

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 24th
day of July, 1992.

In the matter of Imperial Utility)
Corporation for authority to file tariffs)
to increase rates for sewer service) CASE NO. SR-92-290
pursuant to the Commission's informal)
rate procedure.)

ORDER APPROVING AGREEMENT

On June 27, 1991, Imperial Utility Corporation (Company) filed for an increase in its sewer rates pursuant to the Commission's informal rate procedure, 4 CSR 240-2.060(8). Company's filing was provided to the Office of Public Counsel. Staff conducted an investigation of Company's books, records and operations and made copies available to all parties.

Company first advised its residential and commercial customers of the pendency of this matter by a mailing dated June 5, 1992. Said notice also advised that Company and the Commission Staff had reached agreement regarding said proposed rates, and provided a rate comparison as follows:

RESIDENTIAL MONTHLY SERVICE CHARGE	CURRENT RATE	COMPANY REQUESTED	RATE RECOMMENDED BY STAFF
Single family residential and mobile homes not in mobile home parks	\$22.50	\$33.71	\$25.00

RESIDENTIAL MONTHLY SERVICE CHARGE	CURRENT RATE	COMPANY REQUESTED	RATE THEN RECOMMENDED BY STAFF
Multi-family apartments and mobile homes in a mobile home park	\$18.00	\$26.97	\$20.00
COMMERCIAL RATE - MONTHLY AND USAGE	CURRENT RATE	COMPANY REQUESTED	RATE THEN RECOMMENDED BY STAFF
Monthly	\$22.50	\$33.71	\$25.00
Usage: \$5.72 per 1000 gallons for usage over 6000 gallons			\$4.16 per 1000 gallons for usage over 6000 gallons

On June 19, 1992, the Office of Public Counsel (PC) filed a request for a local public hearing, a motion granted by the Commission's order of June 26, 1992. The Commission convened the local hearing in Arnold, Missouri on July 13, 1992. The hearing was well attended; twenty customers gave sworn testimony, and many others were in attendance, all of whom opposed any increase in rates. A significant number of witnesses complained of malodorous treatment basins, objected to deliveries of sludge or sewage to said basins, and related other service-connected difficulties. Witness Stockstill testified regarding Company's failure to adequately maintain a lift station at Brandywine and Chippendale, in the Shadows Subdivision. Witness Winingar protested Company's failure to erect a screening facade around Company's pump station at 1650 Old Antonia Road, on property formerly owned by the witness but donated to Company in order to permit construction of the pump station.

On July 21, 1992, OPC filed a motion to suspend Company's pending tariff. On July 23, 1992, OPC withdrew its motion, pending Commission

approval of an agreement recently submitted by Staff, Company, and OPC which provides for a lower rate structure than originally proposed by either Company or by Company and Staff. Said agreement is marked "Attachment A" and appended hereto. The rate structure newly proposed in Attachment A is as follows:

RESIDENTIAL MONTHLY SERVICE CHARGE	CURRENT RATE	MONTHLY RATES NOW PROPOSED BY AGREEMENT OF PARTIES
Single family residential and mobile homes not in mobile home parks	\$22.50	\$24.50
Multi-family apartments and mobile homes in a mobile home park	\$18.00	\$19.50
COMMERCIAL RATE - MONTHLY AND USAGE		
Monthly	\$22.50	\$24.50
Usage: \$5.72 per 1000 gallons for usage over 6000 gallons		\$4.16 per 1000 gallons for usage over 6000 gallons

The Commission finds that said agreement provides for rates which will enable Company to adequately maintain its system, serve its customers, and to earn a reasonable return on its investment. The rates therein proposed will increase Company's current annual revenues by \$33,492 (7%). Said proposed agreement also requires Company to address, in timely fashion, the above-mentioned complaints by witnesses Stockstill and Winingar. In addition, Company has agreed to withdraw the proposed tariffs now pending, which have a stated effective date of August 1, 1992.

The Commission, having considered said agreement, is of the opinion that it is reasonable and will herein approve same. Since the proposed rate increase equals seven percent, the Commission will direct its Executive Secretary

to so notify the appropriate governing bodies pursuant to Section 393.275, RSMo 1986.

IT IS THEREFORE ORDERED:

1. That the Agreement filed on July 23, 1992, by the Office of Public Counsel, the Commission Staff, and the Imperial Utility Corporation, attached hereto and made a part of this order by reference, is hereby approved.

2. That the sewer tariffs previously filed by Imperial Utility Corporation in this matter are, in conformity with Attachment A, hereby withdrawn; that Company is hereby authorized to file, within 30 days of the issuance of this order, new tariffs for Commission approval which reflect the parties agreement regarding rates in Attachment A and the provisions of this order.

3. That the Executive Secretary of the Commission be directed hereby, pursuant to Section 393.275, RSMo 1986, to notify the appropriate governing bodies, if any, of the percentage increase approved herein together with an estimate of the annual increase in gross receipts resulting from this tariff increase for customers residing in any such city or county so notified.

4. That this order shall be effective on August 1, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Perkins
and Kincheloe, CC., Concur.
Mueller, C., Not Participating.
Rauch, C., Absent.

FILED

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

JUL 23 1992

PUBLIC SERVICE COMMISSION

In the matter of Imperial Utility)
 Corporation for authority to file)
 tariffs to increase rates for) Case No. SR-92-290
 sewer service pursuant to the)
 Commission's informal rate)
 procedure.)

AGREEMENT

As a result of negotiation, the Imperial Utility Corporation (Company), the Staff of the Public Service Commission (Staff), and the Office of the Public Counsel (Public Counsel) have reached the following agreement:

1. Public Counsel agrees to withdraw its Motion to Suspend Tariff filed in this case on July 21, 1992.
2. Company agrees to withdraw the proposed tariff it submitted to the Commission on May 28, 1992 that would have implemented Staff's sewer rate recommendation of May 5, 1992.
3. All parties agree that Company should be permitted to file a revised tariff designed to increase Company's revenue requirement to \$33,494.
4. All parties further agree that the rate design incorporated into this agreement as Attachment 1 is designed to produce a revenue requirement of \$33,494.
5. None of the parties 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 or the rates provided in Attachment 1.

6. Company agrees to plant the requisite amount of trees necessary to adequately screen the lift station located in the Old Antonia Subdivision. Company further agrees that such work will commence within sixty (60) days of the effective date of the Commission's Order.

7. Company agrees to continually provide general maintenance in, on and around the lift station located in the Shadows Subdivision. Company agrees to maintain its chain-link fence around the lift station. Company has installed railroad ties to combat erosion and agrees to periodically fill in the eroded areas under the fence surrounding the lift station.

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


WHEREFORE, Company, Staff and Public Counsel respectfully request that the Commission issue its Order approving this

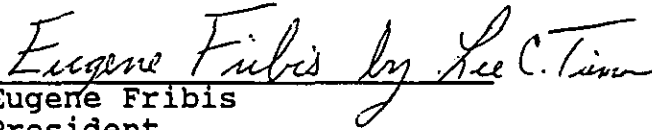
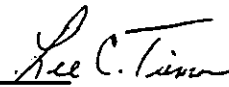
Agreement and the tariff to be submitted by Company that reflects the provisions of this Agreement.

Respectfully submitted,

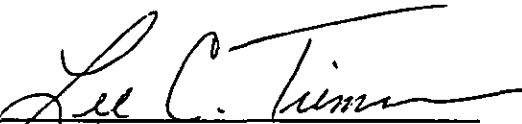
OFFICE OF THE PUBLIC COUNSEL

IMPERIAL UTILITY CORPORATION

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

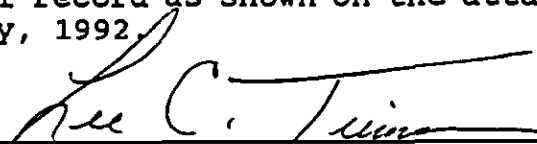
By  by 
Eugene Fribis
President
3800 Jeffco Boulevard
Arnold, MO 63010
(314) 464-1220

STAFF OF THE MISSOURI PUBLIC
SERVICE COMMISSION

By 
Lee Tieman
Assistant General Counsel
P. O. Box 360
Jefferson City, MO 65102
(314) 751-3966

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 23rd day of July, 1992.



Service List for Case No. SR-92-290

Mr. John B. Coffman
Assistant Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

Mr. Eugene Fribis
President
3800 Jeffco Boulevard
Arnold, MO 63010

IMPERIAL UTILITY CORP.
INFORMAL RATE CASE
FILE # 9102517

23-Jul-92
11:28 AM

Annualized Revenue \$460,805

Annualized Expenses

Employee Wages \$35,638
Payroll Taxes & Med. Benefits \$13,443
Depreciation \$40,742
Cost of Capital \$89,719
Management Contracts \$100,790
Admin. Engineer \$17,346
Electric \$51,890
Water \$587
Contract Treatment \$29,166
Insurance \$100
Accounting Fees \$3,142
Legal Fees \$3,649
Maint. & Repair \$17,749
Office Supplies \$2,960
Dues \$685
P. S. C. \$22,492
Income Taxes \$9,978
Rent \$9,634
Operating Permits \$2,708
Phone \$1,489
Truck \$21,666
Bad Debt \$5,045

Total Expenses \$494,299

Revenue Requirement \$33,494

Rate Calculation

Total Expenses \$494,299

Usage (M Gallons) 121,264

Usage Per 1,000 Gallons \$4.05

Monthly Residential Rate \$24.30
Includes 6,000 Gallons

Mobile Home & Multi Family \$19.44

Commercial Rate \$24.30
Includes 6,000 Gallons

Rate Per 1,000 Gallons \$4.05
All Usage Above 6,000 Gallons

REVENUE
ANALYSIS

	# OF CUSTOMERS	PROPOSED RATE	Annualized Revenue
Residential	1,135	\$24.50	\$333,690
Multi-Family & Mobile Home	590	\$19.50	\$138,060
Commercial	13	\$24.50	\$3,822
TOTAL	1,738		
Commercial Usage	5,560		
Commercial Min.	935		
	4,624	\$4.05	\$18,727

	PROPOSED RATE	CURRENT RATE	DIFFERENCE	IN
Residential	\$24.50	\$22.50	\$2.00	
Mobile Home	\$19.50	\$18.00	\$1.50	
Multi-Family	\$19.50	\$18.00	\$1.50	
Commercial Min.	\$24.50	\$22.50	\$2.00	
All Usage Above 6,000 Gallons	\$4.05	\$3.75	\$0.30	