

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY
March 22, 2001**

CASE NO: SR-2000-556

Office of the Public Counsel
P.O. Box 7800
Jefferson City, MO 65102

General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Gregory D. Williams
Highway 5 at Lake Road 5-33
P O Box 431
Sunrise Beach, MO 65079

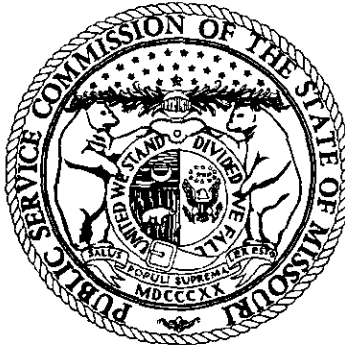
Enclosed find certified copy of a REPORT AND ORDER in the above-numbered case(s).

Sincerely,

A handwritten signature in black ink, appearing to read "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

**Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge**

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**



In the Matter of Osage Water Company's)
Request for a Rate Increase for Sewer)
Service Pursuant to the Public Service)
Commission's Small Company Rate Increase)
Procedure)

Case No. SR-2000-556
Tariff No. 200000346

REPORT AND ORDER

Issue Date: March 22, 2001

Effective Date: April 1, 2001

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Osage Water Company's)	
Request for a Rate Increase for Sewer)	<u>Case No. SR-2000-556</u>
Service Pursuant to the Public Service)	Tariff No. 200000346
Commission's Small Company Rate Increase)	
Procedure)	

REPORT AND ORDER

Osage Water Company, on October 12, 1999, filed a request for a rate increase pursuant to 4 CSR 240-2.200. On November 14, 2000, Osage filed an Agreement Regarding Disposition of Small Company Rate Increase Request it had reached with the Staff of the Commission regarding the rate increase, together with a revised tariff sheet designed to implement that increase. The tariff sheet bears an effective date of December 29, 2000, and has been suspended until October 28, 2001. On November 30, 2000, the Office of the Public Counsel filed a request for a local public hearing pursuant to 4 CSR 240-2.200(1)(E). A local public hearing was held in Osage Beach on January 9, 2001. Public Counsel requested an evidentiary hearing on January 16, 2001, and the Commission held the hearing on March 5, 2001.

The agreement provides that Osage should be allowed to increase its annual revenue from the provision of sewer service by approximately \$3,690, explains how Osage will keep its books, and notes areas of disagreement about the proper accounting treatment for certain items. It also provides that Osage will not render bills in its own name for services it provides under contract management agreements.

Pursuant to a Commission order, Staff filed the written testimony of the following witnesses: Bible, Hubbs, Hummel, Johansen, McMellen, Meyer,

Russo, and Schad. Public Counsel filed the written testimony of witness Bolin. The testimony all supports the increase.

In a pleading filed on February 26, 2001, the parties requested that the Commission cancel the hearing and Staff and Osage recommended that the Commission approve the tariffs. The Commission did not cancel the hearing, but convened it to allow questions from Commissioners. All of the testimony, along with the Staff Accounting Schedules, was admitted into evidence at the hearing.

Although Public Counsel did not join in the recommendation to approve the tariff, neither did it object to approval. Public Counsel agrees that there are no contested issues remaining for Commission decision.

Since all parties agree that there are no contested issues and that Osage should receive the revenue increase, and since no party objects to the tariffs that implement the increase, the Commission will approve the tariffs.

IT IS THEREFORE ORDERED:

1. That the following tariff filed by Osage Water Company on November 14, 2000, and assigned tariff number 200000346, is approved for service on and after April 1, 2001:

P.S.C. MO No. 1

First Revised Sheet No. 10 canceling Original Sheet No. 10

2. That all motions not previously ruled upon by the Commission in this case are hereby denied and all objections not previously ruled upon are hereby overruled.

3. That this order shall become effective on April 1, 2001.

4. That this may be closed on April 2, 2001.

BY THE COMMISSION

A handwritten signature in black ink, reading "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Drainer and Simmons, CC., concur;
Murray, C., dissents with attached dissenting opinion;
and certify compliance with the provisions of
Section 536.080, RSMo 2000.
Schemenauer, CC. absent

Dated at Jefferson City, Missouri,
on this 22nd day of March, 2001.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Osage Water Company's)
Request for a Rate Increase for Sewer)
Service Pursuant to the Public Service)
Commission's Small Company Rate Increase)
Procedure.)

Case No. SR-00-556
Tariff No. 200000346

DISSENTING OPINION OF COMMISSIONER CONNIE MURRAY

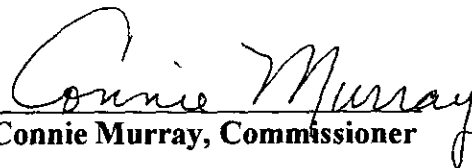
Because of my continuing concerns about the safety and adequacy of sewer service provided by Osage Water Company, I would not grant the rate increase. Based upon the evidence and upon the historical performance of the company, I have no reason to believe that the increase will result in improved service. I take this position, even though the Commission Staff agreed to the increase and the Office of the Public Council did not oppose it.

Staff witness Hummel testified that the sewer service is inadequate and that the rate increase is unlikely to solve or prevent any of the historical problems of the company. He also admitted that the company's record keeping is inadequate and that his expectations for improvement, based upon past performance, are not high.

OPC witness Bolin stated that OPC still has concerns about the safety and adequacy of sewer service provided by the company. Because of the small size of the increase, however, OPC did not believe anything would be gained by pursuing a challenge.

I cannot support even a small increase in rates for customers that are not receiving safe and adequate service, particularly when there is no reason to believe that service will improve. Therefore, I dissent.

Respectfully submitted,


Connie Murray, Commissioner

Dated at Jefferson City, Missouri,
on this 22nd day of March, 2001.

Att/Sec'y:

Mills/Boye

3-19

Date Circulated

SR-000-556
CASE NO.

Lumpke, Chair

Draimer, Vice Chair

Murray, Commissioner

Scheuhammer, Commissioner

Summons, Commissioner

3-22
Agenda Date

Action taken:

3-14A

Must Vote Not Later Than

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 22nd day of March 2001.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

