

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 12th
day of April, 1994.

In the matter of West Elm Place Corporation's)
tariff revisions designed to increase rates) CASE NO. SR-94-267
for sewer service pursuant to the Commission's)
informal rate procedure.)

ORDER APPROVING TARIFFS

West Elm Place Corporation (West Elm or Company) is a water corporation and a public utility subject to the jurisdiction of the Missouri Public Service Commission (Commission). Section 386.250(3) RSMo Supp. 1993. West Elm serves approximately 3,500 sewer customers in Jefferson County. By letter filed September 3, 1993, the Company requested that the Commission approve a rate increase for its water operations under the small company rate proceeding set out in 4 CSR 240-2.060(8). The Company requested an increase of \$170,000, or approximately 25 percent, in revenues. West Elm's last rate increase was in 1984 and inflation has increased the Company's expenses during that time. In addition, growth in the housing industry has become stagnant over the last few years so that West Elm's customer base has ceased to grow as expected.

On October 1, 1993, the Company sent written notice of these requested increases to its customers. Staff received eight telephone calls and fifteen letters protesting that the requested rates were too high. There was one service complaint which was investigated and resolved. After negotiations with Staff and revision of its requested increase, the Company filed its proposed tariff on March 1, 1994. On March 4, 1994, the Company sent notice to its customers advising them of the increase reflected in its tariff filing. Staff received four telephone calls and

eight letters complaining that the proposed increase was too high after this second notice. West Elm filed a letter on January 25, 1994, requesting an extension of time for completion of the informal rate proceeding.

Staff conducted an investigation into the books, records, and operations of West Elm Place Corporation and filed its recommendation on March 31, 1994. Staff cited increases in: electricity, sludge hauling, PSC assessments, waste removal, accounting fees, real estate and personal property taxes, payroll with its related taxes, postage, and health, life and auto insurance. Staff stated that customer growth was good until the last two years and that increases in customer numbers over the years have been offset by increases in plant in service. Based upon its audit, the Accounting Staff has concluded that there is justification for an increase in West Elm's current annual sewer revenue of \$97,376, or 13.8 percent. Staff recommended approval of the revised tariff sheets filed March 1, 1994, for service provided on and after April 15, 1994. On March 30, 1994, OPC signed the Statement of Public Counsel Position stating that the OPC was in agreement with Staff's recommendation.

Upon review of Staff's memorandum and its attachments, the Company's tariff filed March 1, 1994, and Public Counsel's Recommendation, the Commission finds that the increase in revenues agreed to by the Company, Staff, and the OPC and filed with the Commission is justified in order to provide the Company with the necessary funds to meet expenses which have inflated since the last rate increase, and which will not be met by any expected increase in customer numbers. The Commission finds that the revised tariff is just and reasonable and in the public interest and concludes that the tariff should be approved.

IT IS THEREFORE ORDERED:

1. That the following tariff sheets filed by West Elm Place Corporation on March 1, 1994, is hereby approved for services on and after April 15, 1994:

P.S.C. MO. No. 2

10th Revised Sheet No. 1, Cancelling 9th Revised Sheet No. 1;
5th Revised Sheet No. 1A, Cancelling 4th Revised Sheet No. 1A;
1st Revised Sheet No. 1B, Cancelling 9th Revised Sheet No. 1B.

2. That this Order shall become effective on April 15, 1994.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

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