

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 18th
day of February, 1994.

In the matter of Community Water Company)
Inc.'s tariff sheets designed to increase)
rates for water service pursuant to the)
Commission's informal rate procedure.)

CASE NO. WR-94-223

ORDER APPROVING TARIFF SHEETS

On September 23, 1993, Community Water Company, Inc. (Community) filed a letter requesting a rate increase in its water operations under the Commission's informal rate procedure. Community serves three public water supply districts in Jackson, Cass, and Lafayette Counties, Missouri. On January 20, 1994, Community filed tariff sheets reflecting increased rates for water service.

The Staff of the Commission (Staff) completed an investigation of Community's books, records and operations related to providing water service, and on February 10, 1994, filed a memorandum concerning Community's request. Staff indicated that Staff, Community and the Office of the Public Counsel (Public Counsel) have agreed that the Commission should approve the rates contained in the tariff sheets filed by Community on January 20, 1994, with an effective date of February 21, 1994. The rates contained in the proposed tariff sheets are:

P.W.S.D. 15:

- A. \$10,478 per month calculated on 2,592 thousand gallons per month at the rate of \$4.04 per 1,000 gallons;
- B. \$4.04 per 1,000 gallons for all usage in excess of 2,592 thousand gallons.

P.W.S.D. 16:

- A. \$16,870 per month calculated on 4,788 thousand gallons per month at the rate of \$3.52 per 1,000 gallons;
- B. \$3.52 per 1,000 gallons for all usage in excess of 4,788 thousand gallons.

P.W.S.D. 17:

- A. \$6,286 per month calculated on 1,555 thousand gallons per month at the rate of \$4.04 per 1,000 gallons;
- B. \$4.04 per 1,000 gallons for all usage in excess of 1,555 thousand gallons.

The proposal would increase Community's annual water revenues by approximately \$155,100, a 47 percent increase.

Community's customers were notified of Community's requested rate increase by written notice on October 8, 1993. Staff indicated it did not receive any complaints in response to the initial notice. Community's customers were subsequently notified of the tariff sheets filed by Community on January 20, 1994.

Staff stated that the proposed tariff sheets will have no effect on any other matters involving Community that may be pending before the Commission. Staff recommended that the Commission approve the tariff sheets filed by Community on January 20, 1994, for service on and after February 21, 1994.

On February 17, 1994, P.W.S.D. 16 filed a motion to intervene and to suspend the tariff sheets. In support of its motion, PWSD 16 states that it has insufficient funds to pay the proposed rate increase and that its financial condition was not taken into consideration.

As a political subdivision, P.W.S.D. 16 is entitled to intervene pursuant to 4 CSR 240-2.100 (14). Nonetheless, the Commission is of the opinion that the information considered by Staff and Public Counsel in the analysis of the proposed tariff sheets was sufficient and that suspension of the tariff sheets is unnecessary.

The standard for Commission approval of the proposed rates is whether they are just and reasonable. The burden of proof to demonstrate that the proposed rates are just and reasonable is upon Community.

Community's previous rates had not considered certain items of expense that were previously unknown but are now measurable. Such items include property taxes and wheeling charges for the use of P.W.S.D. 16's facilities. Also other expense items which were estimated previously have increased. The proposed rates have resulted from extensive negotiations between Staff, Community and Public Counsel. The resulting increased revenues will allow Community to cover its known and measurable expense of providing safe and adequate service. Thus, the Commission finds that the proposed rates are just and reasonable and determines

that the tariff sheets filed by Community on January 20, 1994, should be approved for service on and after February 21, 1994.

IT IS THEREFORE ORDERED:

1. That Public Water Supply District No. 16 is hereby granted intervention in this case.

2. That the following tariff sheets filed by Community Water Company, Inc. are hereby approved for service on and after February 21, 1994:

P.S.C. MO. No. 1

2nd Revised Sheet No. RT-1 Canceling 1st Revised Sheet No. RT-1;

1st Revised Sheet No. RT-2 Canceling Original Sheet No. RT-2;

1st Revised Sheet No. RT-3 Canceling Original Sheet No. RT-3.

3. That this Order shall become effective on February 21, 1994.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

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