

# BEFORE THE PUBLIC SERVICE COMMISSION

## OF THE STATE OF MISSOURI

In the Matter of RDE Water Company's,	)	
Tariff Designed to Increase Rates	)	
for Water Service Pursuant to the	)	<u>Case No. WR-2000-416</u>
Commission's Informal Rate Procedure	)	

### ORDER GRANTING INTERVENTION, DIRECTING FILING OF PROCEDURAL SCHEDULE AND GRANTING MOTION TO SUSPEND TARIFF

Pursuant to the informal rate procedure of the Missouri Public Service Commission (Commission), RDE Water Company (RDE) filed a proposed tariff on January 12, 2000, designed to increase the total annual revenue for water service by \$6185, with the tariff to go into effect on March 1, 2000.

On February 14, 2000, Familia Limited Partnership, d/b/a English Village Mobile Home (English Village) filed its application to intervene and its motion to suspend the tariff.

In its application to intervene, English Village stated that it operated a mobile home community based in Christian County and has its water service provided by RDE. English Village stated that RDE, in its proposed small company rate increase request, asked for approval of the implementation of a customer shut-off valve installation charge to allocate the cost and expense of installation to the customer. English Village stated that, to the best of its knowledge, it was the only customer affected by RDE's tariff request.

English Village also stated in its application to intervene that it had been in dispute with RDE over RDE's service and has long advocated that RDE install an isolation valve to enhance the operational integrity of RDE's water distribution system. English Village stated that it opposed the proposed small company rate increase request to the extent that such a proposal appears to be directed solely at English Village. To the best of its knowledge, English Village stated that it is the only customer of RDE's that will be required to install, at its own expense, a shut-off valve.

The application to intervene alleged that the only notice that English Village had received concerning the customer shut-off valve installation charge was a January 12, 2000, letter by RDE to its customers. English Village stated that such a letter is defective as lawful notice for purposes of public notice and hearing on the shut-off valve issue.

English Village also stated that the proposed tariff revision is an attempt by RDE to shift responsibility for the installation of equipment to a customer; English Village stated that this equipment has long been needed for the proper operation of RDE's water system. English Village maintained that the tariff change has been hidden in an ongoing rate case and has not been the subject of proper public notice.

English Village further stated that the proposed tariff is an improper use of the Commission to resolve a dispute between RDE and English Village. Without the input of English Village, it stated, the Commission would inadvertently become an agent of RDE. Moreover, English

Village stated, the input of the only affected customer involved in this tariff will help the Commission decide whether the interests of the public will properly be served through the implementation or possible revision of the tariff.

Finally, English Village stated that it was requesting that its application to intervene be granted, that the tariff be suspended for an evidentiary hearing, and that, ultimately, the proposed tariff be rejected or modified on the grounds it stated in its motion.

No party responded to this pleading filed by English Village.

On February 18, 2000, the Staff of the Commission (Staff) filed its staff recommendation. Staff recommended that the Commission approve the tariff filed on January 10, 2000, by RDE for service rendered on and after March 1, 2000. Staff stated that the tariff generates an increase in rates of \$6185, about 3.74%, in RDE's annual water service operating revenues and also authorized a generic 20% depreciation rate for computer equipment that RDE now has in service.

On February 22, 2000, English Village filed its "amendment" to its application to intervene and motion to suspend. In the pleading, which is actually a supplement rather than an amendment, English Village stated that its second pleading sought to clarify the issues in which it is interested so that RDE is not unfairly or unnecessarily affected by a suspension of tariffs. English Village stated that the uniqueness of its interest is founded in the historical development of water service at and around its location. English Village stated that at one time, RDE's water was supplied to English Village's water system as a single end

user. English Village stated that RDE has subsequently taken water metered for English Village on past the English Village meter to serve other customers. English Village stated that this act by RDE, while avoiding the cost of new water lines to serve the new additional customers, is the source of system integrity problems. English Village stated that by its proposed tariff, RDE seeks to shift to English Village the cost and expense of re-isolating English Village from the remainder of RDE's system. This, English Village holds, denies the fact that it was RDE that destroyed the system isolation that English Village previously experienced.

English Village also stated that RDE, by its proposed tariff, seeks to impose a penalty for unauthorized tampering with its water system. English Village stated that RDE has falsely accused English Village of tampering with RDE's water system. English Village stated that the proposed tariff gives English Village no safeguard or relief from such false accusations. The tariff, stated English Village, does not constrain RDE from discontinuing water service to English Village on the basis of false accusations.

English Village stated that it does not contest or dispute the new schedule of rates filed by RDE. English Village stated that the purpose of its requested intervention and evidentiary hearing is principally to provide an opportunity for examination of RDE's new customer shut-off valve installation and tampering charge as RDE would apply them to English Village. RDE should not be allowed, English Village stated, to use this administrative procedure to cause English Village to pay for the

consequences of past decisions by RDE.

English Village again requested that its intervention be granted and that the non-rate portions of RDE's tariff be suspended subject to hearing.

No party responded to the second pleading filed by English Village.

The Commission has reviewed the application of English Village and finds that it is in substantial compliance with Commission Rule 4 CSR 240-2.075 regarding intervention and that English Village has an interest in this matter that is different from that of the general public. The Commission concludes that this request for intervention should be granted and that the parties should file a proposed procedural schedule. The procedural schedule shall include dates for the filing of testimony and for a hearing. If no party requests a hearing, the Commission may grant the relief requested without a hearing. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989).

The Commission will not suspend only the "non-rate portions" of RDE's tariff as English Village requested. However, to allow sufficient time to study the effect of the proposed tariff and to determine if they are just, reasonable and in the public interest, the Commission is of the opinion that the proposed tariff should be suspended for a period of one hundred twenty (120) days beyond the requested effective date, unless otherwise ordered by the Commission.

**IT IS THEREFORE ORDERED:**

1. That Familia Limited Partnership d/b/a English Village Mobile Home Community is granted intervention in this case in accordance with Commission Rule 4 CSR 240-2.075(4).
2. That the parties shall file a proposed procedural schedule no later than March 20, 2000. The procedural schedule shall include dates for the filing of testimony and for a hearing.
3. That all proposed tariff sheets submitted on January 12, 2000, by RDE Water Company for the purpose of increasing rates for water service are hereby suspended for a period of one hundred twenty (120) days from March 1, 2000, to June 29, 2000.
4. That this order shall become effective on March 10, 2000.

**BY THE COMMISSION**



**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

( S E A L )

Bill Hopkins, Senior Regulatory Law Judge,  
by delegation of authority pursuant to  
4 CSR 240-2.120(1) (November 30, 1995)  
and Section 386.240, RSMo 1994.

Dated at Jefferson City, Missouri,  
on this 29th day of February, 2000.