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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 22nd
day of October, 1993.

In the matter of the application of)	
Loma Linda Development, Inc., for)	
permission, approval and a certificate)	
of convenience and necessity authorizing)	<u>CASE NO. WA-92-187</u>
it to construct, install, own, operate,)	
control, manage and maintain a water)	
system for the public, located in an)	
unincorporated area in Newton County,)	
Missouri.)	

ORDER APPROVING STIPULATION AND AGREEMENT

On February 6, 1992, Loma Linda Development, Inc. filed an application seeking a certificate of public convenience and necessity to provide water service in an unincorporated area of Newton County, Missouri. On April 23, 1993, Loma Linda Estates, Inc.(Loma Linda) filed an amended application.

On August 9, 1993, the Staff of the Commission (Staff) filed a memorandum recommending that a procedural schedule be established because the parties had not reached agreement on rates and rate design. Also on August 9, 1993, Staff filed a motion for a hearing on the issues of rates and rate design. On August 13, 1993, the Commission established a procedural schedule for this case. On August 24, 1993, the Commission amended the procedural schedule. On September 28, 1993, a prehearing conference was held as scheduled. Loma Linda, Staff, and the Office of the Public Counsel (Public Counsel) appeared and participated at the prehearing conference.

On October 8, 1993, Loma Linda, Staff, and Public Counsel filed a Stipulation and Agreement (Attachment A to this Order and incorporated herein by reference) which proposed to settle all issues in this case. No objection to the Stipulation and Agreement (Stipulation) has been filed.

Within the Stipulation, the parties requested that the Commission approve Loma Linda's application. Also, Loma Linda agreed to file for Commission approval proposed tariff sheets to implement the provisions of the Stipulation for service on and after November 1, 1993.

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for service on and after November 1, 1993.

In addition, the parties have agreed to the following rates for Loma Linda, exclusive of any applicable franchise and occupational taxes or other similar fees or taxes. The monthly charge for a customer without a meter will be a flat rate of \$18.19. The monthly charge for a customer with a meter will be a minimum bill which includes 7,000 gallons of water, plus a commodity charge of \$1.19 for each 1,000 gallons in excess of 7,000 gallons. The minimum bills, which are based on meter size, are as follows:

<u>METER SIZE</u>	<u>MINIMUM BILL</u>
5/8 inch	\$18.19;
1.0	\$21.27;
1.5	\$26.39;
2.0	\$32.54;
3.0	\$46.89;
4.0	\$67.39.

Also, an irrigation rate of \$.50 per 1,000 gallons will be available to the local golf course for untreated water used during off-peak demand periods when the backup well is not required to provide an adequate supply of water to Loma Linda's other customers.

Loma Linda will install water meters and begin metered water service to all customers by May 1, 1994, and will notify each customer at least five but not more than thirty days prior to that customer's conversion from unmetered to metered service. A review of Loma Linda's rates will be conducted by Staff within eighteen months after they become effective as a check of their continued reasonableness following the conversion to metered service.

The parties have agreed that Loma Linda's net plant in service as of October 31, 1992 is \$76,147. The parties have also agreed that the depreciation rates set forth on Attachment 1 to the Stipulation (and incorporated herein by reference) are proper and adequate for Loma Linda and should be adopted by the Commission. Also, Loma Linda has agreed to keep its books and records in accordance with the Uniform System of Accounts.

The Commission has reviewed Loma Linda's application and the Stipulation in this matter. The Commission finds that providing a reliable source of water to the proposed service area is in the public interest, and that Loma Linda's

proposal is reasonable. Also, the provisions of the Stipulation, including the stipulated rates, are just and reasonable. In addition, the provision for a Staff review of Loma Linda's rates within eighteen months is beneficial for purposes of protecting the public interest in the future. Thus, the Commission finds that the Stipulation in this case is just and reasonable.

The Commission may approve a stipulation of the issues in a case if it finds that the stipulation is just and reasonable. The Commission has so found and thus determines that the Stipulation in this case should be approved.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement filed in this case (Attachment A) is hereby approved and adopted.

2. That Loma Linda Estates, Inc. d\b\ a Loma Linda Water Company is hereby granted a certificate of convenience and necessity to construct, install, own, operate, control, manage and maintain a water system for the public within the service area contemplated by its amended application.

3. That the depreciation rates set forth on Attachment 1 to the Stipulation and Agreement are hereby approved and adopted for Loma Linda Estates, Inc. d\b\ a Loma Linda Water Company.

4. That Loma Linda Estates, Inc. d\b\ a Loma Linda Water Company shall file tariff sheets consistent with the Stipulation and Agreement and this Order to be effective for service on and after November 1, 1993.

5. That the certificate of convenience and necessity granted in Ordered Paragraph 2 shall become effective on the effective date of the tariff sheets directed in Ordered Paragraph 4.

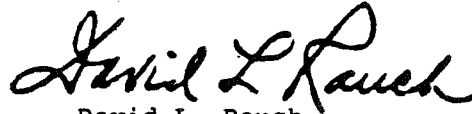
6. That nothing in this Order shall be considered as a finding by the Commission of the reasonableness of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein included, nor as an acquiescence in the value placed upon said properties by Loma Linda Estates, Inc. d\b\ a Loma Linda Water Company.

7. That the Commission reserves the right to consider the ratemaking treatment to be afforded the facilities constructed pursuant to this Order, and

its resulting cost of capital, in any later proceeding.

8. That this Order shall become effective on November 1, 1993.

BY THE COMMISSION

A handwritten signature in cursive script, reading "David L. Rauch".

David L. Rauch
Executive Secretary

(S E A L)
Mueller, Chm., McClure, Perkins
Kincheloe, CC., Concur.
Crompton, C., Absent.