

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 May, 1995.

In the matter of the application of)
Ozark Water & Wastewater Management,) CASE NO. SF-94-105
Inc. for authority to issue a note or)
other evidence of indebtedness.)

In the matter of Ozark Water & Waste-)
water Management, Inc.'s tariff sheet) CASE NO. SR-94-180
designed to provide for a surcharge)
to be used to obtain an EIERA Loan.)

ORDER APPROVING PERMANENT TARIFF

The Commission approved a financing arrangement (Case No. SF-94-105) and a surcharge (Case no. SR-94-180) on December 9, 1993, for Ozark Water & Wastewater Management, Inc.¹ The tariff establishing the surcharge of \$3.04 per month was approved on an interim basis subject to refund. The Commission's order stated that the surcharge tariff would be "fully considered by the Commission after opportunity for customer response and full investigation."

The Commission issued a notice on March 22, 1995, requesting the parties to file memoranda regarding the status of these two dockets. The Office of the Public Counsel (OPC) filed a memorandum on March 30, 1995. The Staff of the Public Service Commission filed a memorandum on April 14, 1995. Staff stated that its investigation revealed that an increase in customers from 414 to 418 would result in a decrease in the

¹All references in this order to an EIERA loan and a surcharge are to the loan and surcharge requested by Ozark Water & Wastewater Management, Inc. and approved in cases numbered SF-94-105 and SR-94-180 on December 9, 1993.

amount of the surcharge to \$3.02 per month but recommended that no change be made in the surcharge because the number of customers fluctuates by two or three each month and the change is de minimis. Staff reported that the company had issued the customer notice required by Ordered paragraph 2 of the Commission's December, 1993 order. That notice included a proposed rate increase later withdrawn by the company. Staff received two telephone calls and a letter complaining that the sewer rate increase was too high and not justified but received no service complaints. Staff reported that the EIERA loan money had been used for treatment plant additions which are now in service. Staff recommended no surcharge refund.

OPC filed a recommendation on April 17, 1995. OPC proposed that the surcharge be approved on a permanent basis but reduced to \$3.02 per month to reflect the number of customers more accurately and to make the charge more equitable. OPC stated that it had insufficient information to make a recommendation as to whether a refund would be appropriate. OPC pointed out that the tariff language states the surcharge would be "subject to change on an annual basis, depending on billing unit number changes". OPC asked that Staff be directed to review the status of the number of billing units each year and recommend appropriate adjustments in the surcharge rate.

The Commission has reviewed the memoranda and recommendations and is of the opinion that the approved financing has resulted in additions to the sewage treatment plant that offers a benefit to the ratepayers. Therefore, the surcharge tariff should be approved on a permanent basis to terminate when the principal has been repaid on the EIERA loan or on January 1, 1999, in accordance with the December 9, 1993, order. The Commission finds that, in order to give the most equitable result for both ratepayers and the company, the surcharge rate should be reduced to \$3.02

per customer, per month, and that adjustments should be made annually based on the number of billing units. The tariff docket, Case No. SR-94-180, should remain open to receive Staff's annual reports.

IT IS THEREFORE ORDERED:

1. That the surcharge instituted to recover funds to repay the EIERA loan approved in Case No. SF-94-105 be approved on a permanent basis. That surcharge is presently tariffed as:

P.S.C.Mo. No. 1
Original Sheet 1-A.

2. That the surcharge instituted by tariff sheet P.S.C.Mo. No.1, Original Sheet 1-A, shall terminate when the principal of the EIERA loan approved in Case No. SF-94-105 has been repaid or on January 1, 1999, whichever is earlier.

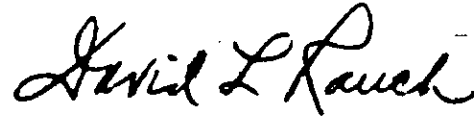
3. That, within 20 days of the effective date of this order, Ozark Water & Wastewater Management, Inc. shall file a revised tariff sheet to reflect the reduction in the surcharge amount to \$3.02 per customer per month.

4. That the Staff of the Missouri Public Service Commission shall investigate annually the status of the surcharge approved above to determine whether a refund is in order and what adjustments should be made to the surcharge rate based on the number of billing units. The first report shall be filed on or before May 1, 1996, and reports shall be due on the first working day in May of each succeeding year until the surcharge terminates.

5. That Case No. SR-94-180 shall remain open until the surcharge terminates in order to receive Staff reports and issue appropriate orders.

6. That Case No. SF-94-105 is closed.
7. That this order shall become effective on May 12, 1995.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

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