

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
Jefferson City

April 12, 1989

CASE NO. WR-89-178 & SR-89-179

Byron E. Francis, Attorney at Law, 611 Olive Street, Suite 1900,
St. Louis, Missouri 63101-1782

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,

Harvey G. Hubbs
Harvey G. Hubbs
Secretary

uncertified copy:

Office of Public Counsel, P.O. Box 7800, Jefferson City, Missouri 65102
To The Presiding Commissioner, Platte County Commission, Platte City, Missouri 64079
To The Presiding Commissioner, St. Charles County Commission, St. Charles, Missouri 63301
To the Presiding Commissioner, Johnson County Commission, Warrensburg, Missouri 64093
To the Presiding Commissioner, Chariton County Commission, Keytesville, Missouri 65261
To the Presiding Commissioner, Audrain County Commission, Mexico, Missouri 65265
To the Mayor, City of Warrensburg, Municipal Building, 102 South Holden,
Warrensburg, Missouri 64093

To the Mayor, City of Brunswick, 115 West Broadway, Brunswick, Missouri 65236
To the Mayor, City of Mexico, 300 North Coal, Mexico, Missouri 65265
To the Mayor, City of St. Peters, Venture at Mexico Road, P.O. Box 9,
St. Peters, Missouri 63376
To the Mayor, City of Parkville, 8701 River Park Drive, Parkville, Missouri 64152
To the Mayor, City of Riverside, 4500 N.W. High Drive, P.O. Box 9135,
Riverside, Missouri 64168
To the Mayor, City of Platte Woods, 6820 N.W. Tower Drive, Platte Woods, Missouri 64151

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 12th
day of April, 1989

In the matter of Missouri Cities Water Company)
of St. Charles, Missouri, for authority to file)
tariffs designed to increase rates for water)
service to customers in the Missouri service)
area of the company.)
)

Case No. WR-89-178

In the matter of Missouri Cities Water Company)
of St. Charles, Missouri, for authority to file)
tariffs designed to increase sewer rates for)
customers in certificated areas of Platte)
County, Missouri.)
)

Case No. SR-89-179

SUSPENSION ORDER AND NOTICE OF PROCEEDINGS

On March 15, 1989, Missouri Cities Water Company of St. Charles, Missouri (Company) submitted to this Commission tariffs reflecting increased rates for water and sewer service provided to customers in the Missouri service area of the Company. The proposed tariffs bear a requested effective date of April 17, 1989. The proposed tariffs are designed to produce an increase of approximately \$1,103,583 (16.14 percent) in charges for water and sewer service as follows:

	<u>Increase</u>	<u>Percent</u>
Brunswick	\$ 71,186.00	33.69
Mexico	349,778.00	33.42
Platte County (W)*	169,497.00	18.17
Platte County (S)*	6,350.00	21.49
Warrensburg	251,547.00	31.62
St. Charles (W)*	255,225.00	6.67
	<u>\$1,103,583.00</u>	

*W = water

*S = sewer

To allow sufficient time to study the effect of the proposed tariffs and to determine if they are just, reasonable and in the interest of the public, it is the

opinion of the Commission that the proposed tariffs should be suspended for a period of 120 days beyond April 17, 1989, the requested effective date, unless otherwise ordered by this Commission.

Inasmuch as the Commission is required by law to give the hearing and decision of rate increase cases preference over all other questions pending before it and to decide the same as speedily as possible, and since the burden of proof that the proposed rates are just and reasonable is upon the company proposing same, the Commission is of the opinion that a hearing should be scheduled at which time the Company shall present its entire case in support of these proposed rates. To facilitate the hearing process in this matter, the Commission concludes that a schedule of proceedings should be established, and that all parties should be required to file prepared testimony and schedules in advance of the hearing, as hereinafter ordered.

The Commission is further of the opinion that the Secretary of the Commission should serve a copy of this order upon the mayor of each city and the county commission of each county in the Company's service area. In addition, the Secretary shall send notice of this order to the publisher of each newspaper located in the counties in which the Company provides service, as listed in the newspaper directory of the current Official Manual of the State of Missouri, and to the members of the General Assembly representing the Missouri area served by the Company.

Any city, county, or other proper entity desiring to intervene in this proceeding shall file its application to intervene within 30 days following the date of this order as provided by 4 CSR 240-2.110(12) and shall serve a copy of the application on the Company's attorney, Byron E. Francis, Armstrong, Teasdale, Schlafly, Davis & Dicus, 611 Olive Street, Suite 1900, St. Louis, Missouri 63101-1782.

The Commission is also of the opinion that the Company should give notice to its customers pursuant to 4 CSR 240-2.110(10) in the manner provided below.

The Commission will require the prefiling of testimony as defined in 4 CSR 240-2.130. The practice of prefiling testimony is designed to give parties notice, at the earliest reasonable opportunity, of the claims, contentions and evidence in issue and to avoid unnecessary objections and delays in the proceedings caused by allegations of unfair surprise at the hearing.

Nothing herein, or in any other order in this case, shall preclude a party from addressing, or having a reasonable opportunity to address, matters not previously disclosed and arising at the hearing. The Commission, in its discretion and for good cause shown, may waive strict application of these requirements.

Since the instant case is subject to a statutory time limit, the Commission's general policy provides for the filing of the transcript within two weeks after the conclusion of the hearing. If any party seeks to expedite the filing of the transcript, such a request, in writing, shall be tendered to the hearing examiner at least five days prior to the date of hearing. The hearing examiner, in consultation with the chief hearing reporter, will determine whether the transcript can, and should, be expedited.

The Commission believes it is appropriate to limit the length of initial briefs to 100 pages and reply briefs to 50 pages unless otherwise ordered by the Commission or the hearing examiner.

If any party seeks a modification of the procedural schedule or a determination on any procedural matter, such requests shall be directed to the hearing examiner.

The Commission is of the opinion the Company should submit any requests for true-up in its prefiled direct testimony. The requests should include a proposed date to which the Company's financial data is to be brought forward as well as a proposed time for a true-up hearing. The Company's proposal should also specify a complete list of accounts or items of expense, revenues and rate base designed to prevent any improper mismatch in those areas. The Commission will not consider

isolated adjustments, but will examine only a "package" of adjustments designed to maintain the proper revenue-expense-rate base match at a proper point in time.

Re: Kansas City Power & Light Company, 26 Mo. P.S.C. (N.S.) 104, 110 (July 8, 1983).

The Company shall also file at an early date its recommendation concerning the proper test year, as adjusted, to be used in these proceedings.

The Commission's Staff, the Public Counsel and all intervenors shall state their positions regarding the Company's true-up and test year proposals as hereinafter ordered.

In order to clearly identify the issues between the parties and the dollar amounts associated with those issues, the Commission emphasizes the importance of the deadlines for filing the hearing memorandum and reconciliation as hereinafter ordered.

The Commission is of the opinion that Case Nos. WR-89-178 and SR-89-179 should be consolidated for hearing and record purposes. All pleadings, transcripts, briefs and other documents should be filed in Case No. WR-89-178 and only the proper number of documents which would be required for a single case need be filed by the parties.

It is, therefore,

ORDERED: 1. That all proposed tariff sheets submitted on March 15, 1989, by Missouri Cities Water Company of St. Charles, Missouri, for the purpose of increasing rates for water and sewer service provided to customers in its Missouri service area be, and are hereby, suspended for a period of one hundred twenty (120) days from April 17, 1989, to August 17, 1989, unless otherwise ordered by the Commission.

ORDERED: 2. That any proper entity desiring to intervene and participate herein shall, except for good cause shown, file its application to intervene and serve a copy of same upon the Company's attorney on or before May 12, 1989.

ORDERED: 3. That the Company shall file fifteen (15) copies of its prepared direct testimony and schedules and minimum filing requirements with the Secretary of the Commission, and shall serve two (2) copies of same upon the Public Counsel and each party who has filed a timely and proper application to intervene, on or before May 22, 1989.

ORDERED: 4. That concurrent with the filing of its prepared testimony and exhibits in this matter, the Company shall file with the Commission its recommendation concerning the proper test year, as adjusted, for use in this case. That on or before May 22, 1989, the Commission's Staff, the Public Counsel and the intervenors shall either concur in the Company's recommendation or shall recommend alternatives to the Company's suggested adjusted test year.

ORDERED: 5. That concurrent with the filing of its prepared direct testimony and exhibits, the Company shall file any requests for true-up audit and hearing. In their prefiled direct testimony, the Commission Staff, the Public Counsel and all intervenors shall either concur in the Company's request or file suggested alternatives to the Company's true-up recommendation.

ORDERED: 6. That the Commission Staff shall file fifteen (15) copies of its prepared direct testimony and schedules with the Secretary of the Commission, and serve five (5) copies of same upon the Company and two (2) copies of same upon the Public Counsel and each intervenor, on or before August 18, 1989.

ORDERED: 7. That the Public Counsel and each intervenor shall file fifteen (15) copies of their prepared direct testimony and schedules with the Secretary of the Commission, and serve five (5) copies of same upon the Company and two (2) copies of same upon each other party, on or before August 18, 1989.

ORDERED: 8. That all parties in this matter shall file rebuttal testimony and schedules on or before August 31, 1989, and surrebuttal testimony and schedules on or before September 11, 1989. Such testimony and schedules shall be filed with

the Secretary of the Commission and served upon all parties in the quantities set forth for direct testimony and schedules above.

ORDERED: 9. That testimony and any attachments to a witness's testimony shall be marked only in the manner prescribed by 4 CSR 240-2.130(11). If the testimony of more than one witness is contained in a single binder, the testimony of all witnesses contained therein shall be separated by a sheet of a distinctive or contrasting color.

ORDERED: 10. That the Company be, and is hereby, ordered to notify each affected customer of all hearings by either an imprint on a bill, or in a separate notice accompanying a billing, at least ten (10) days but not more than forty-five (45) days prior to the first of those hearings, unless otherwise ordered by the Commission. Such notice shall be in the following form:

NOTICE

Missouri Cities Water Company has filed revised tariffs with the Missouri Public Service Commission (PSC) which would increase the Company's Missouri jurisdictional annual gross revenues by approximately 16.14 percent. For the average residential customer, the proposed increase would be:

	<u>Current</u>	<u>Proposed</u>	<u>Percentage Increase</u>
Brunswick	\$22.62	\$30.26	33.78%
Mexico	12.27	16.40	33.66%
Parkville (W)*	13.19	15.62	18.42%
Warrensburg	9.31	12.31	32.22%
St. Charles (W)*	16.09	17.18	6.67%
Parkville (S)*	24.38	29.62	21.49%

*W = water

*S = sewer

A local hearing(s) will be set by subsequent order.

An evidentiary hearing has been set before the PSC beginning at 10:00 a.m., September 18, 1989 in the PSC's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri. If you wish to comment or secure information, you may contact the Office of Public Counsel, Post Office Box 7800, Jefferson City, Missouri 65102, telephone 314/751-4857.

ORDERED: 11. That a prehearing conference in this matter be, and is, hereby scheduled to commence at 9:00 a.m. on September 5, 1989, and will continue through September 8, 1989, as necessary. Said conference shall be held in the Commission's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.

ORDERED: 12. That a party may be dismissed from this proceeding for failure of the party's attorney to appear and participate at the prehearing conference, unless excused in accordance with 4 CSR 240-2.090(5).

ORDERED: 13. That the parties shall file a hearing memorandum setting out the issues to be heard and the witnesses to appear on each day of the hearing, definitions of terms used in describing those issues, each party's position on those issues and quantification of the amount on each issue in dispute no later than 5:00 p.m., September 8, 1989. As an appendix to the hearing memorandum, the parties shall include a reconciliation setting forth the total amount or values of each party's case as well as the individual contested amounts or values associated with each party's total recommendation for expenses, revenues and rate base. If necessary, the reconciliation may be amended or replaced during the proceedings to reflect any change in the issues or amounts in controversy. The parties shall prepare an exhibit list without assigning a number to each prefiled exhibit, which shall conform to the order in which the exhibits will be used in the hearing. The exhibit list shall be submitted to the Commission along with the hearing memorandum.

ORDERED: 14. That all parties shall present their testimony, schedules and witnesses for examination and cross-examination at a hearing commencing at 10:00 a.m. on September 18, 1989, and continuing through September 22, 1989, as necessary. Said hearing shall be held in the Commission's hearing room on the fifth floor of the Harry S Truman State Office Building, 301 West High Street, Jefferson City, Missouri.

ORDERED: 15. That since it is apparent that the investigation of these tariffs cannot be completed within one hundred twenty (120) days, the tariffs are hereby further suspended for a period of six (6) months beyond August 17, 1989, to February 17, 1990, unless otherwise ordered by the Commission.

ORDERED: 16. That all counsel and parties to this proceeding shall review 4 CSR 240-4.020 and comply with its terms; shall communicate the meaning and importance of that rule to all personnel whom counsel believes or reasonably should believe ought to be made aware of same; and all counsel shall immediately report to the Commission all future possible violations of any Commission rule by any party, including the party they represent.

ORDERED: 17. That the Secretary of the Commission shall serve a copy of this order and provide notice as described, supra.

ORDERED: 18. That requests for expedited transcripts or procedural determinations shall be made in the manner herein specified.

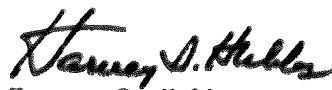
ORDERED: 19. That Case Nos. WR-89-178 and SR-89-179 shall be consolidated for hearing and record purposes.

ORDERED: 20. That all pleadings, transcripts, briefs and other documents to be filed in Case Nos. WR-89-178 and SR-89-179 shall be filed in Case No. WR-89-178.

ORDERED: 21. That initial briefs filed in this case shall be no longer than 100 pages and reply briefs shall be no longer than 50 pages, unless otherwise ordered by the Commission or the hearing examiner.

ORDERED: 22. That this order shall become effective on the date hereof.

BY THE COMMISSION


Harvey G. Hubbs
Secretary

(S E A L)

Steinmeier, Chm., Mueller,
Hendren, Fischer and Rauch,
CC., Concur.

02 Apr 1989
CASE NO. WR-89-178+SR-89-179

WBS
Chairman
A.G.M.
Commissioner
CBH
Commissioner
JMR
Commissioner
SK
Commissioner

3/1584c

4/12

(c. 417)

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 12th day of April, 1989.

Harvey G. Hubbs
Harvey G. Hubbs
Secretary

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
Jefferson City

April 13, 1989

CASE NO. WR-89-178 & SR-89-179

Byron E. Francis, Attorney at Law, 611 Olive Street, Suite 1900,
St. Louis, Missouri 63101-1782

Enclosed find certified copy of ORDER in the above-numbered case(s).

Sincerely,

Harvey G. Hubbs
Harvey G. Hubbs
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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

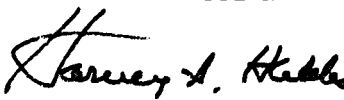
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)	

ERRATUM

The Missouri Public Service Commission hereby corrects the Suspension Order And Notice Of Proceedings issued in the above-captioned cases on April 12, 1989, so that the date on line four in ORDERED: 4 reads: June 22, 1989.

BY THE COMMISSION


Harvey G. Hubbs
Secretary

(S E A L)

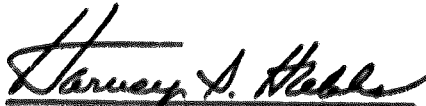
Dated at Jefferson City, Missouri,
on this 13th day of April, 1989.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 13th day of April, 1989.


Harvey G. Hubbs
Secretary