

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 18th  
day of February, 1994.

In the matter of Missouri Cities        )  
Water Company proposed tariff        )     Case No. WT-94-233  
Rule No. 21.                                )

ORDER APPROVING TARIFF

On January 19, 1994, Missouri Cities Water Company, (MCWC), a wholly owned subsidiary of Missouri American Water Company, filed tariff sheets reflecting the authority to make a lump sum refund of deposits to customers who made contributions for permanent attachment to main extensions. On January 31, 1994, MCWC filed substitute tariff sheets with clarifications. Finally, on February 1, 1994, MCWC filed a substitute tariff sheet reflecting a change in 1st Revised Sheet No. E-6. The effective date of the proposed tariffs is February 21, 1994.

On January 31, 1994, a "Petition and Complaint" was filed by the City of St. Peters, Missouri in which the City requested a suspension of the proposed tariffs and an evidentiary hearing based on allegations by the City that the proposed tariffs were "preferential, discriminatory, arbitrary, capricious, unreasonable and unlawful."

MCWC filed its answer to the filing by the City and, on February 10, 1994, the Missouri Public Service Commission Staff (Staff) filed its recommendation in this matter.

In its recommendation, the Staff stated that it reviewed the proposed tariffs and amendments and recommended the Commission approve the request of MCWC. The Staff states that the area in question, located in St. Charles County, Missouri, is the "only division" without the proposed refund language in its tariff. The Staff stated that the proposed language applies to any contractor

or individual who wishes MCWC to extend its main. Lastly, the Staff stated that enactment of the tariff proposals would have no effect on any other matter which MCWC may have pending before the Commission.

The City of St. Peters alleges that MCWC supplies water through its certified area which is located, among other places, in the corporate limits of the City of St. Peters. The City of St. Peters itself operates an unregulated municipal water company providing water service largely, presumably, to the residents of the City of St. Peters.

The City states that the proposed tariffs filed by MCWC should be suspended for two basic reasons, those being:

1. that the proposed tariffs provide for refunds only to "subdivision developers" and does not grant such rebates to individual owners, and
2. the proposed tariffs are applicable only to the MCWC service area in St. Charles County and not throughout the state.

The City states, by way of summary, that MCWC customers will be paying the cost of the sewer and water system to the developer upon purchase of a home without the benefit of the refund, which will go to the developer. This will, in turn, raise the price of housing in and around the City of St. Peters.

After examination of the arguments furnished by the City of St. Peters, the proposed tariffs and response of MCWC, and the recommendation of the Staff, the Commission finds that suspension of the tariff and evidentiary hearing is not necessary in this matter.

The clear wording of the tariff includes any individual who wishes connection to an existing main. In practice this provision may or may not be more beneficial to subdivision developers but, by its wording, it clearly applies across-the-board to all customers. In addition, the proposed tariffs are in use throughout the MCWC and other systems, and are used as a common and effective method of providing contributions in aid of construction. The Commission finds

that the objections to the proposed tariffs set out by the City of St. Peters are without merit.

The Commission finds the tariffs proposed by MCWC to be just and reasonable and in the public interest and will therefore order that they be approved.

**IT IS THEREFORE ORDERED:**

1. That the following tariff sheets filed by Missouri Cities Water Company on January 19, 1994, and as amended on January 31, 1994 and February 1, 1994, are hereby approved for service on and after February 21, 1994:

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P.S.C. Mo. No. 2

1st Revised Sheet No. E-6, Cancelling Original Sheet No. E-6

Original Sheet No. E-6a

2. That this order shall become effective on February 21, 1994.

BY THE COMMISSION



David L. Rauch  
Executive Secretary

(S E A L)

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