

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 29th
day of March, 1995.

In the matter of Willows Utility Company's)
Tariff Revisions Designed to Increase Rates)
for Water Service Pursuant to the Commission's) CASE NO. WR-95-239
Informal Rate Procedure.)

In the matter of Willows Utility Company's)
Tariff Revisions Designed to Increase Rates)
for Sewer Service Pursuant to the Commission's) CASE NO. SR-95-240
Informal Rate Procedure.)

ORDER APPROVING TARIFF

On August 15, 1994, Willows Utility Company (Willows or Company) submitted a request for a rate increase pursuant to the Commission's small company rate procedure as set out in 4 CSR 240-2.060(8). On March 14, 1995, these dockets were created as a result of the formal filing of these proposed tariff sheets. Although these have been filed separately with Case No. WR-95-239 established for the water tariff sheets and Case No. SR-95-240 established for the sewer tariff sheets, the cases are sufficiently similar to be resolved by one unified order. Willows Utility Company is a public utility pursuant to § 386.020 and provides water and sewer service to a mobile home community of approximately one hundred ninety-two (192) customers in Greene County, Missouri.

On March 14, 1995, the Water and Sewer Department Staff of Public Service Commission (Staff) filed its Memorandum in which it recommended approval of the tariff sheets. This Memorandum also sets out the proposed rate increases and other terms and conditions of the proposed disposition of this case. Willows filed the tariff sheets with an April 1, 1995, effective date.

The customers were notified that the Company requested a water and sewer rate increase by written notice on October 31, 1994, and as a result of that notice Staff received four telephone calls suggesting that the rate increase was too high. Pursuant to negotiations between the Staff and Willows, the Company issued a second proposed water and sewer rate increase on January 30, 1995. This notice reflected increases which were revised and this notification did not result in any complaints or contact from customers.

The proposed rate increase provides that customers who use five thousand (5,000) gallons of water per month shall have their rates for water service increased from nine dollars (\$9.00) to ten dollars and seven cents (\$10.07) per month and shall have their rates for sewer service increased from ten dollars (\$10.00) to fifteen dollars (\$15.00) per month. A Staff audit produced an additional annual water revenue requirement of eleven thousand nine hundred thirty-three dollars (\$11,933) and an additional annual sewer revenue requirement of thirty-nine thousand three hundred thirty-one dollars (\$39,331). However, the Company only requested authority to increase the annual water revenue by eight thousand nine hundred forty dollars (\$8,940) and the annual sewer revenue by eleven thousand five hundred thirty dollars (\$11,530). Therefore, Staff is recommending an increase in the current annual water revenue of eight thousand nine hundred forty dollars (\$8,940) and Staff is recommending an increase in the annual sewer service of eleven thousand five hundred thirty dollars (\$11,530).

The Staff further recommends that Willows should book revenues, expenses, plant and accumulated depreciation to accounts as set forth in the Uniform System of Accounts. And, the Company should set a limit for repair items that should be expensed and any item over that amount should be capitalized.

The Commission has reviewed the tariff sheets which have been filed herein, the Staff Memorandum, and the entirety of the file and makes the following findings of fact. The Commission finds that Willows Utility Company has properly filed a rate increase pursuant to the Commission's small company rate procedure and has complied with the provisions found in 4 CSR 240-2.060. The Commission finds that the Staff and Willows Utility Company are in agreement as to the disposition of this case and further finds that on January 18, 1995, the Office of the Public Counsel submitted this statement of its position indicating that it agreed with accounting data and rate design and agreed that the rates are reasonable. The Commission finds in this case that all parties have agreed to the disposition of this matter and pursuant to § 536.060 the Commission may properly accept the unanimous disposition of this case pursuant to the agreement of the parties. Lastly, the Commission finds that it would be in the public interest to approve the tariff sheets filed by the Willows Utility Company.

IT IS THEREFORE ORDERED:

1. That the tariff sheets filed by Willows Utility Company on March 14, 1995, are approved for service on and after April 1, 1995.

P.S.C. Mo. No. 1

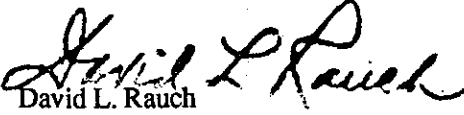
2nd Revised Sheet No. 3, Cancelling 1, 1st Revised Sheet No. 3.
1st Revised Sheet No. 3, Cancelling Original Sheet No. 3.

2. That Willows Utility Company shall book its revenues, expenses, plant, and accumulated depreciation to accounts as set forth in the Uniform System of Accounts.

3. That within thirty (30) days of the effective date of this order Willows Utility Company shall notify the Commission Staff of the limits it has set for repair items to be expensed and any item over that amount shall be capitalized.

4. That this order shall become effective on April 1, 1995.

BY THE COMMISSION


David L. Rauch
Executive Secretary

(SEAL)

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