third year of operation (i.e. following the conclusion of the FRP Annual Filing for 2026).

d. A fixed, three-year Return on Rate Base equal to 8.95% that will provide a predictable and stable cost of capital while Great River completes its expected acquisition strategy in Mississippi. Great Rivers stipulated to a re-evaluation of the stipulated Return on Rate Base following the conclusion of the FRP Annual Filing for 2026.

22. As detailed in the final section below, the Commission finds the suite of stipulated rate mitigation measures described above combine to provide significant and important rate mitigation to Great River’s current and future customers. The entire rate mitigation plan is effectuated through a stipulated tariff. The impact to a typical residential customer of the rate mitigation plan is summarized in the table below.

Great River Rate Case - Summary of Stipulation

	Wastewater		
	<u>Filed</u>	<u>Stipulated</u>	<u>Reduction</u>
Rate Base	\$ 12,352,818	\$ 12,352,818	\$ -
Operating Expense	\$ 1,953,248	\$ 1,953,248	\$ -
Rate of Return	10.29%	8.95%	-1.34%
Revenue Requirement	\$ 5,009,591	\$ 4,789,090	\$ (220,501)
RMRA Deferral %	0.00%	32.00%	32.00%
Mitigated Rate (i.e. RMRA)	<u>Filed</u>	<u>Stipulated</u>	<u>Reduction</u>
Tier I	\$ 37.63	\$ 27.86	\$ (9.77)
Tier II	\$ 53.75	\$ 39.80	\$ (13.95)
Tier III (Pass Through)	\$ 28.69	\$ 22.27	\$ (6.42)
General	<u>Filed</u>	<u>Stipulated</u>	<u>Reduction</u>
Tier I	\$ 37.63	\$ 35.90	\$ (1.73)
Tier II	\$ 53.75	\$ 51.29	\$ (2.46)
Tier III (Pass Through)	\$ 28.69	\$ 28.69	\$ -

23. The Stipulation also incorporates various changes to Great River’s proposed tariff raised either through discovery or at the pre-hearing conference.

COMMISSION AND STAFF REVIEW

24. Following a public bidding process, the Commission engaged United Professionals Company, LLC (“UPC”) to assist the Commission in its review of the 2022 Rate Filing. In addition, the Staff, acting in its capacity as advisors to the Commission, engaged Larkin & Associates (“Larkin”) to assist the Staff in its investigation of the 2022 Rate Filing and in advising the Commission in this matter. Combined, the Commission and Staff propounded twelve (12) sets of discovery consisting of over 200 individual data requests. Great River submitted timely and complete responses to all data requests in accordance with the Commission’s Rules, and, where appropriate, provided revised or supplemental information and documentation. Further, in compliance with Commission Rules, Great River provided copies of all non-confidential data request responses to any party requesting same in writing; all confidential data request responses were provided to any party that executed a non-disclosure agreement.

25. As required by statute, a consolidated pre-hearing conference was held on January 12, 2023 for Docket Nos. 2022-UN-86 and 2022-UN-87. Notice of the pre-hearing conference was provided to all parties of record in both dockets as well as the Staff. Representatives of the Commission, including UPC, Great River, representatives of the Staff and Larkin as well as certain party interveners attended the pre-hearing conference. A robust discussion was had among the parties present concerning several issues and topics that had been previously inquired about through the discovery process, including requests from the Staff and UPC concerning a rate mitigation plan. The Stipulation filed by Great River was a culmination of the discussions held at the pre-hearing conference.

26. The Commission finds a full opportunity for discovery was provided to all parties and that each party has had a full opportunity to participate in the case. The Commission also finds

that the Staff, Larkin and UPC conducted a thorough and extensive investigation of Great River's 2022 Rate Filing and subsequent Stipulation.

COMMISSION FINDINGS

27. No parties contest—through pleadings or otherwise—any facts presented by Great River. This case is uncontested and facts stipulated to by Great River are undisputed by any other evidence in the record. Great River began acquiring underperforming water and wastewaters systems throughout the entire state in 2020. As of the date of this Order, the Commission has approved three (3) separate rounds of acquisitions, and a fourth round is currently pending.⁷ The Commission has consistently made the following determinations with respect to this ongoing acquisition activity:

a. “With respect to Great River’s fitness, Mr. Cox details the financial capital, experience and expertise possessed by or available to Great River to operate the systems to be acquired in Mississippi, which by all accounts, would be an improvement over the level of each currently made available by the owners and operators of the systems being acquired.”⁸

b. “Great River committed to invest the capital necessary to restore the reliability of the acquired systems: ‘Great River and CSWR have access to adequate capital and are willing and able to invest the capital necessary to bring the water and wastewater systems at issue in this case up to standard and maintain compliance with applicable state and federal regulations.’”⁹

c. “With respect to serving the interests of customers and the public, Mr. Cox testified that Great River’s business model and centralized management structure is specifically

⁷ The Hearing Examiner entered a Recommended Order of the Hearing Examiner in Docket No. 2022-UA-145 on April 13, 2023.

⁸ Final Order, Docket No. 2020-UA-144, p. 13 (June 8, 2021).

⁹ *Id.*

designed to produce economies of scale and lower cost to customers that would otherwise arise under similar levels of reliability and service.”¹⁰

28. In approving these acquisitions, the Commission noted an abundance of evidence demonstrating that “[t]he general health of Mississippi’s water and wastewater infrastructure is poor.”¹¹ Ultimately, this Commission made the following determination when first approving of Great River’s various acquisitions in Mississippi:

The Commission is persuaded that the general circumstances concerning the State’s infrastructure and the specific facts of this case, namely the scalability and centralized operations of various systems under consolidated ownership, justify the adoption of a policy that will incentivize responsible, experienced and well-capitalized companies like Great River to acquire old, out-of-compliance systems so that they can be rehabilitated and operated reliably and in compliance with ever-increasing environmental regulations. The Commission believes that incentivizing consolidations in the private water and sewer sector, when the circumstances justify it, will improve the quality of life for all Mississippians and enhance reliability and satisfaction for utility customers.¹²

29. Great River’s testimony in this case bears this out. Mr. Cox’s revised testimony summarizes the condition of the wastewater treatment facilities at the time of acquisition:

The lagoon treatment plants that Great River acquired were either in a completely failed state or in very poor condition., and one facility was unpermitted, meaning it was illegally discharging sewage. Almost without exception, the lagoons were overgrown by vegetation on their berms (which can post acute structural failure issues) and there was additional vegetation growing on the surface of the lagoons themselves indicative of an almost total lack of maintenance and operations. Some of systems [sic] also had damaged berms, which allowed unlawful discharge of partially treated wastewater into the environment and posed a structural risk of failing, which could lead to a massive environmental spill. The lagoons typically had massive sludge accumulation, which reduced treatment capacity and retention time. Many of these facilities struggle to meet permit limits and will likely require significant process improvements to bring them into compliance

The activated sludge systems that Great River acquired were generally in poor condition or completely failed upon acquisition. Most had missing or broken equipment, exhibited areas requiring structural repair or fortification, and most

¹⁰ *Id.*

¹¹ *Id.* at 17.

¹² *Id.* at 18.

were failing in their treatment process due to deteriorated equipment or inadequate design. Almost all of the facilities also regularly experienced significant exceedances of their permit limits and lacked proper control systems, which resulted from a lack of reinvestment, a neglect in maintenance, and generally negligent operational practices. Nearly all these systems had significant sludge accumulation, which reduced treatment capacity and effectiveness

The non-discharging systems acquired by Great River were all lagoon treatment plants which struggled with all of the same issues as the discharging lagoon treatment plants described above, with the exception of the Sweet Water system (an extended aeration system that was in generally good condition). In addition to the issues already identified in the lagoon section described above, the non-discharging systems acquired by Great River had additional issues related to the drain fields used to dispose of treated wastewater. Many had failing spray equipment, damaged distribution piping, undersized spray area, heavily sloped spray field areas, and erosion issues that have led to consistent runoff discharges from the drainage area. This represents an unauthorized and illegal discharge from the facilities which impacts surface waters, causes environmental damage, and could expose people to dangerous pathogens and pollutants

Regardless of system type, many of the plants Great River acquired had ineffective or damaged disinfection systems that failed to meet fecal coliform, *E.Coli*, or total residual chlorine limits. This means that over many years, residents and downstream neighbors have been exposed to potentially dangerous pathogens.¹³

30. As required by prior Commission order, Great River has been reporting to the Commission and Staff concerning its efforts to remediate and repair these conditions in Docket Nos. 2021-AD-115 and 2021-AD-116. The Commission takes judicial notice of the reports and information filed in these dockets to support the findings made herein.

31. In part, the rate increase requested in this case is a result of Great River's initial acquisition. This was a known and necessary result of the decision to authorize Great River's acquisition program in Mississippi: "Great River estimates the rate impact associated with [the requested acquisition adjustment] could result in a monthly per-customer impact of between

¹³ Josiah Cox Revised Direct Testimony, pp. 6-8 (emphasis in original).

approximately \$7.00 and \$9.50 for wastewater customers, depending upon final ratemaking assumptions adopted by this Commission.”¹⁴

32. Another known issue was that many of the systems being acquired had not experienced a rate increase in many years, implying that rates no longer reflected the current cost to serve customers. Great River explicitly states: “many of the systems acquired had not sought a rate increase for years, if not decades. This results in existing rates that do not accurately reflect the current cost to serve.”¹⁵ Mr. Cox again summarizes this issue:

As the Commission is aware, the systems Great River acquired and those it hopes to acquire in Mississippi are typically poorly managed, and almost all the owners of those systems did not or do not have the technical, managerial, and financial ability to make capital investments necessary to ensure regulatory compliance and provide safe, efficient, and reliable service to customers. Most of those owners also failed to timely seek rate increases necessary to enable them to properly operate and maintain the systems. As a result, the rates that Great River adopted when it acquired the systems – i.e., rates in effect at closing – were insufficient to cover the operating costs for operations – that were woefully unprofessional and inadequate – and also failed to provide a fair rate of return.¹⁶

33. Despite these realities, Great River’s original proposal, if approved, would have resulted in rate increases to some customers as high as 400%.¹⁷ As expected, customer participation through either written correspondence to the Commission or by providing a public witness statement at the commencement of the hearings on this matter were robust and wide ranging. Customer input received overwhelmingly expressed that the rate shock that would be experienced by approval of Great River’s original proposal would be too great for many customers to endure all at once. Great River’s witness Mr. Cox explained at the hearings that the RMRA mechanism was specifically designed to address this issue. Mr. Cox testified that Mississippi had

¹⁴ Final Order, Docket No. 2020-UA-144, pp. 15-16 (June 8, 2021).

¹⁵ Mike Duncan Direct Testimony, p. 10.

¹⁶ Josiah Cox Revised Direct Testimony, p. 11.

¹⁷ Mike Duncan Direct Testimony, Exhibit MD-2.2.

largest gap between current and proposed rates when compared to all other states in which CSWR operations. As such, Mississippi was the first state the RMRA mechanism, which provides customers a glide path to the ultimate rate to charged, has been proposed by a CSWR entity. The Commission also notes that under Mississippi law public utility rates are required to be just and reasonable and “rate shock” is not sufficient legal grounds upon which to deny a rate increase filing. *Miss. Pub. Serv. Comm’n v. Dixie Land & Water Co., Inc.*, 707 So. 2d 1086, 1093 (Miss. 1998) (reversing a MPSC decision to deny a rate increase based solely on the “rate shock” to Dixie Land’s customers).

34. Another concern raised by some customers concerned the fact that system improvements are being allowed to be included in customer rates, rather than paid for by Great River’s investors. Some customers believe that Great River should have conducted sufficient due diligence to determine the state of disrepair before purchasing the system, and that now customers are being punished for Great River’s alleged failure to conduct reasonable due diligence. These positions reflect an apparent belief that system improvements should have been funded by the previous system owners rather than Great River, and that, if this had been accomplished, much of the requested rate increase would have been avoided. The customers’ concerns in this instance are misplaced for several reasons. As mentioned above, Great River and the Commission were fully aware that most of the systems being acquired were in some state of disrepair. This was not an oversight. The customers’ assumption that requiring the previous owners to fund the improvements would have prevented these costs from being reflected in rates is invalid. Requiring the previous owners—rather than Great River—to fund the improvements would have either increased the purchase price ultimately paid by Great River or could have forced the parties to reconsider a sale and purchase of the system. If the previous owners would have decided not to sell the system after investing the funds to complete the improvements now being undertaken by

Great River, the previous owners would request to recover those costs through rate increases to customers. Prudent capital expenditures incurred to make necessary and appropriate system improvements are recoverable in customer rates, irrespective of which utility company owns the system and invests the funds.

35. The Commission appreciates the public participation in this proceeding. While not formal evidence in the proceeding, this feedback helps all of the parties involved to tailor specific mitigation measures to help address as many concerns as practical, while still maintaining just and reasonable rates and, importantly, safe and reliable public utility service.

36. Based on the totality of the evidence presented, the Commission finds that the Stipulation filed in this matter delivers important and meaningful rate mitigation measures while also providing overall just and reasonable rates for service. These measures include: (i) state-wide rates; (ii) multi-tier rates based on system design; (iii) the SARA regulatory asset mechanism; (iv) the RMRA regulatory asset mechanism; (v) the FRP annual filings; and (vi) a fixed, stable return on rate base. These measures spread the impact of system improvements across a larger customer base, mitigating the rate impact that might result from a per-system rate design, while also allowing a glide path to customer rate adjustments and a mechanism to provide the Commission and Staff annual and detailed oversight over Great River's state-wide operations. All of these measures allow the realization of the improvements in health and service that has been envisioned since the beginning of Great River's activities in Mississippi while alleviating and spreading out the full, upfront rate impact that would otherwise result.

37. With respect to Great River's revenue requirement, neither the Staff nor UPC has recommended an adjustment to Great River's filed rate base and expenses, despite a significant investigation and audit conducted through discovery by all parties. Based on this evidence, the Commission finds that the stipulated rate base, operating expense and rate of return are prudently

incurred and result in just and reasonable and reasonable rates. For the avoidance of doubt, the Commission's actions herein do not impact the accounting requirements and rate treatment of any acquisition adjustments to be booked in the future for future asset acquisitions, which shall all be accounted for in the same manner as proscribed by this Commission in each sale and transfer order. Further, Great River is still directed to consider the net book value of all acquired assets in the aggregate for purposes of determining whether an acquisition adjustment should be booked, all in accordance with applicable GAAP and NARUC accounting guidance.

38. The Commission notes that some systems have wholesale providers of drinking water or wastewater treatment services to which Great River pays a wholesale fee. As is typical in these arrangements across the state, the retail utility, in this case, Great River, seeks to include a "pass through" charge on its monthly bill to customers to receive dollar-for-dollar reimbursement for these wholesale costs incurred. Given the frequency in which these wholesale fees change, Great River is directed to initiate in calendar year 2023 a separate Rule 9 docket related to each system subject to a Tier III "pass through" rate so that the Commission and Staff can adequately audit the pass through charges being applied to customers' bills. Great River is directed to provide individual notice to each affected customer at the initiation of each new docket. It is expected that any base rate change to the Tier III rates will be addressed in Great River's FRP Annual Filing and that any changes to the pass through charge will be addressed in the separate rate dockets to be established pursuant to this paragraph.

39. This Commission, having reviewed and considered the 2022 Rate Filing, all customer comments received, the Stipulation, and having heard all of the evidence presented at the hearings and after studying the entire record, finds that there is substantial evidence in the record to adopt in full and without modification the Stipulation on file in this Docket. The Commission finds that the stipulated rate schedules, service rules, service charges, service extension policy and

FRP contained in Great River's stipulated tariff attached as Exhibit 4 to the Stipulation are just and reasonable and in the public interest. Great River is hereby approved to begin charging the rate approved herein beginning with the first billing period in April 2023 and to continue charging such rates until later revised by subsequent order of this Commission pursuant to Mississippi law and the Rules.

40. In response to comments received from members of the public, the Commission hereby directs Great River, following the issuance of this Order and prior to submittal of monthly bills contemplated herein, to notify any and all existing customers whose bills will be immediately impacted by the issuance of this Order.

41. Upon mailing the aforementioned notification to affected customers, Great River shall certify its adherence to the customer notification requirement in this Order, in the form of a compliance filing to be filed in this Docket.

42. This Recommended Order is issued in accordance with and subject to the minimum statutory time limits established by the provisions of Section 77-3-40 of the *Mississippi Code of 1972, as amended*. This Recommended Order shall become the Final Order of the Commission consistent with applicable provisions of the Mississippi Public Utility Act.

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This Final Order shall be deemed issued on the day it is served upon the parties herein by the Executive Secretary of this Commission who shall note the service date in the file of this Docket.

SO ORDERED by this Commission on this the 14th day of April 2023.

MISSISSIPPI PUBLIC SERVICE COMMISSION



C. Ross Hammons, Hearing Examiner

ATTEST: A True Copy



Katherine Collier,
Executive Secretary

Effective this the 14th day of April 2023.





BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

GREAT RIVER UTILITY
OPERATING COMPANY, LLC
SC-123-2515-00

DOCKET NO. 2022-UN-87

**IN RE: NOTICE OF INTENT TO ESTABLISH STATE-WIDE RATES FOR
WASTEWATER DISPOSAL SERVICE IN ITS CERTIFICATED AREAS
IN MISSISSIPPI**

STIPULATION

This Stipulation is being submitted by Great River Utility Operating Company, LLC (“Great River”) pursuant to Section 77-3-39 of the *Mississippi Code of 1972, as amended* and RP 13 of the Mississippi Public Service Commission’s (“Commission”) Public Utilities Rules of Practice and Procedure (“Rules”) for the express purpose of limiting the issues for hearing to those not disposed of by admissions or stipulations of the parties. This Stipulation is the result of the filings and supporting documentation submitted by Great River in this Docket as well the discussions and information exchanged between the parties through data requests and at the pre-hearing conference. Any party to the docket wishing to join this Stipulation and fully agree with all of the terms and conditions herein is invited to file a Joinder Agreement, the form of which is attached as Exhibit “1” hereto, with the Executive Secretary of the Commission in Docket No. 2022-UN-87.

It is hereby stipulated by Great River as follows:

BACKGROUND

1. On or about July 25, 2022, Great River submitted its Notice of Intent to Change Rates (“2022 Rate Filing”) in this docket seeking, *inter alia*, approval from the Commission of a state-wide rate for sewer service for wastewater systems located throughout the State of

Mississippi that were acquired by Great River in accordance with the authority granted in Docket Nos. 2020-UA-144 and 2021-UA-158. A table listing the systems authorized for acquisition in Docket Nos. 2020-UA-144 and 2021-UA-158 is attached as Exhibit “2” hereto and incorporated herein by reference. Since the Company’s 2022 Rate Filing, the Commission has authorized Great River to acquire additional systems; customers of those systems acquired after July 25, 2022 (i.e. not listed in Exhibit “2”) will not be immediately impacted by this rate proceeding. Instead, newly acquired systems would be subject to future annual filings to be made under the Company’s stipulated Formula Rate Plan beginning in 2024.

2. With each system acquisition, Great River committed to make the necessary investment and improvements to stabilize the systems and bring their operation into compliance with applicable federal and state regulations. Great River continues to conduct these crucial early repairs and refurbishments and has provided periodic status reports to the Commission and Mississippi Public Utilities Staff (“Staff”) in Docket Nos. 2021-AD-115 and 2021-AD-116 as required by the various sale and transfer orders issued by the Commission.

3. In each acquisition case, Great River indicated its overall intent to operate each newly acquired system through an initial stabilization period after which Great River would file a notice of intent to establish state-wide rates, charges and service rules for all of its systems. This docket was initiated for that purpose. A summary of the approvals sought from the Commission in this docket are as follows:

- a. Approval of the proposed state-wide revenue requirement;
- b. Approval of the Company’s proposed state-wide tariff, including proposed changes to its rate schedules, service rules, service charges and main extension policy; and
- c. Approval of the proposed Formula Rate Plan.

RATE MITIGATION PLAN

4. A comparison between the current rates for each system as well as the rate proposed to apply to each was presented in Exhibit MD-2.2, a copy of which is attached as Exhibit “3” hereto and incorporated herein by reference. As Mike Duncan explained in his pre-filed direct testimony “[t]he change in rates between existing rates and Great River’s proposed rates for the vast majority of the systems acquired by Great River is a result of a combination of the inadequacy of the existing rates and the necessity of new capital investment.”¹ Great River specifically acknowledged that this dynamic results in large percent increases when comparing the proposed rates with current Commission-approved rates for some of the systems acquired. On behalf of Great River, Mr. Duncan expressed a willingness to address this issue by developing a rate mitigation for the Commission and Staff’s consideration:

Q. DO YOU HAVE THOUGHTS ON HOW TO ADDRESS RATE SHOCK IN THE EVENT THAT THE COMMISSION HAS SUCH CONCERNS?

A. Yes. Concerns about rate shock may be reasonable as the increase in rates to customers in some areas may be significant depending on the revenue requirement and rate design ordered by the Commission. Deferring portions of the cost of service into a regulatory asset for recovery in later periods would allow an extended period of time for certain customers to adjust to increased rates while still allowing Great River to recover its total cost of service. Deferring costs to future periods would require Great River to assume additional risk. Therefore, final deferred rates for customers would be marginally greater due to required recovery of the regulatory assets that would be created by the deferral. However, a deferral mechanism would allow for rate increases to be implemented in a more gradual manner that would mitigate some of the rate shock that occurs when rate adjustments are implemented for customers whose rate were not regularly increased over time to reflect increased costs of service.²

5. Throughout the discovery process, Great River was asked to propose a specific rate mitigation plan and the detailed financial data and information in support.³ All public data request

¹ Mike Duncan Direct Testimony, p. 10

² Mike Duncan Direct Testimony, p. 11.

³ See Great River’s initial and supplemental responses to MPSC 1-39.

responses were made available to all parties of records as well as the consultants hired by both the Commission and Staff. Form nondisclosure agreements were presented to all parties to gain access to any confidential responses, to which one party executed. Finally, Great River presented a summary and explanation of the rate mitigation plan at the consolidated pre-hearing conference held on January 12, 2023, during which a robust discussion ensued concerning several issues and topics of this case.

6. Great River's stipulated rate mitigation plan reflecting the discussion from the pre-hearing conference consists of four separate measures:

a. A System Acquisition Regulatory Asset ("SARA") designed to permit Great River to continue its practice of adopting the billing rates of the acquired utility and keeping those rates in place until the next rate adjustment provided for in the annual FRP process.⁴ SARA will avoid the upfront rate shock that might otherwise occur on the date of acquisition, and will also provide Great River the initial time needed to make initial system repairs and improve customer service before adjusting rates to reflect the current cost of service. From the date of acquisition until approval of Great River's next FRP annual filing, Great River shall defer into a regulatory asset the actual monthly net operating loss incurred for each newly acquired system. This deferral shall exclude any lost profits or return of or on capital. Each SARA deferral will be accounted for separately for ease of audit by the Commission and Staff. The approved SARA will be amortized for ratemaking purposes over a seven (7) year period with: (1) the unamortized portion included in the rate base; and (2) the amortized amount included as amortization of regulatory asset.

⁴ Great River will continue to request temporary rates to apply during the SARA rate period for those systems that are acquired without an existing Commission-approved rate. The temporary rates previously approved by the Commission for this purposes is equal to a monthly flat rate for water service of \$15.00 per month and \$27.00 per month for sewer service.

b. A Rate Mitigation Regulatory Asset (“RMRA”) designed to provide a glide path to customer rate adjustments between the billing rates of the acquired utility and the then applicable Commission-approved state-wide rate for Great River’s existing customers. For the first year a newly acquired utility system is charged rates under Great River’s approved Tariff (i.e. not rates from previous system owner), a RMRA regulatory asset shall be accrued for the purpose of deferring a percentage of annual general and administrative expense and operation and maintenance expense. For newly acquired water systems the deferral percentage shall be fifteen percent (16.5%); for newly acquired sewer systems the deferral percentage shall be thirty-one percent (32%). The RMRA deferral shall be limited to one (1) year per utility system. Each RMRA deferral will be accounted for separately for ease of audit by the Commission and Staff. The approved RMRA will be amortized for ratemaking purposes over a seven (7) year period with: (1) the unamortized portion included in the Rate Base; and (2) the amortized amount included as Amortization of Regulatory Asset.

c. A Formula Rate Plan (“FRP”) designed to create a level of predictability that will help ensure continued access to the capital necessary to complete capital improvement on currently owned systems as well as fund the continued acquisition of more distressed sewer and water systems throughout Mississippi. On or before February 28th of each year, Great River shall file a report with the Commission containing a calculation of the Company's revenue requirement and Actual Return on Rate Base based for the twelve (12) months ending December 31 of the previous year. Consistent with other FRPs already in operation in Mississippi, should the FRP Annual Report indicate a revenue and rate adjustment is needed, interim rates, subject to refund, would take effect April 1st and Permanent Rates, plus any necessary surcharge or refund, would take effect following Commission approval. Similar to other approved FRPs, rate adjustments are

determined by comparing actual results against a fixed Return on Rate Base “band” derived from the stipulated Return on Rate Base. Great River stipulates to a review of the cost of capital provisions of the FRP following the third year of operation (i.e. following the conclusion of the FRP Annual Filing for 2026).

d. A fixed, three-year Return on Rate Base equal to 8.95% that will provide a predictable and stable cost of capital while Great River completes its acquisition strategy in Mississippi. Great Rivers stipulates to a re-evaluation of the stipulated Return on Rate Base following the conclusion of the FRP Annual Filing for 2026.

7. The suite of rate mitigation measures described above combine to provide significant and important rate mitigation to Great River’s current and future customers. The entire rate mitigation plan is effectuated through a Stipulated Sewer Tariff attached as Exhibit “4” hereto and incorporated herein by reference.⁵ The impact to a typical residential customer of the rate mitigation plan is summarized in the table below.

⁵ The stipulated sewer tariff was provided to all parties as a supplemental response to MPUS 3-5 on February 8, 2023.

Great River Rate Case - Summary of Stipulation

	Sewer		
	<u>Filed</u>	<u>Stipulated</u>	<u>Reduction</u>
Rate Base	\$ 12,352,818	\$ 12,352,818	\$ -
Operating Expense	\$ 1,953,248	\$ 1,953,248	\$ -
Rate of Return	10.29%	8.95%	-1.34%
Revenue Requirement	\$ 5,009,591	\$4,789,090	\$ (220,501)
RMRA Deferral %	0.00%	32.00%	32.00%
Mitigated Rate (i.e. RMRA)	<u>Filed</u>	<u>Stipulated</u>	<u>Reduction</u>
Tier I	\$ 37.63	\$ 27.86	\$ (9.77)
Tier II	\$ 53.75	\$ 39.80	\$ (13.95)
Tier III (Pass Thru)	\$ 28.69	\$ 22.27	\$ (6.42)
General	<u>Filed</u>	<u>Stipulated</u>	<u>Reduction</u>
Tier I	\$ 37.63	\$ 35.90	\$ (1.73)
Tier II	\$ 53.75	\$ 51.29	\$ (2.46)
Tier III (Pass Thru)	\$ 28.69	\$ 28.69	\$ -

STIPULATED ITEMS

8. In addition to the rate mitigation plan, the following issues were discussed and stipulated to at the pre-hearing conference:

a. The Staff reported that its consultant, after completing its through review of Great River’s filing, no adjustments to rate base or expense is warranted;

b. Great River stipulated to revise the FRP to provide the Staff a total of eighty (80) days to review the Company’s FRP Annual Filing;

c. Great River stipulated to revise the FRP to provide for interim rates, subject to refund, and permanent rates following Commission approval incorporating any necessary calendar-year surcharge or refund;

d. Great River stipulated to supplement the list of filing requirements in the FRP;

e. Great River stipulated to amendments to Great River’s Schedule of Service

Charges and Fees to remove certain bank and credit card fees and including such costs in Great River's annual cost of service; and

f. Great River stipulated to various amendments to Great River's Service Rules and Regulations to improve the customer's ability to understand and comply therewith.

9. All of the above stipulations are incorporated into the Stipulated Sewer Tariff attached as Exhibit "4" hereto and incorporated herein by reference.

MISCELLANEOUS PROVISIONS

10. Great River agrees that the Commission has jurisdiction over the subject matter in this proceeding.

11. Great River submits that there is substantial evidence to support each and every stipulation made herein and to approve Great River's filing in this docket, as modified by this Stipulation.

12. Except as previously stated, the stipulations made herein are for the purpose of this proceeding only and shall not apply to or be used as precedent in any other proceeding of Great River or any other utility.

13. This Stipulation is expressly conditioned upon acceptance by the Commission of all of its provisions, without modification, and incorporation of this Stipulation into the final order rendered in this proceeding; this Stipulation is interdependent, non-separable and that if the Commission does not accept this Stipulation in its entirety, Great River is not bound by any of its provisions. For the avoidance of doubt, Great River specifically reserves its right to withdraw and nullify this Stipulation and revert to its original 2022 Rate Filing in the event the Stipulation is not adopted by the Commission in full and without modification. In such an event, this Stipulation or the provisions herein shall not act as a waiver of or grounds of estoppel against any remedies

available to Great River under the law.

14. Great River submits that the changes proposed in this Stipulation are just and reasonable and in the best interest of customers, Great River and the general public.

15. This Stipulation may be executed in one or more counterparts, including by the execution of a Joinder Agreement in substantially similar form as attached as Exhibit "1" hereto. Facsimile or electronic signatures shall be effective as original signatures of this Stipulation.

SO STIPULATED, this the 23rd day of February, 2023.

GREAT RIVER UTILITY OPERATING
COMPANY, LLC

BY: BALCH & BINGHAM LLP

BY: 
LEO E. MANUEL

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

GREAT RIVER UTILITY
OPERATING COMPANY, LLC
SC-123-2515-00

DOCKET NO. 2022-UN-87

**IN RE: NOTICE OF INTENT TO ESTABLISH STATE-WIDE RATES FOR
WASTEWATER DISPOSAL SERVICE IN ITS CERTIFICATED AREAS
IN MISSISSIPPI**

JOINDER

COMES NOW _____,

a party intervener in this proceeding, and files this Joinder to the Stipulation filed by Great River Utility Operating Company, LLC on February 23, 20223 ("Stipulation"), in the above referenced docket.

We have reviewed the Stipulation, we agree with the terms and conditions set forth in the Stipulation, and hereby adopt the Stipulation without modification and join as a stipulating party for all purposes described therein.

Please accept this pleading as a formal joinder to the filed Stipulation in this case. We respectfully request that the Commission approve the Stipulation as filed herein.

RESPECTFULLY SUBMITTED, this the ____ day of _____,
2023.

BY: _____

CERTIFICATE OF SERVICE

I, _____, or my legal counsel on my behalf, have with respect to the above and foregoing filing with the Mississippi Public Service Commission on even date herewith, in compliance with Rule 6.112 of the Mississippi Public Service Commission's Public Utilities Rules of Practice and Procedure, served:

- (1) An electronic copy of the filing has filed with the Commission via e-mail to the following address:

efile.psc@psc.state.ms.us

- (2) An electronic copy of the filing has been mailed via e-mail to all parties of record to the following addresses:

emily.kruger@mpus.ms.gov

Savannah.a.m.black@gmail.com

lanedosset@gmail.com

blythe_dorn@yahoo.com

This the ____ day of _____, 2023.

BY: _____

LIST OF SYSTEMS SEWER SYSTEMS SUBJECT TO SSM-1

Facility Name	PSC District	County	Tier
Ist Addition	#1	Lamar	2
Avalon Subdivision	#3	Lowndes	2
Beersheba Hills Subdivision	#3	Lowndes	2
Belmor Lakes & Browning Preserve Subdivision	#3	DeSoto	2
Black Creek	#2	Forrest	2
Blue Lake Springs Subdivision	#3	DeSoto	2
Brookwood Place Subdivision	#1	Warren	2
Business Park	#2	Lamar	3
Camden Place Subdivision	#1	Warren	1
Carter's Plantation Subdivision	#3	DeSoto	2
Cedar Creek Development	#2	Adams	2
Cedarview Subdivision	#3	Lowndes	2
Centerhill Downs Subdivision	#3	DeSoto	2
College Hills Subdivision	#3	DeSoto	2
Cypress Creek Subdivision	#3	DeSoto	2
Doyle Subdivision	#3	Lowndes	2
Edgewood & Logan Lee Loop Subdivision	#3	Lafayette	2
Evening Shade Subdivision	#3	DeSoto	2
Fairways Subdivision	#1	Warren	2
First Colony Subdivision	#3	Lowndes	2
Forest Cove Subdivision	#1	Warren	2
Forrest Hills Subdivision	#1	Lamar	2
Grand Oaks Subdivision	#3	Oktibbeha	2
The Grove Subdivision	#1	Warren	1
High Forest Subdivision	#3	Lee	1
The Highlands Subdivision	#3	Tate	2
Hillcrest Subdivision	#3	Lowndes	2
Hughes Estates Subdivision	#3	Lowndes	2
Kerry Estates - New Hope Garden Apartments	#3	Lowndes	2
King Farms Subdivision	#1	Lauderdale	1
LaBelle Estates Subdivision	#3	Lowndes	2

Facility Name	PSC District	County	Tier
Lakeover Subdivision	#3	Lowndes	2
Lakes of Oxford	#3	Lafayette	2
Lealand Pointe Subdivision	#1	Warren	1
Montgomery Quarter	#3	Oktibbeha	2
New Hope Park System	#3	Lowndes	2
Oakdale Park Subdivision	#3	Lowndes	2
Oakland Water Works	#2	Adams	3
Openwood Plantation	#1	Warren	2
Pecan Village Subdivision	#1	Warren	1
Pine Woods MHP	#1	Warren	2
Reese Creek Lagoon	#2	Forrest	2
Ridge Park, Wakeland Hills and Wildwood Subdivisions	#1	Hinds	2
Ridgeland Subdivision	#3	Ridgeland	2
Ring Road Subdivision	#1	Warren	1
Roanoke Estates Subdivision	#3	Lowndes	2
Shelby Place of Oxford	#3	Lafayette	2
Sherwood Forest Subdivision	#3	Lowndes	2
Silver Leaf Development	#1	Warren	1
Sweet Water	#3	Lee	2
TangleRidge Village	#3	Lafayette	2
Taylor Greene Subdivision	#3	Lafayette	2
Thornton Estates Subdivision	#3	Lowndes	2
The Trace Subdivision	#1	Warren	1
Trace Subdivision Number 4	#1	Lamar	2
Turkey Creek	#3	DeSoto	2
Twelve Oaks Estates Subdivision	#3	Lafayette	2
Wellsgate	#3	Lafayette	2
Westover West Subdivision	#2	Lamar	2
Windridge Subdivision	#2	Lamar	2
Woodall Mountain Estates	#3	Tishomingo	1

Great River Utility Operating Company, LLC
 2022-UN-____
Comparison of Present, Proposed and Recommended Rates/Bills
Wastewater Systems

Subdivision	Tier	Present Rate/Bill	Proposed Rate/Bill	Proposed \$ Increase	Proposed % Increase
King Farms	Tier I	\$20.00	\$37.63	\$17.63	88%
Culkin - The Grove	Tier I	\$18.00	\$37.63	\$19.63	109%
Ring Road & Silver Leaf	Tier I	\$15.00	\$37.63	\$22.63	151%
Enviroserve - The Trace	Tier I	\$27.00	\$37.63	\$10.63	39%
Affordable Homes - Lealand Point	Tier I	\$27.00	\$37.63	\$10.63	39%
Pecan Village	Tier I	\$27.00	\$37.63	\$10.63	39%
Ironwood - Camden Place	Tier I	\$27.00	\$37.63	\$10.63	39%
Woodall Mountain	Tier I	\$12.50	\$37.63	\$25.13	201%
Bea-Dor - High Forest	Tier I	\$12.00	\$37.63	\$25.63	214%
Pecan Lakes - Reece Creek - Commercial*	Tier II	\$45.00	\$53.75	\$8.75	19%
Pecan Lakes - Reece Creek - Residential	Tier II	\$15.00	\$53.75	\$38.75	258%
Delta Rain - Highlands	Tier II	\$15.00	\$53.75	\$38.75	258%
Delta Rain Wellsgate	Tier II	\$12.00	\$53.75	\$41.75	348%
Culkin - Brookwood - Residential	Tier II	\$18.00	\$53.75	\$35.75	199%
Culkin - Brookwood - Commercial*	Tier II	\$20.00	\$53.75	\$33.75	169%
Belmore Lakes	Tier II	\$25.00	\$53.75	\$28.75	115%
Westover West - Commercial*	Tier II	\$62.50	\$53.75	(\$8.75)	-14%
Westover West - Residential	Tier II	\$20.10	\$53.75	\$33.65	167%
Wallace & Center Hill Downs	Tier II	\$27.00	\$53.75	\$26.75	99%
Red River - Ridge Park, Wakeland Hills, & Wildwood	Tier II	\$16.00	\$53.75	\$37.75	236%
Forrest Hill	Tier II	\$15.00	\$53.75	\$38.75	258%
H&B - Fairways - Residential	Tier II	\$15.00	\$53.75	\$38.75	258%
H&B - Fairways - Commercial*	Tier II	\$15.00	\$53.75	\$38.75	258%
Cedar Creek - Residential	Tier II	\$27.00	\$53.75	\$26.75	99%
Cedar Creek - Commercial*	Tier II	\$27.00	\$53.75	\$26.75	99%
Pine Woods	Tier II	\$27.00	\$53.75	\$26.75	99%
Robertson - Edgewood	Tier II	\$27.25	\$53.75	\$26.50	97%
Robertson - Lakes of Oxford	Tier II	\$31.00	\$53.75	\$22.75	73%
Robertson - Shelby	Tier II	\$29.25	\$53.75	\$24.50	84%
Robertson - Taylor Greene	Tier II	\$16.25	\$53.75	\$37.50	231%
S2 - Trace	Tier II	\$15.00	\$53.75	\$38.75	258%
Twelve Oaks	Tier II	\$14.00	\$53.75	\$39.75	284%
Utility One - Black Creek	Tier II	\$37.65	\$53.75	\$16.10	43%
Utility One - T&J	Tier II	\$16.24	\$53.75	\$37.51	231%
Utility One - Quality	Tier II	\$27.00	\$53.75	\$26.75	99%
DeSoto - Blue Lake Springs	Tier II	\$27.00	\$53.75	\$26.75	99%
Western - Windridge	Tier II	\$16.00	\$53.75	\$37.75	236%
Starling - Sweet Water	Tier II	\$15.00	\$53.75	\$38.75	258%
Wilco - All but Avalon	Tier II	\$24.10	\$53.75	\$29.65	123%
Wilco - Avalon	Tier II	\$27.00	\$53.75	\$26.75	99%
Montgomery Quarters	Tier II	\$15.00	\$53.75	\$38.75	258%
Oakland	Tier III	\$29.25	\$43.34	\$14.09	48%
Oakland - Commercial*	Tier III	\$29.25	\$43.34	\$14.09	48%
S2 Business Park	Tier III	\$27.00	\$28.69	\$1.69	6%
S2 Business Park - Commercial*	Tier III	\$27.00	\$28.69	\$1.69	6%

*Proposed Commercial Rates are based on Equivalent Residential Unit (ERU) and are subject to facility type

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Dec 14 2023

TARIFF OF Great River Utility Operating Company, LLC			
CONSISTING OF SCHEDULE OF MONTHLY RATES, SERVICE CHARGES, SERVICE RULES AND REGULATIONS, SERVICE EXTENSION POLICY, AND FORMULA RATE PLAN FOR SEWER SERVICE			
APPLYING TO CERTIFICATED SERVICE AREA OF GREAT RIVER UTILITY OPERATING COMPANY, LLC			
NO MODIFICATION OF THESE SCHEDULES SHALL BE MADE EXCEPT FOR THE PURPOSE OF CANCELING OR SUPERSEDING PREVIOUSLY ISSUED SCHEDULES			
Issued By:	Josiah Cox	President	
	(Name)	(Title)	
1630 Des Peres Rd., Suite 140	St. Louis,	Missouri	63131
(Street or Box Number)	(City)	(State)	
STATE OF MISSISSIPPI PUBLIC SERVICE COMMISSION			



Mississippi Public Service Commission	
Utility Service - Sewer	
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Dec 14 2023

PREFACE

The following Tariff governing sewer service is published as a convenient source of answers to basic questions asked by Customers or Applicant of Great River Utility Operating Company, LLC ("Great River"). This Tariff is established to provide uniform standards and policies for the rendering of sewer service and to the extent applicable by their provisions, to prescribe terms and conditions for all sewer service rendered or to be rendered by Great River. To the extent there is a conflict between the terms of this Tariff (or any contract with a Customer entered pursuant to this Tariff) and the Commission's Service Rules, Procedural Rules or Orders, the terms of the Commission's Service Rules, Procedural Rules and Orders shall control. This Tariff is on file with the Mississippi Public Service Commission. Failure of Great River to insist on any one or more occasions upon the strict compliance with this Tariff governing sewer utility service shall not constitute a permanent waiver or modification of the Tariff, but Great River at any time may insist upon strict compliance herewith regardless of any previous waivers or Customer's reliance thereon.

Copies of this Tariff are available at the Mississippi Public Service Commission in Jackson, Mississippi and at the following website:

<https://www.centralstateswaterresources.com/great-river/great-river-community-tariff-information/>

as well as at the offices of Great River:

Main Administrative Office:
1630 Des Peres Rd., Suite 140
St. Louis, MO 63131

Customers may contact Great River 24 hours per day, 7 days a week for any issues regarding billing, new service, reconnection of existing service, disconnection of existing service, maintenance issues and emergency issues at 855-801-8440 or by sending an email to support@greatriveruoc.com. Customers may also contact Great River via U.S. Mail at Great River Utility Operating Company, 1630 Des Peres Rd., Suite 140, St. Louis, MO 63131.



Mississippi Public Service Commission	
Utility Service - Sewer	
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INDEX OF SCHEDULES

Schedule No.	Rate Symbol	Schedule Type	Class of Service	Service Type
1	LOS-1	Sewer Service – List of Systems	All	Sewer
2	SSG-1	Sewer Service - General	All	Sewer
3	SSM-1	Sewer Service – Mitigated	All	Sewer
4	SSCF-1	Sewer Service Charges and Fees	All	Sewer
5	SSR-1	Sewer Service Rules and Regulations	All	Sewer
6	SSEP-1	Sewer Service Extension Policy	All	Sewer
7	FRP-1	Formula Rate Plan	All	Sewer

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Mississippi Public Service Commission Rate Schedule No. 1		
Sewer Service – List of Systems		LOS-1
Effective Date	Date of Version Superseded	Page
March 1, 2023	Original	1 of 1

LIST OF SYSTEMS

Facility Name	PSC District	County	Tier
1st Addition	#1	Lamar	2
Avalon Subdivision	#3	Lowndes	2
Beersheba Hills Subdivision	#3	Lowndes	2
Belmor Lakes & Browning Preserve Subdivision	#3	DeSoto	2
Black Creek	#2	Forrest	2
Blue Lake Springs Subdivision	#3	DeSoto	2
Brookwood Place Subdivision	#1	Warren	2
Business Park	#2	Lamar	3
Camden Place Subdivision	#1	Warren	1
Carter's Plantation Subdivision	#3	DeSoto	2
Cedar Creek Development	#2	Adams	2
Cedarview Subdivision	#3	Lowndes	2
Centerhill Downs Subdivision	#3	DeSoto	2
College Hills Subdivision	#3	DeSoto	2
Cypress Creek Subdivision	#3	DeSoto	2
Doyle Subdivision	#3	Lowndes	2
Edgewood & Logan Lee Loop Subdivision	#3	Lafayette	2
Evening Shade Subdivision	#3	DeSoto	2
Fairways Subdivision	#1	Warren	2
First Colony Subdivision	#3	Lowndes	2
Forest Cove Subdivision	#1	Warren	2
Forrest Hills Subdivision	#1	Lamar	2
Grand Oaks Subdivision	#3	Oktibbeha	2
The Grove Subdivision	#1	Warren	1
High Forest Subdivision	#3	Lee	1
The Highlands Subdivision	#3	Tate	2
Hillcrest Subdivision	#3	Lowndes	2
Hughes Estates Subdivision	#3	Lowndes	2
Kerry Estates - New Hope Garden Apartments	#3	Lowndes	2
King Farms Subdivision	#1	Lauderdale	1
LaBelle Estates Subdivision	#3	Lowndes	2

Facility Name	PSC District	County	Tier
Lakeover Subdivision	#3	Lowndes	2
Lakes of Oxford	#3	Lafayette	2
Lealand Pointe Subdivision	#1	Warren	1
Montgomery Quarter	#3	Oktibbeha	2
New Hope Park System	#3	Lowndes	2
Oakdale Park Subdivision	#3	Lowndes	2
Oakland Water Works	#2	Adams	3
Openwood Plantation	#1	Warren	2
Pecan Village Subdivision	#1	Warren	1
Pine Woods MHP	#1	Warren	2
Reese Creek Lagoon	#2	Forrest	2
Ridge Park, Wakeland Hills and Wildwood Subdivisions	#1	Hinds	2
Ridgeland Subdivision	#3	Ridgeland	2
Ring Road Subdivision	#1	Warren	1
Roanoke Estates Subdivision	#3	Lowndes	2
Shelby Place of Oxford	#3	Lafayette	2
Sherwood Forest Subdivision	#3	Lowndes	2
Silver Leaf Development	#1	Warren	1
Sweet Water	#3	Lee	2
TangleRidge Village	#3	Lafayette	2
Taylor Greene Subdivision	#3	Lafayette	2
Thornton Estates Subdivision	#3	Lowndes	2
The Trace Subdivision	#1	Warren	1
Trace Subdivision Number 4	#1	Lamar	2
Turkey Creek	#3	DeSoto	2
Twelve Oaks Estates Subdivision	#3	Lafayette	2
Wellsgate	#3	Lafayette	2
Westover West Subdivision	#2	Lamar	2
Windridge Subdivision	#2	Lamar	2
Woodall Mountain Estates	#3	Tishomingo	1

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Mississippi Public Service Commission Rate Schedule No. 2		
Sewer Service – General		SSG-1
Effective Date	Date of Version Superseded	Page
March 1, 2023	Original	1 of 2

APPLICABILITY

This rate schedule applies to all customer systems identified in the Table of Systems contained in Great River’s Sewer Tariff that have received sewer service from Great River under Rate Schedule SSM-1 for a period of at least twelve (12) months.

AVAILABILITY

Sewer Service is available under this rate schedule on a uniform basis within Great River’s certificated service area subject to the Service Charges, Service Rules and Regulations and the Service Extension Policy. Service is for the exclusive use of the Customer and shall not be resold or shared with others.

MONTHLY RATE FOR SERVICE

Monthly rates for service have been designed into three separate customer tiers to reflect differences in the type of service provided by the Company across Mississippi. The monthly rate tiers below reflect differences in costs inherent in providing service to customers in each tier.¹

MONTHLY RATES – TIER I

Tier I rates apply to communities served by single-cell or multi-cell lagoons without mechanical aeration.

Flat Monthly Sewer Charge per Equivalent Residential Unit (ERU): **\$35.90**

MONTHLY RATES – TIER II

Tier II rates apply to communities where the Company uses mechanical components to treat wastewater at Company-owned facilities.

Flat Monthly Sewer Charge per Equivalent Residential Unit (ERU): **\$51.29**

¹ For Commercial sewer customers, each Customer places different demands on the system depending on the size and use of the facility connected to the system. Great River has assigned an Equivalent Residential Unit (ERU) to each Commercial sewer Customer based on the demand commonly placed on sewer facilities by each Customer when compared to the average Residential Customer.



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MONTHLY RATES – TIER III

Tier III rates apply to communities where the Company relies on a third-party for the treatment of wastewater.

Flat Monthly Sewer Charge per Equivalent Residential Unit (ERU): **\$28.69**

Pass Through Monthly Charge:²

Oakland Sewer Service: **\$14.65**

S2 – Business Park **\$0.00**

ADDITIONAL RATE ADJUSTMENTS

The monthly rates for sewer service are subject to adjustment annually through Great River’s Commission-approved Formula Rate Plan, Rider FRP. Great River reserves the right to apply to this rate any applicable proportionate part of any tax or assessment imposed or levied by any governmental authority in addition to the base monthly charges set forth above.

² The Pass Through Monthly Charge is subject to an annual true up by the Commission.



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APPLICABILITY

Rate Schedule SSM is a temporary rate designed to mitigate the rate impact to customers that may otherwise be experienced following system acquisition by Great River. This rate schedule applies to all customer systems identified in the Table of Systems contained in Great River’s Sewer Tariff that were receiving sewer service from Great River pursuant to rates that were adopted by Great River following Great River’s initial acquisition of the system or temporary rates established for Great River following initial acquisition at any time in the calendar year preceding the year the Company makes an Annual FRP Filing under Rider FRP. Rate Schedule SSM shall apply for the regulatory year following approval of the first Annual FRP filing made after the system’s acquisition. Following approval of the second FRP filing made after the system’s acquisition, such system’s customers shall be served under Great River’s Rate Schedule SSG.

AVAILABILITY

Sewer Service is available under this Rate Schedule on a uniform basis within Great River’s certificated service area subject to the Service Rules and Regulations and the Service Extension Policy. Service is for the exclusive use of the Customer and shall not be resold or shared with others.

MONTHLY RATE FOR SERVICE

Monthly rates for service have been designed into three separate customer tiers to reflect differences in the type of service provided by the Company across Mississippi. The monthly rate tiers below reflect differences in costs inherent in providing service to customers in each tier.³

MONTHLY RATES – TIER I

Tier I rates apply to communities served by single-cell or multi-cell lagoons without mechanical aeration.

Flat Monthly Sewer Charge per Equivalent Residential Unit (ERU): **\$27.86**

MONTHLY RATES – TIER II

Tier II rates apply to communities where the Company uses mechanical components to treat wastewater at Company-owned facilities.

Flat Monthly Sewer Charge per Equivalent Residential Unit (ERU): **\$39.80**

³ For Commercial sewer customers, each Customer places different demands on the system depending on the size and use of the facility connected to the system. Great River has assigned an Equivalent Residential Unit (ERU) to each Commercial sewer Customer based on the demand commonly placed on sewer facilities by each Customer when compared to the average Residential Customer.

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MONTHLY RATES – TIER III

Tier III rates apply to communities where the Company relies on a third-party for the treatment of wastewater.⁴

Flat Monthly Sewer Charge per Equivalent Residential Unit (ERU): **\$22.27**

Pass Through Monthly Charge:⁵

Oakland Sewer Service **\$14.65**

S2 – Business Park **\$0.00**

ADDITIONAL RATE ADJUSTMENTS

The monthly rates for sewer service are subject to adjustment annually through Great River’s Commission-approved Formula Rate Plan Rider FRP. Great River reserves the right to apply to this rate any applicable proportionate part of any tax or assessment imposed or levied by any governmental authority in addition to the base monthly charges set forth above.

⁴ For Commercial sewer customers, each Customer places different demands on the system depending on the size and use of the facility connected to the system. Great River has assigned an Equivalent Residential Unit (ERU) to each Commercial sewer Customer based on the demand commonly placed on sewer facilities by each Customer when compared to the average Residential Customer.

⁵ The Pass Through Monthly Charge is subject to an annual true up by the Commission.



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SCHEDULE OF SERVICE CHARGES AND FEES

1. **Connection (tap) Fee:** In those situations in which a Customer elects, at Customer's option, to have the Company connect the Customer Service Sewer to the Collecting Sewer then a service Connection Fee of \$650.00 will be required of each Customer. Payment of this fee shall be in advance of any installation or construction work by the utility and will include the cost of making actual connection of the Service Sewer to the Collecting Sewer. This fee will be collected only once for a given service location. Notwithstanding the foregoing, a separate Connection Fee shall be required if a Customer requires an additional connection for the purposes of adding a secondary Service Sewer, such as for an outbuilding. Company will book all or a portion of each Connection Fee received as a contribution in aid of construction when consistent with applicable accounting guidance.
2. **Inspection Fee:** In the event that the Customer elects, at Customer's option, to hire a plumber to connect the Service Sewer to the Collecting Sewer, then the Customer shall not pay a Connection Fee, but instead shall pay an initial \$250.00 Inspection Fee to the Company to determine that the connection has been made consistent with these rules. A \$50.00 follow-up Inspection Fee will be billed and paid in advance by Customer for each visit until installation is approved by Company. Notwithstanding the foregoing, a separate Inspection Fee shall be required if a Customer requires an additional connection for the purposes of adding a secondary Service Sewer, such as for an outbuilding and hires a plumber for that connection.
3. **Disconnection Fee:** If Customer's Service Sewer is: (i) indirectly disconnected, pursuant to an arrangement with the Customer's water utility whereby water service is turned off, then the Customer shall be charged a disconnection fee consistent with the actual cost contained in the Company's arrangement with the water utility in question; or (ii) physically disconnected through the excavation and disconnection of the Customer's Service Sewer, then the Customer shall be charged based upon the actual cost of excavating and physically disconnecting the Service Sewer.
4. **Reconnection Fee:** If Customer's Service Sewer: (i) has been indirectly disconnected, pursuant to an arrangement with the Customer's water utility whereby water service is turned off, then the Customer shall be charged a reconnection fee consistent with the actual cost contained in the Company's arrangement with the water utility in question; or (ii) has been physically disconnected through the excavation and disconnection of the Customer's Service Sewer, then the Customer shall be charged based upon the actual cost of excavating and physically reconnecting the Service Sewer; or (iii) in the event that a Physical Disconnect on the Service Sewer has been installed and disconnection has been effectuated by turning that Physical Disconnect, then the Customer shall be charged \$35.00 in order to be reconnected. In any of the foregoing scenarios, reconnection requires the payment of all past due bills, Late Payment Charges, the Disconnection Fee as well as any applicable Reconnection Fee.

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5. When ownership or tenancy changes at the Unit the new Applicant for service will be required to pay a \$35.00 administrative Reconnection Fee, which is a non-refundable charge.
6. Returned Check Charge: Any check received in payment of a bill which is returned by the bank will be subject to a \$40.00 additional collection fee.
7. Late Payment Charge: All bills are due and payable 21 days from the billing date following the service. If the bill is not paid by such due date, an \$8.00 charge will be added to the amount due.
8. Itemized Utility Bill: Customers that request the Company to generate a 12-month, itemized bill history will be charged \$10.00.
9. Tampering with Company Property Charge: Customers that tamper with Company property shall be charged \$100.00 for the first offense; subsequent offenses shall be charged \$300.00.
10. Unauthorized Connection Charge: In the event the Company finds that a Customer has an unauthorized Service Sewer connection (meaning a connection has been made to the Collecting Sewer without the Company's knowledge or permission and/or for which a Connection Fee or Inspection Fee, as applicable, has not been paid to the Company), the Customer will be required to pay the original Connection Fee or Inspection Fee, as applicable, and an additional \$100.00 for the unauthorized connection.

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SERVICE RULES AND REGULATIONS

1. **DEFINITIONS:**

An "Applicant" is a person, firm, corporation, association, governmental body, or other entity which has applied for service; two of more Applicants may jointly make one application under the Service Extension Policy.

"B.O.D." denotes Biochemical Oxygen Demand. It is the quantity of oxygen utilized in the biochemical oxidation of waste matter under standard laboratory conditions expressed in milligrams per liter.

"C.O.D." denotes Chemical Oxygen Demand. It is the quantity of oxygen utilized in the chemical oxidation of waste matter under standard laboratory conditions, expressed in milligrams per liter.

A "Collecting Sewer" is a pipeline, including force pipelines, gravity sewers, interceptors, laterals, trunk sewers, manholes, lampholes, and necessary appurtenances, including service Wyes, Saddles and Physical Disconnects, which are owned and maintained by the Company, located on public property or on private easements, and used to transport sewage waste from the Customer's Service Connection to the point of disposal.

"Commercial Service" is non-Residential, non-industrial business enterprise including, without limitation, restaurants, hospitals, schools, day care centers, office buildings, nursing homes, clubs, churches, shopping centers, and public facilities.

The "Commission" means the Mississippi Public Service Commission.

The "Company" means Great River Utility Operating Company, LLC.

A "Customer" means a person, firm, corporation, association, municipality, the State of Mississippi, the United States, any federal or state department, subdivision or agency, and any institution or establishment whatsoever taking service from the Company.

"Discontinuance of Service" is the intentional cessation of the use of sewer service by the Company not requested by the Customer. Such Discontinuance of Service may be accomplished by methods including, but not limited to: (1) physical disconnection of the Service Sewer; (2) turn-off of water service by the water utility at the request of the Company; or (3) through a Physical Disconnect device.

"Domestic Sewage" is sewage, excluding storm and surface water, resulting from normal household activities; and, "Non-Domestic Sewage" is all sewage other than Domestic Sewage including, but not limited to, commercial or industrial wastes. See the provision on Improper or Excess Use.



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“Foundation Drain” is a pipe installed inside or outside the foundation of a structure for the purpose of draining ground or subsurface water away from the foundation.

A “Grinder Pump” is a wastewater conveyance device, owned, maintained, repaired and replaced by the Company, in which waste from water-using household appliances flows into the Customer’s holding Tank, then through the Grinder Pump, where it is ground into a fine slurry, then pumped into the central sewer system.

A “Month” means an interval of approximately thirty (30) calendar days between successive billing dates, except when the calendar month is specified.

“pH” is the relative degree of acidity or alkalinity of water as indicated by the hydrogen ion concentration. pH is indicated on a scale reading from 1-14, with 7.0 being neutral, below 7.0 being acidic, and above 7.0 being alkaline; more technically defined as the logarithm of the reciprocal of the hydrogen ion concentration.

“Physical Disconnect” is a valve, such as an Elder Valve® used to disconnect the Customer’s Service Sewer from the Company’s Connecting Sewer.

“Repairable Parts” are, in the context of a Pressure Collecting Sewers, any pump motor and effluent pump, whether assembled as a unit or as separate components; also a heater, alarm system and check valve components, if installed. This does not include the Tank and gravity Service Sewer piping from the dwelling structure; or pressure Service Sewer piping to the Company’s Collecting Sewer. These “Repairable Parts” are furnished by the Company to the Customer at actual cost, and owned by the Customer, but the Company is responsible for the labor for repair or replacement as needed for normal operations.

“Residential Service” is service provided to residences consisting of one or more rooms, with space for eating, living, sleeping and permanent provision for cooking and sanitation.

A “Returned Check” is a check that is returned to the Company from any bank unpaid for any reason.

A “Saddle” is a fitting that connects the Customer’s Service Sewer to the Collecting Sewer. The Saddle clamps around the Collecting Sewer pipeline into which pipeline is cut, and the Service Sewer is connected to the Saddle thereby connecting to the Collecting Sewer. The installation of a Saddle shall be in conjunction with a Physical Disconnect.

A “Service Connection” is the connection of a Service Sewer to the Company’s Collecting Sewer either at the bell of a Wye branch or the bell of a Saddle place on the barrel of the Collecting Sewer. The installation of a Service Connection shall include the installation of a Physical Disconnect.



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A “Service Sewer” or “Customer’s Service Sewer” is a pipe with appurtenances installed, owned and maintained by the Customer, used to conduct sewage from the Customer’s premises to the Collecting Sewer, excluding service Wyes or Saddles. The Service Sewer is constructed, maintained, and, except for any Grinder Pump, owned by the Customer. The Service Sewer shall include the installation of a Physical Disconnect.

A “Subdivision” is any land in the State of Mississippi which is divided or proposed to be divided into two or more lots or other divisions of land, whether contiguous or not, or uniform in size or not, for the purpose of sale or lease, and includes resubdivision thereof.

A “Tank” is a watertight vessel, owned and maintained by the Customer, which holds wastewater from the Customer’s premises, and in which is installed the Grinder Pump, and includes associated electrical connections. Customer shall be responsible for the construction, replacement and maintenance of the Tank, including any cost associated with pumping sludge out of the Tank.

A “Tee” is a three-way, one-piece, pipe fitting in the shape of the letter “T” that is part of the “Collecting Sewer” pipeline and to which the Customer’s Service Sewer is connected. The installation of a Tee shall include the installation of a Physical Disconnect.

A “Termination of Service” is, contrary to Discontinuance of Service, cessation of service requested by the Customer. Such Termination of Service shall be accomplished by a method verified and recognized by the Company, and may include physical disconnection of the Service Sewer, termination or disconnection of water service by the water utility, or the Company’s observation of non-occupation of the Unit served.

The word “Unit” shall be used herein to define the premises or property of a single wastewater consumer, whether or not that consumer is the Customer. It shall pertain to any building whether multi-tenant or single occupancy, Residential or Commercial, or owned or leased. Each mobile home in a mobile home park and each rental Unit of a multi-tenant rental property shall be considered as separate units for each single family or firm occupying same as a residence or place of business.

A “Wye” or “Wye Branch” or “Y” or “Y Branch” is a three-way, one-piece, pipe fitting in the shape of the letter “Y” that is a part of the Collecting Sewer pipeline, and to which the Customer’s Service Sewer is connected. The installation of a Wye shall include the installation of a Physical Disconnect.

2. GENERAL RULES & REGULATIONS

A. The Company’s Rules and Regulations governing public utility service are set forth in these numbered sheets. The rates applicable to appropriate sewer service or service in particular service areas are set forth in rate schedules and constitute a part of these Rules and Regulations. Following written notice to the customer, the Company may change a



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customer's applicable rate tier in the event there is change in service that disqualifies the customer from its current rate tier and makes the customer eligible for a different rate tier.

- B. The Company reserves the right, subject to approval of the Commission, to prescribe additional Rates, Rules, or Regulations or to alter existing Rates, Rules or Regulations as it may from time to time deem necessary and proper.
- C. After the effective date of these Rules and Regulations, all new facilities, construction contracts, and written agreements shall conform to these Rules and Regulations, as well as the statutes of the State of Mississippi and the Rules and Regulations of the Commission. Pre-existing facilities that do not comply with applicable rules and regulations may remain, provided that their existence does not constitute a service problem or improper use, and reconstruction is not practical.

3. **COMPANY EMPLOYEES AND CUSTOMER REGULATIONS**

- A. Employees or agents of the Company are expressly forbidden to demand or accept in person any compensation for any services rendered to its Customers, except as provided in the Company's Service Rules and Regulations.
- B. No employees or agents of the Company shall have the right or authority to bind the Company by any promise, agreement or representation except as permitted in the terms, conditions and rates of these Service Rules and Regulations.

4. **APPLICATION FOR SERVICE**

- A. Service rendered by Company shall be subject to the provisions of this Tariff and the lawfully applicable rate schedules on file with the Commission, and the supply and taking of such service shall, for the purposes of this Tariff, constitute an Application for Service if no written agreement for service or application for service has been executed. Applicants for sewer service may be required to make such application in writing via the Company's website www.centralstateswaterresources.com/great-river/ (or through other means acceptable to the Company in its sole discretion) on forms supplied by the Company and shall state fully and truthfully the uses to which the sewer service is to be supplied. When such form is signed by the Customer and accepted in writing by Company, it becomes binding and is termed an agreement for service. Should such agreement be lost or destroyed, the form shall be presumed conclusively to be standard. If an application for service is not signed by Customer, the rendering of service by Company and the accepting of such service by Customer shall impose the same obligation on each as if it had been executed.



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- B. A prospective Customer shall, upon request of the Company, present in writing to the Company a list of devices that will discharge to the Collecting Sewers, the amount and specifications of any discharge, and the location of any buildings.
- C. If service is requested at a point not already served by a Collecting Sewer of adequate capacity, or existing treatment does not exist to provide service, a Collecting Sewer of adequate size shall be extended, or additional treatment capacity added, as may be necessary in accordance with the Company’s Service Extension Policy. When, in order to provide the service requested a Collecting Sewer extension or other construction or equipment expense is required, the Company may require a written contract. Said contract may include, but not be limited to, the obligations upon the Company and the Applicant, and shall specify a reasonable period of time necessary to provide such service.
- D. A new application shall be made and approved by the Company, upon any changes in use or occupancy of property or in the service as described in the application, and the Company shall be at liberty, upon five-day written notice, to discontinue sewer service until such application has been made and approved. When Customer changes addresses, Customer shall give reasonable notice to Company prior to the date of change. Customer is responsible for all service supplied to the vacated premises until such notice has been received and Company has had a reasonable time, but not less than three (3) days, to discontinue service.
- E. When sewer charges are based on water usage, the Company reserves the right to refuse sewer service to any Applicant unless said Applicant agrees to install a water meter accessible to the Company or allows the Company to access the water meter for meter reading purposes, so that there will be a basis for sewer charges.
- F. The Company will determine or approve the location of the Service Connection. Service Sewers will not be extended along public streets or roadways or through property of others in connecting with Collecting Sewers. If a Service Connection is requested at a point not already served by a Collecting Sewer of adequate capacity, the Collecting Sewer shall be extended in accordance with the Service Extension Policy, unless in the Company’s judgment, such a Collecting Sewer would serve no other purpose and a Service Sewer may be constructed to serve the Customer’s premises in a reasonable manner.
- G. A new Service Connection shall be authorized when all conditions regarding application, construction and inspection have been met and any associated charges paid by the Customer.
- H. Deposit: The Company may require from any Customer or prospective Customer a cash deposit to guarantee the payment of any bills due or which may become due from such Customer and safe return of all property belonging to the Company installed at the Customer’s premises or elsewhere. Such required deposit shall not exceed an amount

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equivalent to a single estimated average bill in the case of Residential Customers and two (2) estimated maximum bills for any other Customers. Residential Customers may negotiate monthly installments for initial service deposits in excess of One Hundred Dollars (\$100.00) provided that the entire amount of the deposit is paid within sixty (60) days.

- I. Upon request, the Company shall refund the cash deposit collected from a Residential Customer or waive any requirement of cash deposit from a Residential Customer or waive any requirement of cash deposit from a Residential Customer when such person meets the following specific criteria: (i) presents satisfactory proof that his or her age is sixty (60) years or more. A birth certificate or a current government-issued identification card shall be considered satisfactory proof of age; (ii) indicates that he or she is a primary user of the utility service and subscribed for such service in his or her own name; (iii) affirms responsibility for the payment of bills for the utility; and (iv) has demonstrated a reasonable payment pattern by having had no balance carried forward from one month's bill to the next during the prior twelve-month period. In the event that such deposit has been refunded or waived and the Customer's payment pattern changes from the foregoing to one of greater frequency of past due bills or bills with prior balances, Customers will be required to restore the deposit so refunded or waived plus any additional amount required to guaranteed payment up to the limits set forth herein.

- J. Interest on Deposits: Cash deposits made by customers which are held by the Company for one (1) year or more, shall earn simple interest that is no less than the twelve-month average of the 10-year Treasury Note Yield as published by the Federal Reserve System, but not to exceed the general interest rate established by Mississippi Code Ann. §75-17-1(1). The applicable interest rate will be determined and posted on the Commission's website on or before December 15 of each calendar year and will be effective for the prospective year. All accrued interest held by the Company shall be paid in cash or credited to the Customer's account on or before July 1st of each successive third year during which service is connected. The principal sum of the cash deposit and any unpaid interest shall be applied to the Customer's final bill, and any excess amount shall be paid to the Customer in cash. Cash deposits held for less than one full year shall earn no interest

- K. Refusal to Serve: Company may decline to provide service to a Customer for any of the following reasons: (i) failure to comply with any of the rules and regulations of the Company; (ii) lack of adequate facilities to render the service requested or the requested service is likely to unfavorably affect the service to other Customers; (iii) the Applicant is indebted to the Company for the same kind of service, provided, however, that in the event that the indebtedness is in dispute, the Applicant shall comply with the deposit requirement, and, in addition thereto, make a special deposit in the amount equal to the lesser amount of the net balance in dispute or \$500 (if a Residential Customer) or 50% of the net balance (if a non-Residential Customer). Upon settlement of the disputed account, the balance, if any,

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of such special deposit due the Applicant shall be promptly repaid including interest as provided by Commission Rule.

- L. In any case of a dispute concerning refusal of service, Customer may submit a complaint with the Commission pursuant to the Commission’s Rules.
- M. The following shall not constitute sufficient cause for refusal of service to a present or prospective Customer: (i) delinquency in payment for service by a previous occupant (not of the same household as the present Applicant) of the premises to be served; or (ii) failure to pay for merchandise purchased from the Company.
- N. Residential Customers may request a written explanation of the Company’s decision to refuse service. The explanation shall include the reason service is being declined and what actions the Customer must take in order to receive service. The Applicant shall provide the Company with a valid mailing or email address where the response can be mailed or delivered via email. The Company shall provide and make available to their Applicants at all offices and on the Company’s website appropriate forms for use by the Customer to request an explanation of the Company’s decision to decline service. The Company shall mail or deliver via email the written explanation within seven (7) calendar days after receipt of the written request by mailing U.S. Mail, postage prepaid, or via email, to the known address of the potential ratepayers.

5. IMPROPER OR EXCESS USE

- A. The following requirements for the use of sewer service provided by the Company shall be observed. Violation of the requirements may result in the Discontinuance of Service to the Customer, and the Customer may be required to comply with Paragraph B, below.
- B. In the event that the Customer to be served proposes to discharge an abnormally high volume or strength of waste, the Company may require:
 - 1. The Customer to install a pretreatment facility, grease trap or other device on the premises to prevent the exceeding of discharge limits or other adverse impacts upon the Company’s system. The installation of any such device as well as its operation and maintenance shall be the responsibility of the Customer, and subject to approval and inspection by the Company; or
 - 2. The Customer to enter into a special contract with the Company for treatment of the Customer’s discharge that could require an enlargement of the Company’s existing sewage treatment plant, and/or the construction or reconstruction of sewer lines or pump facilities. This special contract shall be approved by the Commission with a rate applicable to the Customer to be included that is fair and reasonable to both parties and

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so as not to constitute a burden upon the Company or the existing Customers of the Company.

- C. No Customer shall discharge or cause to be discharged any storm water, surface water, ground water, swimming pool water, roof runoff, sub-surface drainage or cooling water into the Collecting Sewers.
- D. Except as may be provided in Paragraph B.2., above, the Customer shall, at their own expense, be required to take any action necessary to meet the following described wastewater limits before the wastewater is discharged into the Collecting Sewer:
 - 1. Maximum temperature of 150 degrees Fahrenheit; and
 - 2. Maximum strength of four hundred (400) parts per million Biological Oxygen Demand (B.O.D.); and
 - 3. A maximum of one hundred (100) parts per million, by weight, any fat, oil or grease; and
 - 4. A maximum of twenty-five (25) parts per million, by weight, any soluble oils; and
 - 5. No gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas; and
 - 6. No garbage that has not been properly shredded; and
 - 7. No ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood or any other solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper operation of the sewer system; and
 - 8. No wastewater having a pH less than 5.0 or greater than 9.0, or having any other corrosive property, capable of causing damage or hazard to structures, equipment or personnel of the Company; and
 - 9. No wastewater containing heavy metals, toxic material, or Chemical Oxygen Demand (C.O.D.) in sufficient quantity to disrupt the operation of treatment facilities or exceeding any limits which may be specified in a service contract for any such substance.
- E. Customers will not be permitted to supply sewer in any way to premises other than the service address.



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F. No substantial addition to the water using equipment or appliances connected to the sewer system shall be made by Customers discharging non-Domestic Sewage except upon written notice to and with the written consent of the Company.

6. INSIDE PIPING AND SERVICE CONNECTION

- A. The Customer is obligated, except for any Grinder Pump, to construct, repair and maintain the Service Sewer to the building and make the connection to the Collecting Sewer. The Customer shall notify the Company prior to cleaning or repairing the Service Sewer.
- B. The connection of the Customer's Service Sewer to the Company's Collecting Sewer may be done, at the Customer's option, by either a licensed plumber or by the Company. In the event that the connection is made by a licensed plumber, then the Customer shall pay the Company an Inspection Fee as provided herein. In the event that the connection is made by the Company, then the Customer shall pay the Company a Connection (tap) Fee.
- C. When a Service Sewer is to be connected to the Collecting Sewer by a licensed plumber, then the plumber shall advise the Company three (3) business days in advance of when the connection is expected to be made so a representative of the Company can inspect the installation and connection. No backfill shall be placed until the work has been inspected by the Company. In the event the Customer or the Customer's agent shall damage a Wye branch or Saddle, or cause damage to the Collecting Sewer, then the Customer shall be responsible for the cost to repair any such damage, including replacement or pipe or appurtenances as necessary.
- D. Plumbing specifications of all governmental agencies having jurisdiction, and the Company's Rules, in effect at the time of connection, must be met. The Company may deny service or may discontinue service where Foundation Drains, downspouts, or other sources or surface or storm water are permitted to enter the sewer system through either the inside piping or through the building sewer. The Company reserves the right to discontinue serving any Customer, or not to commence serving any Customer whose plumbing does not conform to all regulations of any proper authority governing same.
- E. A separate and independent Service Sewer shall be required for every Unit.
- F. The Service Sewer shall be of suitable material approved by the Company. Only those jointing materials and methods that are approved by the Company may be used. Joints shall be tight and waterproof. Any part of the Service Sewer that is located within ten feet (10') of a water main or a water service pipe shall be encased in ductile iron or PVC pressure pipe. The pipe shall be bedded according to the manufacturer's specifications and on undisturbed earth or fill compacted to at least ninety-five percent (95%) proctor density. Fill may be non-organic soil or aggregate.



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- G. The size and slope of the Service Sewer shall be subject to the approval of the Company, but in no event shall the diameter be less than four inches (4"). The slope of such four-inch (4") pipe shall not be less than one-eighth inch (1/8") per foot.
- H. Whenever possible, the Service Sewer shall be brought to the building at an elevation below the basement floor. No building sewer shall be laid parallel to or within three feet (3') of any bearing wall. The depth shall be sufficient to afford protection from frost. The Service Sewer shall be laid at a uniform grade and in straight alignment insofar as possible. Changes in direction shall be made only with properly curved pipes and fittings.
- I. Existing Service Sewers may be used in connection with new buildings only when they are found on examination and tested and certified by a plumber at the Customer's expense to meet all requirements of the Company.
- J. In any building in which a building drain is too low to permit the required slope of the Service Sewer, sanitary sewage carried by such drain shall be, at the Customer's expense, lifted by approved artificial means and discharged to the Service Sewer. No water operated sewage ejector shall be permitted.
- K. All excavations required for the installation of a Service Sewer and connection to the Collecting Sewer shall be open trench work unless otherwise approved by the Company. Pipe laying and backfill shall be performed in accordance with the latest published engineering specifications of the manufacturer of the materials used, and all applicable local plumbing codes.
- L. The connection of the Service Sewer to the Collecting Sewer shall be made at the Wye branch, if such branch is available at a suitable location, and shall include a Physical Disconnect. If the Collecting Sewer is vitrified clay pipe of twelve-inch (12") diameter or less and there is no properly located Wye branch at a suitable location, a Wye branch shall be installed at a location specified by the Company. If the Collecting Sewer is greater than twelve inches (12") in diameter, or is PVC or any size, a neat hole may be cut at a location specified by the Company, and a Saddle installed to which the Service Sewer will be connected. The invert of the Service Sewer at the point of connection shall be at the centerline or higher elevation of the Collecting Sewer. The connection shall be secure and watertight.
- M. Any change in the location of an existing Service Connection and/or Service Sewer requested by the Customer shall be made at the Customer's expense.
- N. Company personnel may not work on piping or facilities not owned by the Company unless authorized in writing by the Customer.



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- O. The Company shall in no event be responsible for maintaining the lines and fixtures on Customer's property or for damage done by wastewater escaping therefrom.
- P. The Customer shall not use the service furnished in any manner that interferes with the rendering of proper service to other Customers of the Company.
- Q. The Company will notify Customers of any interruption in service whenever possible. Customer, however, shall be responsible for protecting against damage of any kind to any of their plumbing, equipment, facilities, machinery, boilers, etc., that might arise out of the sudden interruption of service for any reason. Except as provided in Section 9 herein, the Company will not be liable for damage because of discontinuance or failure to give notice thereof.

7. PRESSURE COLLECTING SEWERS

- A. This rule applies to Customers on a pressurized collection system and is not applicable to Customers on a gravity collection system. Other Rules elsewhere herein not applicable specifically to gravity Collecting Sewers or gravity Service Sewers also apply, in addition to this Rule.
- B. Any Customer proposed to be discharging less than 1,200 gallons per day Domestic Sewage, to be connected to a pressure Collecting Sewer, shall install at his own expense within the lot, one pump unit of suitable capacity. All components utilized in a pump unit must be either purchased from the Company or meet its specifications which shall be on file at the Company's office and approved by the Company prior to installation. Installation costs of the pump unit, electrical wiring and components and Service Sewers between the dwelling and the pump unit and Company's Collecting Sewers shall be the responsibility of the Customer. Electricity costs for pump operation shall be the responsibility of the Customer. Customers discharging greater than 1,200 gallons per day, upon applying for service with the Company, must enter into an agreement with the Company with regard to operation of a pump unit that is of suitable capacity for the Customer and that will be compatible with the Company's operation of its pressure Collecting Sewer system.
- C. Any pump unit of aerator in existence and serving more than one premises prior to June 15, 1985, shall be permitted to remain in service as a multiple Customer Service Sewer until such time as the existing unit fails or one homeowner sells a home at which time a new unit will be installed and each home will require its own unit. The Customers served by any such pump unit or aerator converted to a pump unit, shall be jointly responsible for the Customer obligations as provided for in these Rules and Regulations.

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- D. Installation costs associated with a pump not provided by the Company will be the responsibility of the Customer for all labor, maintenance, and parts. Installation and repair of the Customer-owned pump will be subject to Company’s inspection and approval.
- E. The Company will locate the point to which the Service Connection to the pressure Collecting Sewer will be made, and the Customer shall furnish materials for the connection. All taps to the pressure Collecting Sewer shall be done by the Customer. One connection shall not service more than one property. The Customer shall also install a check valve near the Service Connection.
- F. A stop cock shall be placed on the Service Sewer near the Service Connection. Said stop cock shall include a provision for locking. The stop cock will be furnished, owned and maintained by the Company.
- G. In addition to other methods outlined within these Rules for Discontinuance of Service, sewer service may be disconnected by the Company by locking the stop cock in the closed position. Service shall not be resumed again except upon payment of all delinquent charges, plus any applicable approved service charge to cover the costs of resuming service, in accordance with these Rules.
- H. The gravity Service Sewer from the building to the pump unit as well as the pressure Service Sewer to the Collecting Sewer shall be owned and maintained by the Customer.
- I. While responsibility for ownership, maintenance and replacement of the Grinder Pump shall be borne by the Company, the cost of ownership, maintenance and replacement of the Tank and the Service Sewer shall be the sole responsibility of the Customer. That said, however, if it is determined that a Grinder Pump has failed as a result of the Customer’s failure to properly maintain the Tank, including the need to regularly pump sludge from the Tank, then the Company shall be alleviated from its responsibility to replace the Grinder Pump. In that situation, the Customer shall bear the cost of replacing the Grinder Pump. The owner of the premises wherein pump units are in operation shall be responsible for the care and safekeeping of the pump unit including electrical service to the pump unit to prevent freezing and overflow as well as flooding due to damage caused by the pump unit.
- J. The Company shall perform one preventive maintenance call per year on each pump unit in service provided by the Company at no cost to the Customer. Normally, this service call will be made in the fall season. Preventive maintenance shall consist of the following work:
 - 1. Run controls, including alarm system, through one complete cycle, and
 - 2. Inspect the check valves for proper operation, Clear or replace as necessary, and

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- 3. Check heater for operation, and
 - 4. Check, and if necessary, remove solid waste from Tank.
- K. The Company shall be responsible for maintenance and replacement of the Repairable Parts and shall perform emergency repairs on said parts. The Company will furnish the Repairable Parts and shall bill the Customer the actual cost of the Repairable Parts. At the Company's option, an emergency service call may constitute a preventive maintenance call, if a reasonable amount of time has elapsed since the last preventive maintenance call, and if all other maintenance checks are performed.
- L. Repairable Parts shall be provided at no extra charge to the Customer for replacement of defective parts under warranty. The Company, however, shall not be liable for parts or labor necessary due to damage caused by misuse of the pump unit.
- M. Miscellaneous supplies, such as riser sections, sealants, and screens, shall be provided by the Company at no cost to the Customer.
- N. The Company shall not be liable for parts or labor necessary due to damage caused by misuse of the pump unit.
- O. The Company shall keep parts, repair kits, and a supply of check valves on hand for each brand or type of pump unit supplied by the Company.
- P. The Company shall present to the Customer, at the time of Application for service, information regarding what services are available from the Company, and what will be provided free of charge.
8. DISCONTINUANCE OF SERVICE
- A. Discontinuance of Service may be accomplished, but not limited to, physical disconnection of the Customer's Service Sewer from the Company's Collecting Sewer. Discontinuance of Service for non-payment of a sewer bill may be accomplished: (1) by physical disconnection of the Service Sewer from the Collecting Sewer; (2) by utilization of Physical Disconnect; or (3) where an arrangement is in effect between the Company and the Customer's water utility, through discontinuance of water service by the Customer's water utility at the request of the Company.
- B. Reasons: Service under any application may be discontinued for any of the following reasons:
- 1. Non-payment of a delinquent account not in dispute;
 - 2. Unauthorized resale of sewer service or by allowing others to utilize sewer service;

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3. Failure to post a security deposit or guarantee acceptable to the Company;
 4. Unauthorized interference, diversion, connection to or use of the utility service situated or delivered on or about the Customer's premises;
 5. Misrepresentation of identity in obtaining utility service;
 6. Failure to comply with the terms and conditions of a settlement agreement;
 7. Refusal after reasonable notice to grant access at reasonable times to equipment installed upon the premises of the Customer for the purpose of inspection, maintenance or replacement; or
 8. Violation of any of these Rules and Regulations on file with and approved by the Public Service Commission, or for any condition which adversely affects the safety of the Customer or other persons, or the integrity of the utility's delivery system.
- C. None of the following shall constitute sufficient cause for Discontinuance of Service:
1. **Life Threatening Situation**: Company shall not discontinue service to any Residential Customer for a period of sixty (60) days for nonpayment when the utility receives written notice from a medical doctor licensed to practice in the State of Mississippi, or any adjoining state, certifying that Discontinuance of Service would create a life-threatening situation for the Customer or other permanent resident of the Customer's household. Company shall provide and make available to their Customers at all offices and on the Company's website appropriate forms for use by the Customer in certifying the life-threatening situation. The utility shall issue a receipt to the Customer acknowledging receipt of the written notice pursuant to this rule;
 2. The failure of the Customer to pay for merchandise, appliances, or service not subject to Commission jurisdiction as an integral part of the utility service provided by the Company;
 3. The failure to pay a bill correcting a previous underbilling, whenever the Customer claims an inability to pay the corrected amount, unless a utility has offered the Customer a payment arrangement equal to the period of underbilling;
 4. Delinquency in payment for service by a previous occupant (not of the same household as the present applicant) of the premises to be served; or
 5. Violation of the Company's rules pertaining to operation of nonstandard equipment which interferes with service to others, or other services such as communication services, unless the Customer has first been notified and been afforded reasonable opportunity to comply with said rules; provided, however, that where a dangerous



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condition exists on a customer’s premises, service may be refused or discontinued without notice.

D. Procedure

1. Company shall not discontinue service to any Customer for violation of its rules and regulations nor for nonpayment of bills without first having used due diligence to give the Customer notice of such violation or delinquency and reasonable opportunity to comply with its rules and regulations or to pay his bills. In no case shall service be actually discontinued until after at least (5) five days written notice shall have been given to the Customer by the utility; provided, however, for fraudulent, careless, negligent, or unlawful use of the commodity or service, or where a dangerous condition is found to exist on the Customer's premises, service may be discontinued without advance notice. This notice shall include a date on or after discontinuance may occur. Such notice may be given by the utility by mailing by U.S. Mail, postage prepaid, to the known address of the Customer. Notice of delinquencies shall be considered to be given to the Customer when a copy of such notice is left with such Customer, left at the premises where service is provided, or posted in the U.S. Mail, addressed to the Customer at his last known address. A Customer shall have the privilege of paying any delinquent account at any time prior to the actual disconnection or turning off of service.
2. A discontinuance notice provided to a Customer shall include: a) the name and address of the Customer, the service address if different than the Customer’s address; b) a statement of the reason for the proposed Discontinuance of Service and the cost for reconnection; c) how the Customer may avoid the discontinuance; d) the possibility of a payment agreement if the claim is for a charge not in dispute and the Customer is unable to pay the charge in full at one time; and e) a telephone number the Customer may call from the service location without incurring toll charges and the address and any available electronic contact information of the utility prominently displayed where the Customer may make an inquiry.
3. Company shall not discontinue service for nonpayment of bills to a Residential Customer on any Saturday or Sunday or any holiday observed by the Company unless Company is open to accept payment (including, but not limited to, a money order) and restore service on those days.
4. Company shall reconnect service in a prompt and efficient manner on the first business day after the balance due has been received by the utility, except under extreme circumstances where ongoing restoration efforts prevent reconnection from occurring within that time period.

E. Change in Location of Service or Premises Served



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1. When at a Customer's request, the utility changes the location or premises at which service is rendered, the service at the new and old locations or premises and the account therefore shall, for the purposes of these rules, be deemed one service and one account and the change of the location or premises to which service is rendered shall not be deemed to affect the rights of the utility with regard to the application of deposit or Discontinuance of Service for non-payment of the account.

F. Other

1. Discontinuance of Service to a Unit for any reason shall not prevent the Company from pursuing any or all lawful remedies by action at law or otherwise for the collection of monies due from the Customer, which remedies shall be cumulative.
2. In case the Company discontinues its service for any violation of these Rules and Regulations, then any monies due the Company shall become immediately due and payable.
3. The Company has the right to refuse or to discontinue service to any Unit to protect itself against fraud or abuse.
4. The Company shall deal with Customers, handle Customer accounts, and manage Discontinuance of Service procedures in accordance with the Commission's Rules and Regulations.
5. Applicable Reconnection and Disconnection Service charges are specified in the Schedule of Service Charges.
6. Where service has been discontinued for violation of any rule contained herein, the Company shall not be required to restore service until all unpaid accounts due from the Customer to the Company have been paid in full plus a re-connection charge as shown in the Company's current Tariffs.
7. When a service is discontinued for any other cause, it will not be restored until the cause of the suspension has been removed or remedied.
8. The Company shall not be liable for damage occasioned by suspension of service when such suspension is affected in accordance with these provisions.
9. As reflected previously, the Company may request that the Customer's water utility disconnect water service for non-payment of a sewer bill if such request is made pursuant to a Commission-approved disconnection agreement between the Company and the water service provider.



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9. INTERRUPTION OF SERVICE

- A. The Company reserves the right to shut off service at any time, without notice, for making repairs, extensions, or alternations but will make commercially reasonable efforts under the circumstances then existing to notify the Customers of the intention to shut off. It is expressly stipulated by the Company that no claims shall be made against it and that no person shall be entitled to any damages nor to have any portion of payment refunded by reason of such shut off or the breaking of any pipe or service pipe or by reason of any other interruption of the supply of sewer service caused by the breaking of machinery or for causes beyond its control. Company shall strive to provide Customer steady and reliable service but does not warrant or guarantee the service against irregularities or interruptions. Company shall not be liable to Customer, whether under contract or otherwise, for any damages or loss, direct or consequential, by reason of the failure of the Company to supply, or the Customer to receive service, or for any interruption or abnormalities in service to Customer where such failure, interruption, reduction, abnormalities, or other irregularity, directly or indirectly, (i) is due to the negligence of Company, or its employees or contractors, and does not constitute gross negligence of or a willful default by Company or (ii) is the result, in whole or in part, of injunction, fire, strike, lockouts and other industrial or labor disturbances, riot, explosion, storm, hurricane, wind, lightning, flood, accident, breakdown, material shortage, delay in delivery, power interruption, governmental or regulatory action or inaction (including but not limited to action sought or supported by Company), acts of God, acts of any public enemy, civil disturbance, epidemics and pandemics, sabotage, delay or failure of performance by a third party, war, national emergency, voluntary cooperation by the Company in any method of operation with, or in any program recommended or requested by civil or military authorities, or as a result of other acts or conditions, whether of the same or different type, which are beyond the reasonable control of the Company.
- B. In event the Company is unable to secure and/or maintain adequate right-of-way (including franchise, licenses and certificates) upon terms satisfactory to Company, Company's obligation to render service shall cease. Without reimbursement Customer shall furnish right of way on premises owned or controlled by Customer for Company's facilities necessary or incidental to service the Customer and shall maintain the Company in the use and occupancy thereof.

10. BILLINGS AND PAYMENTS

- A. Upon the authority of the Mississippi Public Service Commission, the Company shall render regular bills on a monthly, bi-monthly, or quarterly basis. Bills shall show date at the end of the period covered by the bill, the quantity consumed, the gross and / or net amount of the bill, the dates of the bill or of delinquency, and if practicable, the designation of the applicable rate schedule and other essential facts upon which the bill is based.



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- B. The charges for sewer service shall be at the rates specified in the Schedule of Rates in these Rules and Regulations. Other applicable service charges are set forth in the Schedule of Service Charges in these Rules and Regulations.
- C. Each Customer is responsible for furnishing the Company a correct mailing and/or email address for billing purposes. Failure to receive bills will not be considered an excuse for non-payment nor reason to permit an extension of the date when the account would be considered delinquent. Bills and notices relating to the Company or its business will be mailed or delivered to the mailing address entered in the Customer's application unless the Company is notified in writing by the Customer of a change of address. To the extent that the Company did not require an application for service, then all bills and notices shall be mailed or delivered to the service address.
- D. Neither the Company nor the Customer will be bound by bills rendered under mistake of fact as to the quantity of service rendered or as a result of clerical error. Customers will be held responsible for charges based on service provided.
- E. **Payment by check or money order may be remitted to Great River Utility Operating Company, P.O. Box 676422, Dallas, Texas 75627-6422.** Additional payment options may be available on the Company's website at www.centralstateswaterresources.com/great-river/.
- F. Disputed Bills
 - 1. Residential Customers: In the event of a dispute between the Customer and the Company respecting any bill, the Company shall forthwith make such investigation as shall be required by the particular case, and report the results thereof to the Customer. When the amount to be paid is in question, the Customer may make a deposit with the utility in an amount equal to the lesser of the amount of the disputed bill or five-hundred dollars (\$500.00), whereupon service shall not be discontinued pending settlement of the dispute. Upon settlement of the dispute by any means permitted or provided by law, the balance, if any, due the Customer shall be promptly repaid.
 - 2. Non-Residential Customers: In the event of a dispute between the Customer and the Company respecting any bill, the Company shall forthwith make such investigation as shall be required by the particular case, and report the results thereof to the Customer. When the amount to be paid is in question, the Customer may make a deposit with the Company covering no less than fifty percent (50%) of the amount of the disputed bill, whereupon service shall not be discontinued pending settlement of the dispute. Upon settlement of the dispute by any means permitted or provided by law, the balance, if any, due the Customer shall be promptly repaid.



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- G. If a Customer's bill has not been paid after twenty-one (21) days from the billing date, on or after the twenty-second (22nd) day the Company will send a written notice of its intent to disconnect service in five (5) or more days unless payment is received. Sewer service may then be disconnected on or after the twenty-eighth (28th) day. A Late Payment Charge may be added to the Customer's bill. To restore service a Customer may be required to pay a reconnection fee, any amount still owed for a previous billing, and a Late Payment Charge. If a Customer fails to pay the Late Payment Charge, even if the Customer has paid the previous billing, the Company will send a written notice that service will be disconnected in ninety (90) days for non-payment.

11. LATE PAYMENT CHARGE

- A. All Customer payments received twenty-two (22) days after the date of billing may be assessed an \$8.00 Late Payment Charge. The Company shall not levy a Late Payment Charge on any portion of a bill which represents a previous Late Payment Charge. For purposes of this section, a payment received by a utility shall be credited first to any outstanding Late Payment Charge, if any.
- B. If the last day of any period calculated hereunder is a Saturday, Sunday, or Legal Holiday, then the period in question shall extend to the next full business day.

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SERVICE EXTENSION POLICY

1. This rule shall govern the extension of Collecting Sewers or the expansion or installation of additional treatment capacity by the Company within its certified area where the existing treatment or collection infrastructure is inadequate for the service requested by the Applicant(s).
2. Upon receipt of a written application for a service extension, the Company will provide the Applicant(s) an itemized estimate of the cost of the proposed extension. Said estimate shall include the cost of all labor and materials required, including treatment facilities, valves, reconstruction of existing Collecting Sewers (if necessary), and the direct costs associated with supervision, engineering, permits, and bookkeeping. The estimate will not include unanticipated costs such as rock excavation.
3. Applicant(s) shall enter a contract with the Company for the installation of said extension and shall tender to the Company the amount determined in paragraph 2 above. The costs quantified in paragraph 2 are independent of any Connection (tap) Fees. The contract may allow the Customer to contract with an independent contractor for the installation and supply of material, except that any new treatment facilities, modifications to existing treatment facilities, Collecting Sewers of twelve inches (12”) or greater diameter, and the reconstruction of existing facilities must be installed by the Company.
4. The cost to an Applicant(s) connecting to a Collecting Sewer extension contributed by other Applicant(s), shall be as follows:
 - A. For single-family Residential Applicant(s) applying for service in a platted Subdivision, the Company shall divide the actual cost of the extension paid by other Applicant(s) by the number of lots abutting said extension to determine the per-lot extension cost. When counting lots, corner lots which abut existing Collecting Sewers shall be excluded.
 - B. For single-family Residential Applicant(s) applying for service in areas that are unplatted in Subdivision lots, an Applicant(s) cost shall be equal to the total cost of the extension divided by the total length of the Collecting Sewer extension in feet times one hundred (100 feet).
 - C. For industrial, Commercial, or multifamily Residential Applicants, the cost will be equal to the amount calculated for a single-family residence in paragraphs 4(a) and 4(b) above.
5. Refunds of funds paid by Applicant(s) for any estimated costs or actual costs of a Collecting Sewer extension shall be made to such Applicant(s) as follows:
 - A. Should the actual cost of the extension be less than the estimated cost as determined in paragraph 2, above, the Company shall refund the difference to the Applicant(s) as soon as the actual cost has been ascertained.

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- B. During the first ten (10) years after the extension is completed, the Company will refund to the Applicant(s) who paid for the extension the money collected from Applicant(s) based upon the allocations for each Customer in accordance with paragraph 4, above. The refund shall be paid within a reasonable time after the money is collected. The requirement to make a refund shall attach to the property. Thus, if the original Applicant(s) has moved, then the refund shall be made to the new property owner.
 - C. The sum of all refunds to any Applicant shall not exceed the total amount which the Applicant(s) has paid net of the allocated cost to such Applicant pursuant to paragraph 4.
6. Extensions made under this rule shall be and remain the property of the Company.
 7. The Company reserves the right to further extend the Collecting Sewer and to connect Collecting Sewers on intersecting streets and easements. Connecting new Customers to such further extensions shall not entitle the Applicant(s) paying for the original extension to a refund for the connection of such Customers.
 8. Extensions made under this rule shall be of Company-approved pipe sized to meet sewer service requirements. If the Company chooses to size the extension larger in order to meet the Company's overall system requirements, the additional cost caused by the larger size of pipe shall be borne by the Company.
 9. No interest will be paid by the Company on payments for an extension made by the Applicant(s).
 10. If extensions are required on private roads, streets, through private property, or on private property adjacent to public right-of-way, a proper deed of easement must be furnished to the Company without cost to the Company, before the extension will be made.



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I. GENERAL

Formula Rate Plan Rider FRP (“Rider FRP”) is authorized under Section 77-3-2(3) of the Mississippi Code of 1972, as amended, as a formula type rate of return evaluation rate. Rider FRP defines the procedure by which the rates contained in the Great River Utility Operating Company, LLC (“Great River” or “Company”) rate schedules may be periodically adjusted. Rider FRP shall apply, in accordance with the provisions of Section II below, to all water and wastewater service billed under the Company’s Rate Schedules, whether metered or unmetered, subject to the jurisdiction of the Mississippi Public Service Commission (“MPSC” or “Commission”). The computation of time prescribed in this Rider FRP shall be in accordance with the Commission’s Rules, as such rules may be amended from time to time.

II. APPLICATION AND ANNUAL REDETERMINATION PROCEDURE

A. RATE ADJUSTMENTS

The Rate Adjustments shall be determined in accordance with the provisions of Sections II.B and II.C below.

B. ANNUAL FILING AND REVIEW

i. FILING DATE AND FILING REQUIREMENTS

On or before February 28th of each year, Great River shall file a report with the Commission containing a calculation of the Company’s revenue requirement and Actual Return on Rate Base based for the twelve months ending December 31 of the previous year (the “Test Year”) prepared in accordance with the provisions of Section II.C below. This annual filing shall be referred to as the “FRP Annual Report”. Any revised rate schedules shall be filed with the FRP Annual Report incorporating any revenue adjustment determined in accordance with the provisions of Section II.C below. Consistent with Commission Rules, separate FRP Annual Reports shall be filed for each service provided, one for water and one for wastewater. Each FRP Annual Report will be separately docketed each year. For purposes of rate adjustments under this Rider FRP, the information listed in Attachment 4 shall be deemed to meet the filing requirements required by Commission Rule.

ii. INTERIM RATES AND PERMANENT RATES

If the FRP Annual Report indicates a revenue and rate adjustment is needed, Great River shall implement the following:

- a. Interim Rate:** This rate shall be implemented beginning with the first billing cycle of April and shall be designed to collect the entire revenue requirement, including any revenue adjustments indicated by the FRP Annual Report, over the remaining nine (9) months of the calendar year (April through December). The Interim Rate



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shall become effective upon Great River providing a bond or other surety traditionally used by Mississippi public utilities to secure such obligations. The Interim Rate is subject to a two percent (2%) cap of the Test Year aggregate retail revenues and will remain in effect through the date of implementation of the rates approved by a Commission order, or by operation of the terms of this Rider FRP.

b. Permanent Rate: Upon approval of the FRP Annual Report by Commission order or by operation of the terms of this Rider FRP, Permanent Rates calculated consistent with the methodology below shall become immediately effective:

1. The Permanent Rate shall be designed to collect the authorized annual revenue requirement over a twelve-month (12) period. Permanent Rates shall remain effective until superseded by subsequent rates implemented pursuant to the procedures of this Rider FRP or otherwise by Commission order.
2. A surcharge or refund will be designed and implemented with the Permanent Rate and will cease with the last billing cycle of the calendar year. This rate is designed to collect or return any necessary adjustment to ensure the full annual revenue requirement is collected for the current calendar year.

c. The Interim Rate, Permanent Rate and surcharge or refund shall be designed to collect the Commission approved calendar year’s revenue requirement within the same calendar year.

iii. REVIEW PERIOD

The Mississippi Public Utilities Staff (“Staff”), its outside advisors, if any, and all interveners of record (each a “Party” and collectively the “Reviewing Parties”) shall have a total of eighty (80) calendar days from the date of filing to review the FRP Annual Report and document and report any errors, issues or disputes. The Reviewing Parties may request clarification and additional supporting data in accordance with the Commission’s Rules governing data requests. The response to any request for clarification or additional supporting data shall be provided within twenty (20) calendar days of the request. If the Reviewing Parties should detect any error(s) in the application of the provisions of Rider FRP or should otherwise disagree with any of the computations, revenues, or costs included in such computations, such error(s) and/or disagreements shall be formally communicated in writing to the Commission and Great River within eighty (80) calendar days of filing. Each such indicated error or disagreement shall include documentation of the proposed correction. The Company shall then have ten (10) calendar days to review any proposed corrections and/or adjustments, to work with the Reviewing Parties to resolve any differences and to file a revised rate schedules reflecting all corrections and adjustments upon which the Reviewing Parties agree. The Company shall provide the Reviewing Parties with all



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work papers supporting any revisions made to the FRP Annual Report initially filed for the Test Year.

To the extent that there are no issues raised during the annual review period of the FRP or any issues raised are amicably resolved, i.e., there are no unresolved issues to be addressed pursuant to Section II.B.iv, the Company and Reviewing Parties shall submit a summary of the proceedings to the Commission for consideration as timely as practicable, including the terms under which any issues have been resolved and the resulting effect on revenue requirement and rates.

iv. RESOLUTION OF DISPUTED ISSUES

In the event there is an unresolved dispute between Great River and one or more of the Reviewing Parties, before the conclusion of the ninety (90) day review period, the parties shall jointly submit to the Commission a statement of the issues to be resolved. Any Party may separately submit memoranda supporting their respective positions. The Commission shall render a ruling on such disputed issues on or before the first billing cycle of July of the filing year. Notwithstanding the provisions above, in the event the Test Year revenue requirement remains unauthorized or unapproved, Great River may implement, subject to refund by subsequent order of the Commission, a Rate Under Bond comprised of the Permanent Rates and surcharge/refund described above beginning with the first billing cycle of July upon Great River providing bond or other surety traditionally used by Mississippi public utilities to secure such obligations. The Permanent Rate portion of the Rate Under Bond to be placed into effect shall be calculated based in accordance with Section II.B.ii.b.1 above.

If a dispute or error is resolved such that there are changes in the revenue requirement and initially implemented schedule of rates pursuant to the above provisions, a revised revenue requirement and revised schedule of rates containing such further modified revenue requirement shall be submitted to the Commission within five (5) days of the Commission’s order resolving the dispute. In addition to reflecting the Commission’s ruling on the disputed issue, the final revenue requirement and revised schedules of rates shall also reflect the adjustments necessary to recover or credit the estimated revenue increase or decrease, respectively, that would have resulted had the final revenue requirement been implemented initially. Such revised rates reflecting the modified revenue requirement shall then become effective at the end of five (5) days, unless approved earlier by order of the Commission, and shall remain in effect until superseded by new rates established under this Rider FRP.

C. ANNUAL REDETERMINATION OF RATE ADJUSTMENTS

i. DEFINITION OF TERMS

a. TEST YEAR



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The Test Year shall be the twelve-month period ending December 31 immediately preceding the year in which the FRP Annual Report is filed. Attachment 1 to Rider FRP is a list of authorized ratemaking adjustments allowable to the per books amounts during the Test Year.

b. SYSTEM ACQUISITION REGULATORY ASSET

A regulatory asset referred to herein as the System Acquisition Regulatory Asset (“SARA”) will be accrued to reflect any operating losses incurred and booked during the Test Year associated with any newly acquired utility system not yet being charged a rate under Great River’s approved Tariff. The SARA will accrue for such systems from the date of acquisition until the rates are next adjusted within the FRP, at which point the system will be subject to consolidated rates, adjusted for any RMRA (discussed below) and will no longer incur the SARA operating losses. The SARA operating loss for an acquired system will be calculated using the following formula for each acquired service area:

$$\text{Revenue} - \text{General \& Administrative Expense} - \text{Operations \& Maintenance} = \text{SARA Operating Loss.}$$

For each system to which this provision is applicable during the Test Year, Great River must submit the operating loss calculations for the SARA consistent with Attachment 2 of the FRP. The SARA will be submitted and reviewed annually as part of the FRP Annual Filing review and is subject to adjustment as part of those proceedings. The approved SARA will be amortized for ratemaking purposes over a seven (7) year period with: (1) the unamortized portion included in Rate Base; and (2) the amortized amount included as Amortization of Regulatory Asset.

c. RATE MITIGATION REGULATORY ASSET

For the first year a newly acquired utility system is charged rates under Great River’s approved Tariff (i.e. not rates from previous system owner), a regulatory asset (referred to herein as the Rate Mitigation Regulatory Asset (“RMRA”)) will be accrued for the purpose of deferring a percentage of annual general and administrative expense and operation and maintenance expense during the Test Year, for any utility system subject to the rates calculated pursuant to this FRP for the first time. For newly acquired water systems the deferral percentage shall be fifteen percent (16.5%); for newly acquired sewer systems the deferral percentage shall be thirty-one percent (32%). The RMRA deferral shall be limited to one (1) year per utility system. For each system to which this provision is applicable during the Test Year, Great River shall submit the deferral calculations for the RMRA consistent with Attachment 2 of the FRP. The RMRA will be submitted and reviewed annually as part of the FRP Annual Filing review and is subject to adjustment as part of those proceedings. The approved RMRA will be amortized

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for ratemaking purposes over a seven (7) year period with: (1) the unamortized portion included in the Rate Base; and (2) the amortized amount included as Amortization of Regulatory Asset.

d. ACTUAL RETURN ON RATE BASE

The Actual Return on Rate Base (“AROR”) to be included in the FRP Annual Report shall be determined using the schedule included in Attachment 3 and shall reflect the actual results for the Test Year, as recorded on the Company's books in accordance with NARUC Uniform System of Accounts and as adjusted per the terms of Attachment 1.

e. BENCHMARK RETURN ON RATE BASE

The Benchmark Return on Rate Base (“BROR”) for filing years 2024, 2025 and 2026 shall equal to 8.95%. The Commission shall initiate a review of provisions of Rider FRP following the conclusion of the FRP Annual Filing for 2026 to re-evaluate the methodology for determining the BROR to apply prospectively beginning with filing year 2027.

f. RANGE OF NO CHANGE

The Range of No Change shall be the range of values with a lower limit (“Lower Point”) equal to .50% below the BROR and an upper limit (“Upper Point”) equal to .50% above the BROR.

g. ADJUSTMENT POINT

The Return on Rate Base Adjustment Point (“Adjustment Point”) shall be equal to the midpoint of the Range of No Change.

ii. REVENUE ADJUSTMENTS

A determination shall be made pursuant to this section as to whether Great River’s revenues should be increased, decreased or remain the same. If it is determined that revenues should be increased or decreased, revised rate schedules shall be adjusted and filed with the FRP Annual Filing. The determination of any change to current revenue shall be made in accordance with the following rules:

a. NO RIDER FRP CHANGE

There shall be no change in Great River’s revenue requirement and rates for FRP if the AROR is within the Range of No Change (i.e., greater than or equal to the Lower Point and less than or equal to the Upper Point).



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b. RIDER FRP INCREASE - ROE

If the AROR is less than the Lower Point, Great River’s revenue requirement for FRP shall be increased by 100% of the amount necessary to bring the AROR to the Adjustment Point.

c. RIDER FRP DECREASE - ROE

If the AROR exceeds the Upper Point, Great River’s revenue requirement for FRP shall be reduced by one hundred percent (100%) of the amount necessary to bring the AROR to the Midpoint.

iii. RIDER FRP REVENUE ALLOCATION

The Rider FRP Revenue, as determined under the provisions of Section II.C.ii above, shall be allocated to each applicable rate schedule based on each rate schedule’s relative percent of total revenues. This percentage shall be developed by dividing the Rider FRP Revenue increase/decrease by the total applicable base revenue.

III. PROVISIONS FOR OTHER RATE CHANGES

A. EXTRAORDINARY COST OR REVENUE CHANGES

If Great River experiences a single extraordinary increase or decrease or multiple extraordinary increases or decreases in expenses or revenue, or a single extraordinary increase or decrease or multiple extraordinary increases or decreases in base revenues, net of any related offsetting increases or reductions in expenses, in a test year having a net annual revenue requirement impact exceeding ten percent (10%) on a Mississippi retail jurisdictional basis, Great River may file for rate or other relief outside the provisions of this Rider FRP, but in accordance with the law of the State of Mississippi governing such filings, and the request will be handled by the Commission in accordance with its regulations and applicable law governing such filings. In no event, shall any such ratemaking provide for multiple recoveries of the same expenses or revenues, whether in the same or subsequent years.

B. SPECIAL RATE FILINGS

The FRP shall not preclude Great River from proposing revisions to existing rate schedules or new rate schedules, such as experimental, developmental, and alternative rate schedules, to address competitive and other business needs. Great River shall file any such proposed rate schedules or changes with the Commission and the Commission shall evaluate Great River’s proposals in accordance with the rules and procedures then in effect.



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C. FORCE MAJEURE

If any cause beyond the reasonable control of the Company, such as natural disaster, damage or loss of major capital equipment, orders or acts of civil or military authority, terrorist attacks, government mandates, the happening of any event or events which cause increased costs to the Company, or other causes, whether similar or not, results in a deficiency in revenues which is not readily capable of being redressed in a timely manner under Rider FRP, Great River may file for rate or other relief outside the provisions of this Rider FRP, but in strict accord with the law of the State of Mississippi governing such filing and said request will be handled by the Commission in accordance with its regulations and applicable law governing such filings.

IV. EFFECTIVE DATE AND TERM

Rider FRP shall continue in effect until modified or terminated by the Commission in accordance with the law of the State of Mississippi. If this Rider FRP is terminated by a future order of the Commission, the then-existing Total FRP Revenue shall continue to be in effect until new base rates reflecting the then-existing Total FRP revenue are duly approved and implemented. Further, any unamortized portion of the SARA or RMRA deferrals shall be included in future rates until fully amortized. Nothing contained in the Rider FRP shall limit the right of any party to file an appeal as provided by law.



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ATTACHMENT 1

ADJUSTMENTS TO TEST YEAR BOOK AMOUNTS

The Company's ratemaking adjustments to the per books amounts shall be limited to the following:

1. Long term debt interest expense shall be annualized by summing the per books long-term debt interest in December of the Test Year and multiplying the result times twelve (12).
2. Rate base shall be as of December 31 per the books of the Company.
3. Depreciation expenses shall be annualized by multiplying the per books depreciation expense incurred in December of the Test Year times twelve (12).
4. Property tax expense shall be annualized by multiplying the current effective millage rate times the December 31 plant in service.
5. Interest income shall be annualized by multiplying the per books interest income incurred in December of the Test Year times twelve (12).
6. All fines and penalties shall be excluded from expenses.
7. All charitable contributions shall be excluded from expenses.
8. All political contributions and lobbying activities shall be excluded from expenses.
9. The SARA authorized by Rider FRP shall not be included in any of these prescribed adjustments to ensure there is no double recovery of those expenses. An amortized portion of the SARA shall, however, be included as an expense in the Test Year and the unamortized portion included in rate base.
10. The RMRA authorized by Rider FRP shall not be included in any of these prescribed adjustments to ensure there is no double recovery of those expenses. An amortized portion of the RMRA shall, however, be included as an expense in the Test Year and the unamortized portion included in rate base.
11. The Company or the Staff may propose that unusual or nonrecurring revenues or expenses incurred during the Test Year either may be excluded from expenses altogether or deferred and amortized over a reasonable number of years. The party making such a proposal shall have the burden to demonstrate that it is just and reasonable.
12. The tax consequences of any adjustment shall be calculated in arriving at Net Income.
13. Except as otherwise provided in the Rider FRP, the Company shall not include post-Test Year adjustments.



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ATTACHMENT 2

SYSTEM ACQUISITION REGULATORY ASSET

For as long as a SARA remains on Great River's books, each Annual FRP Report shall contain the following information and documentation:

1. All calculations in their native format detailing the operating costs of each system included in the regulatory asset.
2. All calculations in their native format detailing the revenues included from those customers of each system included in the regulatory asset.
3. All calculations in their native format detailing the losses included from those customers of each system included in the regulatory asset along with a narrative detailing each type of expense.
4. A narrative detailing the difference in operating expenses from the most recent annual report or audited financial report, if available, for each system included in the regulatory asset.
5. Any amortization expense associated with any and all SARA on Great River's books.

Without exception, any losses included in the regulatory asset should not be double counted as an expense in any current or future test year of the FRP.

RATE MITIGATION REGULATORY ASSET

For as long as a RMRA remains on Great River's books, each Annual FRP Report shall contain the following information and documentation:

1. All calculations in their native format detailing the operating costs of each system included in the regulatory asset.
2. Any amortization expense associated with any and all RMRA on Great River's books.

Without exception, any costs deferred in the regulatory asset should not be double counted as an expense in any current or future test year of the FRP.



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ATTACHMENT 3

CALCULATION OF ACTUAL RETURN ON RATE BASE

Line # (A)	Description (B)	Test Year Actual (C)	Adjustments (D)	Test Year Total (E)	Note (F)
1					
2	Operating Revenue				
3					
4	Operating Expenses				
5	General & Administrative Expense				
6	Operations & Maintenance Expense				
7	Depreciation				
8	Capitalization of Regulatory Asset				
9	Amortization, Miscellaneous				
10	Amortization of Regulatory Asset				
11	Total Operating Expenses	_____	_____	_____	Sum of Lines 5-10
12					
13	Gross Operating Income	_____	_____	_____	Line 2 less Line 11
14					
15	Interest Expense				
16					
17	Funds Available for Income Tax and Equity	_____	_____	_____	Line 13 less Line 15
18					
19	Less Income Taxes				Statutory tax rate times Line 17
20					
21	Net Income	_____	_____	_____	Line 17 less Line 19
22					
23	Rate Base				
24					
25	Actual Return on Rate Base			_____	Line 21 divided by Line 23
26				_____	

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ATTACHMENT 4

FILING REQUIREMENTS

Each FRP Annual Report shall contain the following documentation, data and information:

1. Input Schedule of Financial Assumptions;
2. Balance Sheet for the Test Year;
3. Income Statement for the Test Year;
4. Rate Comparison Sheet of Existing and Adjusted Rates;
5. Rate Base Detail;
6. RMRA and SARA calculations in accordance with Attachment 2 above;
7. Calculated AROR for the Test Year in accordance with Attachment 3 above; and
8. Revenue Adjustment Calculation.