

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 20th
day of October, 1993.

In the matter of Suburban Water and Sewer Co., Inc.'s)
tariff sheet designed to increase rates for water)
service pursuant to the Commission's informal rate)
procedure.)

Case No. WR-94-92

ORDER APPROVING TARIFF

On September 16, 1993, Suburban Water and Sewer Company (Suburban) filed with the Commission a request for a rate increase for its water service as the result of an informal rate procedure initiated on March 22, 1993, pursuant to Commission Rule 4 CSR 240-12.060(8). Initial notice of the proposed rate increase was sent to all 152 residential water customers within the jurisdiction by Suburban on April 15, 1993. Subsequently, notice was given to all customers on September 21, 1993, of the proposed agreed-upon rate increase for water service, reviewed and recommended by the Staff of the Commission and Office of Public Counsel (OPC). Upon initial notification, one complaint regarding the proposed rate increase was received by the Staff and handled over the telephone. Upon second notification, no customer complaints were received.

After review, the Staff of the Commission, OPC, and Suburban have reached an agreement on the proposed rate increase for water service as set out in Suburban's proposed tariff, filed September 16, 1993, which reflects the following:

Monthly minimum	\$2.42
Commodity charge (per 1000 gals.).....	1.53
Turn-on fee	25.00
Turn-off fee	25.00
<u>Monthly bill</u>	
\$7.65 current	
10.07 proposed	
32% proposed increase	

The Staff states that it has completed an investigation of the books, records, and operations of Suburban and has submitted a summary of the accounting and rate design workpapers. As a result, the Staff, OPC, and Suburban have agreed to a proposed water rate increase of \$4,286 per year gross revenue, or 38%. In its attachments, the Staff makes mention of the fact that Suburban has not had a rate increase since its creation in 1973. In fact, the Staff audit reflected a revenue requirement some \$1300 larger than that reflected in the current proposal. The Staff states that this revenue deficiency is the result of increased operating costs together with underbilling for water.

On this basis, the Commission concludes that a public hearing is not necessary in this matter and finds as follows:

Suburban provides water service for approximately 152 residential customers within the Commission's jurisdiction, most being residents of an apartment complex owned by the operators of Suburban, and is a public utility regulated by the Commission. Suburban is requesting this rate increase as the result of increased operating expenses incurred over the past 20 years. In addition, the Staff noted a problem with underbilling and suggested methods to more accurately account for sales and correctly bill for water service. Staff, Suburban, and OPC agreed upon an increased revenue requirement for Suburban of \$4286, which translates to a 38% increase in revenue and an average 32% increase, or \$2.42, in the average bill of a customer using 6000 gallons of water per month. The Commission finds the rate increase, as set out in the proposed tariff filing, to be reasonable, justified and designed to allow Suburban to provide safe, adequate, and reliable service at reasonable rates.

The Commission determines that the proposed rates are just and reasonable and will approve them. As the proposed rate increase exceeds seven percent, the Commission will direct Suburban to submit the information required by Section 393.275, RSMo 1986.

IT IS THEREFORE ORDERED:

1. That the following tariff filed by Suburban Water Company on September 16, 1993, be hereby approved for service on or after November 1, 1993:

PSC Mo. No. 1

1st Revised Sheet No. 4, Cancelling Original Sheet No. 4

2. That Suburban Water Company shall file with the Commission the names of any and all cities and counties which impose a business tax license on its operations, with an estimate of the annual increase in gross receipts resulting from the tariff increase from customers residing in that city or county within ten (10) days from the date of approval of this order.

3. That this order shall become effective November 1, 1993.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,
and Crumpton, CC., Concur.
Kincheloe, C., Absent.