

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 31st
day of December, 1991.

In the matter of Riverfork Water Company's request)
for increased rates pursuant to Commission's) Case No. WR-92-94
informal rate procedure.)

ORDER APPROVING TARIFF AND AGREEMENT RELATING THERETO

On June 3, 1991, the Riverfork Water Company (Company) filed for a water rate increase pursuant to the Commission's informal rate procedure, 4 CSR 240-2.060(8). Copies of Company's filing, pursuant to said rule, were provided to the Office of Public Counsel. Staff, the Office of Public Counsel, and Company agree that Company's tariffs, filed on November 5, 1991, with an effective date of January 1, 1992, are reasonable. All parties recommend that the Commission approve said tariffs. The parties do not agree on other unrelated aspects of this case, as further explained, infra.

On November 8, 1991, the Commission Staff caused notice to be given to each of Company's twenty-four customers that Company was seeking an increase in rates as follows:

	<u>Then Current Rate</u>	<u>Company's Original Request</u>	<u>Proposed or Recommended Rate Increase</u>
Monthly (includes 2000 gallons)	\$ 6.49	\$29.00	\$12.48
Usage over 2000 gallons per 1000 gallons	\$ 1.91	\$ 2.84	\$ 3.81

By the same notice, Company's customers were invited to comment on said proposed charges and to relate any service problems to either the Office of Public Counsel or to the Staff.

Staff subsequently received four letters of complaint and one petition. Complainants stated: (a) the proposed rates were too high, (b) that a leak had not been repaired, (c) that their water often smelled and tasted bad, (d) that customers had been overbilled in connection with their consumption of water in the first 2000 gallon step, and (e) that some customers had been overcharged for their connection fee.

On December 24, 1991, Staff filed its recommendation. Staff states that it has audited Company's books and records and investigated the above-mentioned complaints and that excepting the general complaint regarding high rates, that said complaints have been resolved. Specifically, Staff advises that the reported leak has been fixed, that Company will flush its mains periodically to eliminate taste and odor problems, that refunds of improperly collected connection fees have been made, and that Company's inadvertent overbilling for water consumed in the first block (the first two thousand [2000] gallons) has been corrected and that Company has agreed to refund said overbilled amounts. Staff recommends that said overbilled amounts be repaid within 9 months at 6% simple interest.

The Office of Public Counsel and Company, by their Agreement filed on December 26, 1991, have independently agreed that Company shall refund all overcharges relating to first step water consumption to each affected customer for a period of 18 months from this order's effective date, said refunds to be completely discharged by July 1, 1993. Contrary to Staff's recommendation, Company and Public Counsel also have agreed that said overcharges should include 9% compound interest "from the date each overcharge was collected from each customer." Said Agreement also contains general provisions regarding Company's agreement to:

- (a) Notify their customers of any changes in Company's manager, his or her address and phone number, and to promptly answer customer complaints.

- (b) To flush its water lines as prescribed by the Missouri Department of Natural Resources.

Public Counsel and Company also agree that Company's tariff submitted on November 5, 1991, should become effective on January 1, 1992, and that Company be authorized to collect total annual operating revenues of \$10,573.00 by virtue of said tariff.

Having considered Staff's recommendation, and the Agreement between Company and Public Counsel, the Commission finds that Staff, Company and Public Counsel have agreed that the following represents a reasonable rate for Company's water operations, which at present is confined to residential use.

Monthly (includes first 2000 gallons)

Step one \$12.48

Step two \$ 3.81 for every 1000 gallons thereafter

The Commission also finds that the Agreement between Public Counsel and Company (see Attachment A) is a Non-unanimous Stipulation pursuant to 4 CSR 240-2.115. Inasmuch as Staff is the non-signatory party, the rule would ordinarily afford Staff five days to request a hearing from Staff's receipt of the Non-unanimous Stipulation. Staff will have no such opportunity in this case, given that the tariff will be effective on January 1, 1992. In future cases of this nature, the Commission urges all parties to act with far greater dispatch than they have in this instance. By so doing, each party will have enough time to consider the merits of opposing recommendations and, if need be, to request a hearing thereon.

The Commission finds that the proposed rates are reasonable and, based on Company's present level of customers, will increase Company's annual revenues by approximately \$5,170.00.

The Commission also finds that Company's agreement with the Office of Public Counsel to refund overcharges and to require Company to do as stated,

supra, is reasonable except as it relates to Company's obligation to refund overcharges. Said Agreement, as amended by this order, should be made a part of this order by reference. The Commission finds that Company should, as Staff suggests, refund said overcharges within nine (9) months of this Report and Order's effective date at 6% interest.

IT IS THEREFORE ORDERED:

1. That the tariff filed on November 5, 1991, by the Riverfork Water Company, identified as "P.S.C. Mo. No. 1, 1st Revised Sheet #4" is hereby approved for service rendered on and after January 1, 1992.

2. That the "Agreement" filed on December 26, 1991, by the Office of Public Counsel and the Riverfork Water Company is, excepting the provision regarding refunds at 9% compound interest, approved hereby, appended hereto as Attachment A, and made a part of this order by reference.

3. That the Riverfork Water Company shall refund all overcharges for water consumption in the first step, as identified in Attachment A, at 6% simple interest, and shall fully refund all amounts owing within nine (9) months of the effective date of this order.

4. That this order shall be effective on January 1, 1991.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

Steinmeier, Chm., Mueller,
McClure and Perkins, CC., Concur.
Rauch, C., Absent.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of Riverfork Water)	
Company's request for increased)	File No. 9100469
rates pursuant to Commission's)	Case No. WR-92-94
informal rate procedure.)	

FILED
DEC 26 1991
PUBLIC SERVICE COMMISSION

AGREEMENT

In an effort to resolve this case to the satisfaction of all parties, the Riverfork Water Company, Inc. (Company) and the Office of the Public Counsel (Public Counsel) have reached the following agreement:

1. The signatories agree to allow the October 4, 1991 rate increase proposal of the Staff of the Public Service Commission which authorizes an annual revenue requirement totalling \$10,573, and the corresponding tariff filed by Company on November 5, 1991, to become effective January 1, 1992.

2. Company admits that since February 7, 1990, when Company was first granted a certificate to provide water service, and through August 1991, it has inadvertently failed to recognize that its "monthly minimum charge" allows customers to consume 2,000 gallons of water usage before triggering a "commodity charge," causing customers to be double-charged for up to the first 2,000 gallons of water they consumed each month. Therefore, the Company agrees to refund all such overcharges during a period of eighteen months following the effective date of the Commission's Report and Order in this matter, and by a method of Company's choosing, provided that such method returns all overcharges to the particular customers from which they were collected and provided that the method of refund also includes interest on the overcharges compounded at 9% from the date each

overcharge was collected from each customer. All such overcharges and interest shall be repaid by July 1, 1993.

3. Company agrees to notify each of its customers in the event of a change in the Company's manager and agrees to provide each customer with the name, address and phone number of the new manager, and to promptly answer customer complaints made to that phone number.

4. Company agrees to flush its water lines no less often than the frequency required by the Missouri Department of Natural Resources, and whenever complaints are received regarding the taste and odor of water provided Company's investigation of the problem reveals that flushing is likely to improve the quality of the water.


5. Neither the Commission nor the signatories hereto shall be deemed to have approved or acquiesced in any ratemaking principle or any method of cost determination or cost allocation underlying or allegedly underlying this Agreement and the rates provided for herein.

6. The terms of this Agreement are interdependent. In the event the Commission does not approve and adopt this Agreement in total, or if the revised water rate schedules do not become effective in accordance with the provisions contained herein, this Agreement shall be void and no signatory shall be bound by any of the agreements or provisions hereof.

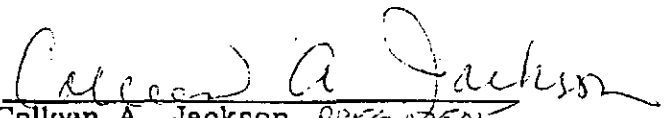
WHEREFORE Company and Public Counsel respectfully request that the Commission issue its order approving this Agreement and the tariff which Company filed on November 5, 1991.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

By 
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RIVERFORK WATER COMPANY, INC.

By 
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