

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 2nd  
day of February, 1994.

In the matter of the Empire District)  
Electric Company's tariff sheets to )  
increase water rates pursuant to )  
informal rate procedure. )

CASE NO. WR-94-201

ORDER APPROVING TARIFF SHEETS

On December 29, 1993, Empire District Electric Company (Empire) filed for a rate increase in its water operations under the Commission's informal rate procedure. Empire serves approximately 4,124 residential water customers.

The Staff of the Commission (Staff) completed an investigation of Empire's books, records and operations related to providing water service, and on January 26, 1994, filed a memorandum concerning Empire's request. Staff indicated that Staff, Empire 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 Empire on December 29, 1993, with an effective date of February 13, 1994. The rates contained in the proposed tariff sheets are:

MONTHLY RATE:

Customer Charge:

Meter 5\8".....	\$ 5.62
Meter 1".....	\$ 12.30
Meter 2".....	\$ 36.81
Meter 4".....	\$112.56
Meter 6".....	\$223.95

Consumption Charge:

First 100,000 gallons, per thousand gallons.....	\$ 1.87
Over 100,000 gallons, per thousand gallons.....	\$ 0.66

TANK WATER:

Per 1,000 gallons.....	\$ 7.97.
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The proposal would increase Empire's annual water revenues by approximately \$124,931, a 15 percent increase. For an average residential customer using 5,000 gallons per month, the monthly charge would increase from \$13.07 to \$14.94, an increase of 14.3 percent.

Empire's customers were notified of Empire's requested rate increase by

written notice on September 8, 1993, and of Staff's proposal on January 3, 1994. Staff indicated it received four letters and two phone calls from Empire customers. The comments indicated that the customers thought the proposed rate increase was too high and one customer stated that he should not have to pay a fire hydrant charge. Another customer complained of dirty water and odor. Staff investigated this complaint and indicated that it has been resolved.

Staff stated that the proposed tariff sheets will have no effect on any other matters involving Empire that may be pending before the Commission. Staff recommended that the Commission approve the tariff sheets filed by Empire on December 29, 1993, for service on and after February 13, 1994.

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 Empire.

Empire has experienced increases in operating expenses since its last rate increase in April, 1990, and has invested in extensive improvements to its water system. The proposed rates have resulted from extensive negotiations between Staff, Empire, and Public Counsel. The resulting increased revenues will allow Empire to cover its increased cost 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 Empire on December 29, 1993, should be approved for service on and after February 13, 1994.

**IT IS THEREFORE ORDERED:**

1. That the following tariff sheets filed by Empire District Electric Company are hereby approved for service on and after February 13, 1994:

P.S.C. MO. No. 4

5th Revised Sheet No. 1 Canceling 4th Revised Sheet No. 1;

Original Sheet No. 2.

2. That this Order shall become effective on February 13, 1994.

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  
Crumpton, CC., Concur.  
Kincheloe, C., Absent.