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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 27th
day of January, 1993.

In the matter of Finley Valley Water Company)
tariff sheet designed to increase rates for)
water service pursuant to the Commission's)
informal rate procedure.)
CASE NO. WR-93-174

ORDER APPROVING TARIFFS

On July 27, 1992, Finley Valley Water Company (Finley) filed for a rate increase in its water operations under the Commission's informal rate procedure. Finley serves approximately 93 residential water customers.

The Staff of the Commission (Staff) completed an investigation of Finley's books, records and operations related to providing water service, and on January 15, 1993, filed a memorandum concerning Finley's request. Staff indicated that Staff, Finley 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 Finley on November 30, 1992, with an effective date of February 1, 1993. The rates contained in the proposed tariff sheets are:

Monthly Customer Charge - \$5.40;

Monthly Commodity Charge
per 1,000 gallons - \$1.96.

The proposal would increase Finley's annual water revenues by approximately \$2,358, a 14 percent increase. For an average residential customer using 5,000 gallons of water per month, the monthly charge would increase from \$13.30 to \$15.19, an increase of 14.2 percent.

Finley's customers were notified of Finley's requested rate increase by written notice on August 15, 1992, and of Staff's proposal on November 25, 1992. Staff indicated it received 13 letters and one petition from Finley

customers. Staff stated that the petition and all of the letters were received after the first notice was sent. The letters and petition indicated that the customers thought Finley's proposed rate increase was too high, that the water had a chlorine taste and that the water pressure was low. On November 23, 1992, Staff conducted an investigation of the chlorine taste and low pressure. Staff indicated that these complaints have been resolved.

Staff stated that the proposed tariff sheets will have no effect on any other matters involving Finley that may be pending before the Commission. Staff recommended that the Commission approve the tariff sheets filed by Finley on November 30, 1992, for service on and after February 1, 1993.

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 Finley.

Finley has experienced increases in operating expenses over the past several years due to a large and rapid increase in customer numbers. The proposed rates have resulted from extensive negotiations between Staff, Finley and Public Counsel. The resulting increased revenues will allow Finley to cover its increased cost of providing service. Also, the service complaints which were voiced during Staff's investigation were promptly rectified. Thus, the Commission finds that the proposed rates are just and reasonable and determines that the tariff sheets filed by Finley on November 30, 1992, should be approved for service on and after February 1, 1993.

IT IS THEREFORE ORDERED:

1. That the following tariff sheets filed by Finley Valley Water Company are hereby approved for service on and after February 1, 1993:

P.S.C. MO. No. 1

2nd Revised Sheet No. 4 Canceling 1st Revised Sheet No. 4.

2. That this Order shall become effective on February 1, 1993.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

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