

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 2nd
day of September, 1992.

In the matter of the application of Little Water)
Company for a certificate of convenience and)
necessity authorizing it to construct, install,) CASE NO. WA-92-177
operate and maintain a water system to supply and)
render water service to the public located in an)
unincorporated area of Christian County, Missouri.)

ORDER GRANTING CERTIFICATE

On January 24, 1992, Little Water Company (Little) filed an application with the Commission for a certificate of public convenience and necessity to provide water service in an unincorporated area of Christian County, Missouri. On January 31, 1992, the Commission issued an Order and Notice directing its Executive Secretary to send notice of the application. The Commission stated that if no one filed an application to intervene or motion for hearing, Little would be allowed to submit evidence in support of the application by verified statement. No application to intervene nor motion for hearing was filed.

On August 17, 1992, the Staff of the Commission (Staff) filed a memorandum recommending that the Commission approve Little's application subject to several conditions. Staff proposed a total annual utility revenue for Little of \$4,016. Such a revenue figure is based on utility expenses for 24 initial customers and 59 ultimate customers. The rates necessary to produce such revenue would be \$6.96 per month for the first 2,000 gallons plus \$1.74 for every 1,000 gallons in excess of 2,000 gallons. A customer using 6,000 gallons per month would have a water bill of \$13.92 exclusive of any applicable taxes.

Staff has also recommended that:

(a) Little file a tariff within 20 days after the effective date of this Order;

(b) a review of Little's rates be conducted within 18 months after the effective date of this Order;

(c) Little keep its books and records in accordance with the Uniform System of Accounts; and

(d) Little utilize depreciation rates as shown on Attachment 1 to this Order.

Staff indicated that Little has agreed to Staff's recommendations.

Upon review of Little's application and Staff's recommendation, the Commission finds that providing a clean and reliable source of water to the proposed service area is in the public interest, and that Little's proposal, subject to Staff's recommendations, is reasonable. Thus, the Commission determines that Little's application for a certificate of convenience and necessity, subject to the conditions outlined by Staff, is in the public interest and should be approved.

IT IS THEREFORE ORDERED:

1. That Little Water Company is hereby granted a certificate of convenience and necessity to construct, install, operate and maintain a water system in an unincorporated area of Christian County, Missouri, as contemplated by its application and this Order.

2. That Little Water Company shall file a complete tariff consistent with this Order within twenty (20) days of the effective date of this Order.

3. That the tariff to be filed pursuant to Ordered Paragraph 2 shall reflect the following rates for water service in the service area approved by this Order: \$6.96 per month for the first 2,000 gallons plus \$1.74 for every 1,000 gallons in excess of 2,000 gallons per month.

4. That Little Water Company and the Staff of the Commission shall review Little Water Company's rates within eighteen (18) months after the effective date of this Order.

5. That Little Water Company shall keep its books and records in accordance with the Uniform System of Accounts.

6. That Little Water Company shall utilize depreciation rates as shown on Attachment 1 to this Order.

7. That nothing in this Order shall be considered as a finding by the Commission of the reasonableness of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein included, nor as an acquiescence in the value placed on said properties by Little Water Company.

8. That the Commission reserves the right to consider the ratemaking treatment to be afforded the facilities constructed pursuant to the certificate of convenience and necessity granted herein, and its resulting cost of capital, in any later proceeding.

9. That this Order shall become effective on September 15, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

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

Recommended Depreciation Rates for Little Water Company
PSC Water and Sewer Department

<u>Acct. No.</u>	<u>Description of Account</u>	<u>Annual Rate Percent</u>
304	Structures & Improvements	2.5
307	Wells & Springs	2.0
309	Supply Mains	2.0
310	Power Production Equipment	4.0
311	Electric Pumping Equipment (20 yr, -5% salv)	5.3
	Diesel Pumping Equipment (35 yr, +5% salv)	2.7
327	Hydraulic Pumping Equipment	2.5
328	Other Pumping Equipment	5.0
331	Structures & Improvements	2.5
332	Water Treatment Equipment	2.9
341	Structures & Improvements	2.5
342	Distribution Reservoirs & Standpipes	2.5
343	Transmission & Distribution Mains	2.0
344	Fire Mains	2.0
345	Services	2.9
346	Meters - Bronze (35 yr, +5% salv)	2.7
347	Meters - Plastic	10.0
348	Hydrants	2.5
349	Other Transmission & Distribution Plant	3.3
390	Structures & Improvements	2.9
391	Office Furniture & Equipment	5.0
393	Stores Equipment	4.0
394	Tools, Shop, Garage Equipment	5.0
395	Laboratory Equipment	5.0
396	Power Operated Equipment	6.7
398	Miscellaneous Equipment	5.0