

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, 1991.

In the matter of Rocky Ridge Ranch Utilities)
Company of Ste. Genevieve, Missouri, for)
authority to file tariffs to increase water) CASE NO. WR-91-271
rates pursuant to the Commission's informal)
rate procedure.)

ORDER APPROVING STIPULATION AND AGREEMENT

This case was commenced on October 10, 1990, when Rocky Ridge Ranch
Utilities Company of Ste. Genevieve, Missouri, (Company) requested a revenue increase
of \$31,000 on an annual basis pursuant to the Commission's informal small company
rate procedure.

As a result of a Staff audit and discussions with the Company, an annual
revenue increase of \$14,204 was agreed to between Company and Staff. On February 20,
1991, the Company submitted a tariff to implement that amount of increase effective
April 1, 1991.

On February 21, 1991, a public meeting was held at Rocky Ridge, Missouri,
to permit the Company's customers to offer comments about their rate increase and to
ask questions. Most of the questions and comments express concerns about the
possible inclusion of expenses of the affiliated investment company as operating
expenses of the water company. As a result of some of the concerns expressed at the
public meeting, the Staff has proposed some further disallowances which would result
in an annual revenue increase of \$11,405. The presently proposed rates would result
in a monthly bill for a residential customer using 4,000 gallons of water to be
\$19.30.

As a result of the most recently proposed disallowances of operating expenses the Company, the Commission Staff and the Office of the Public Counsel have entered into a Stipulation and Agreement providing for the adoption of the currently proposed rates. Under the Stipulation the proposed increase would be as follows:

	<u>Current Bill</u>	<u>Company Request</u>	<u>Proposed Bill</u>	<u>% Increase</u>
Customer using 4,000 gallons	\$ 16.39	\$23.39	\$ 19.30	17.74%

In the Commission's opinion the Stipulation and Agreement should be approved since it has resulted in extensive negotiations between the parties and an extraction from the Company's operating expenses of items not reasonably related to the water company's operations.

In arriving at the decision to approve the Stipulation in this matter, the Commission has considered the Staff's response to service problems described at the meeting in Rocky Ridge as well as the answers furnished to the questions posed. In the Commission's opinion a copy of this Order, along with the answers to the questions at the public meeting, should be furnished to those persons requesting the information.

IT IS THEREFORE ORDERED:

1. That the Stipulation and Agreement filed herein on March 22, 1991, representing an agreement between Rocky Ridge Utilities Company, the Staff of the Missouri Public Service Commission and the Office of the Public Counsel be approved and the tariffs attached hereto may be effective for service rendered on and after April 1, 1991.
2. That copies of this Order, with attachments, shall be furnished as described herein.

3. That this Order shall become effective on the date hereof.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

Steinmeier, Chm., Mueller, Rauch,
and McClure, CC., Concur.
Letsch-Roderique, C., Absent.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED

MAR 22 1991

PUBLIC SERVICE COMMISSION

In the matter of Rocky Ridge Ranch)
Utilities Company of Ste. Genevieve,)
Missouri, for authority to file) Case No. WR-91-271
tariffs to increase water rates)
pursuant to the Commission's)
informal rate procedure.)

STIPULATION AND AGREEMENT

As a result of extensive negotiation, the Office of the Public Counsel (Public Counsel), the Staff of the Public Service Commission (Staff), and the Rocky Ridge Ranch Utilities Company (Company) have reached an agreement and stipulate to the following:

1. On October 10, 1990, Company requested a revenue increase of \$31,000 pursuant to Public Service Commission (Commission) informal rate procedures. This request would have increased the monthly bill for the average residential customer using 4,000 gallons of water from \$16.39 to \$23.39.

2. On February 19, 1991, Staff proposed a revenue increase of \$14,204, which would have raised the average monthly water bill to \$19.93.

3. On February 20, 1991, Company submitted a tariff which would have implemented Staff's recommended water rates, effective April 1, 1991.

4. On February 21, 1991, a local public hearing was held in Rocky Ridge, Missouri, where Company's customers testified in opposition to a rate increase.

5. On March 7, 1991, Public Counsel expressed their disagreement with Staff's recommended accounting. During the following week Staff and Public Counsel entered negotiations concerning the costs within Staff's recommendation which were contested, and as a result, produced the agreement specified herein.

6. Company shall submit a new tariff which reflects the rates indicated within Attachment A, allowing a revenue increase of \$11,405 and increasing the monthly bill for a residential customer using 4,000 gallons of water to \$19.30.

7. In recognition of Company's annual water loss rate of 56%, the negotiated revenue increase is considered to include an increase in salary expense to be used by Company for the purpose of repairing leaks, and also to include a reduction in the allowable purchased power expense and chemical expense which can be attributed to water loss upon Company's system which was in excess of 40% of total water pumped through Company's system.

8. Company agrees to maintain on-going records of salary expense which is utilized for the purpose of reducing Company's water loss rate, and agrees to supply an annual report to Public Counsel, on July 1 of each year, which will include a breakdown of the hours spent by Company's maintenance personnel for the purpose of repairing the water system and hours spent on other functions as well as a calculation of Company's water loss rate for the year.

9. None of the signatories below shall be deemed to have approved or acquiesced in any ratemaking principle or any method or cost determination or cost allocation underlying or allegedly underlying

this Stipulation and Agreement other than that which is specifically mentioned herein.

10. The terms of this Stipulation and Agreement are interdependent and in the event the Commission does not approve and adopt it in total, this Stipulation and Agreement shall be void, and no signatory shall be bound by any of the agreements or provisions hereof.

WHEREFORE, Staff and Public Counsel respectfully request that the Commission issue its order approving this Agreement and the new tariff to be submitted by Company as explained herein.

Respectfully submitted,

STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION

OFFICE OF THE PUBLIC COUNSEL

By William K. Haas
William K. Haas
Assistant General Counsel
P.O. Box 360
Jefferson City, Missouri 65102
314/751-7510

By John B. Coffman
John B. Coffman
Assistant Public Counsel
P.O. Box 7800
Jefferson City, Missouri 65102
314/751-4857

ROCKY RIDGE WATER COMPANY

By Susan Eckenfels
Susan Eckenfels
Route 3, Box 1
Highway O
Ste. Genevieve, Missouri 63670

MINIMUM CHARGE CALCULATION	METER SIZE	FLOW	METER CHARGE	COST PER 2000 GALLON	MINIMUM CHARGE
	5/8 IN.	1	\$4.98	\$7.16	\$12.14
	1 IN.	2.5	\$4.98	\$7.16	\$19.68
	2 IN.	8	\$4.98	\$7.16	\$47.03
	4 IN.	25	\$4.98	\$7.16	\$131.75

COMMODITY CHARGE	\$54,546 DIVIDED BY	15,242 M GALLONS	\$3.58 PER 1000
------------------	---------------------	------------------	-----------------

BILL FOR A
CUSTOMER USING
4,000 GALLONS

	CURRENT RATE		PROPOSED RATE	
MINIMUM CHARGE 5/8 IN. INCLUDES 2000 GALLONS	\$9.69		\$12.14	
COMMODITY CHARGE	\$6.70	\$3.35 PER 1,000 GALS	\$7.16	\$3.58 PER 1,000 GALS
TOTAL AVERAGE BILL	\$16.39		\$19.30	
	DIFFERENCE	\$2.91		
	% INCREASE	17.74%		

FORM NO. 13

P.S.C.MO. No.

1

3rd

{~~Original~~

{Revised

SHEET No. 5

Cancelling P.S.C.MO. No.

1

2nd

{~~Original~~

{Revised

SHEET No. 5

Rocky Ridge Ranch Utilities Company

For

Rocky Ridge Development

Name of Issuing Corporation

Community, Town or City

RATE SCHEDULES

SCHEDULE OF RATES

Availability: Available for any metered customer located on Company mains suitable for supplying the service requested.

Monthly Metered RatesMeter SizeMinimum Monthly Charge (incl. 2000 gal.)

5/8"	\$ 12.14
1"	\$ 19.62
2"	\$ 47.03
4"	\$131.75

Commodity Charge

\$ 3.58 per 1000 gal.

(all usage above 2000 gal.)

Any applicable taxes (sales or other as described herein) shall be added in addition to the above charges.

*Indicates new rate or text

+Indicates change

DATE OF ISSUE March 1, 1991
month day yearDATE EFFECTIVE April 1, 1991
month day yearISSUED BY Arthur E. Collins, President, Route 3, Box 1, Ste. Genevieve, MO 63670
name of officer title address