

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 21st
day of May, 1993.

In the matter of The Meadows Water Company)	
tariff sheets designed to increase rates)	CASE NO. <u>WR-93-289</u>
for water service pursuant to the Com-)	
mission's informal rate procedure.)	

In the matter of The Meadows Water Company)	
tariff sheet designed to increase rates for)	CASE NO. <u>SR-93-290</u>
sewer service pursuant to the Commission's)	
informal rate procedure.)	

ORDER APPROVING TARIFFS

On August 14, 1992, The Meadows Water Company (Meadows) filed for a rate increase in its water and sewer operations under the Missouri Public Service Commission's small company rate procedure, pursuant to 4 CSR 240-2.060(8). On January 7, 1993, Meadows filed a request that the time to complete the informal rate procedure be extended. Meadows serves approximately 719 water customers and 182 sewer customers in Greene County in the vicinity of Springfield, Missouri.

Originally Meadows sought rate increases in the following amounts:

(1) an increase in the minimum residential charge for water (up to 2,000 gallons) from \$8.89 to \$10.22, an increase of 15 percent; (2) an increase in the charge for water usage over 2,000 gallons, from \$1.74 per 1,000 gallons of additional water use to \$2.00 per 1,000 gallons of additional use, an increase of 15 percent; and (3) an increase in the monthly sewer charge from \$9.00 to \$12.60 per month, an increase of 40 percent. The Staff of the Commission conducted an investigation into the books, records, and operations of Meadows related to the provision of water and sewer service, and filed its recommendation on May 13, 1993. Based upon its audit, the Accounting Staff has concluded that there is justification for a rate increase for water service of approximately \$9,424, or 5.8 percent, and an increase in the annual sewer revenue of approximately \$7,862,

or 40 percent. Staff stated that the reason for the proposed increase was an increase in operating expenses since Meadows' last rate case.

Based upon the Staff's recommendation, the following increases would take place: (1) an increase in the monthly service charge for water usage (up to 2,000 gallons) from the current rate of \$8.89 to Staff's recommended rate of \$9.73; (2) an increase in the commodity charge for all water usage over 2,000 gallons, from the current rate of \$1.74 per 1,000 gallons to Staff's recommended rate of \$1.83 per 1,000 gallons; and (3) an increase in the monthly sewer charge from the current rate of \$9.00 to Staff's recommended rate of \$12.60. For an average residential water customer using 6,000 gallons of water per month, the monthly water bill will increase from \$15.85 per month to \$17.04 per month, an increase of 7.5 percent, and for an average residential sewer customer, the monthly sewer bill will increase from \$9.00 per month to \$12.60 per month, an increase of 40 percent. In addition, Meadows has also sought to increase the current water connection charge from \$420 to \$445 for each single service connection; to implement a service connection charge for each dual service connection of \$275; to increase the current reconnection charge from \$2.00 to \$10.00; and to increase the meter test charge from \$2.00 to \$5.00. Staff has recommended that the proposed service charge increases be approved.

On March 31, 1993, Meadows filed a letter accepting the Staff's proposed rate design, and on April 13, 1993, the Office of the Public Counsel filed a statement of its position, wherein it agreed with the accounting data and rate design, and agreed that the rates are reasonable.

On November 2, 1992, Meadows sent written notice to its customers of its proposed rate increase, and on April 15, 1993, Meadows sent written notice to its customers of the proposed rate increase based on Staff's audit and recommendation. In response to the notice, Staff received and answered three

phone calls and six letters complaining of the proposed increase, including one letter complaining of a service problem, which was subsequently resolved.

On April 21, 1993, Meadows filed tariffs to implement the water and sewer rate increases and the service connection charge increases, with a proposed effective date of June 1, 1993. Staff's memorandum filed on May 13, 1993, which included Staff's rate design workpaper and accounting workpapers as Attachments thereto, recommended approval of the tariff sheets for service on and after June 1, 1993.

Upon review of the Staff's memorandum and attachments thereto, the Commission finds that the Staff's recommendation is appropriate. Staff has indicated that the increase in operating expenses since Meadows' last rate case has necessitated the rate increase, and the Commission finds that the rates under the tariff filing are just and reasonable, and that the tariff filing is in the public interest. Thus, the Commission approves the tariff filing of Meadows.

IT IS THEREFORE ORDERED:

1. That the following tariff sheets filed by the Meadows Water Company on April 21, 1993, are hereby approved to become effective June 1, 1993:

P.S.C. MO. No. 2

1st Revised Sheet No. 3, Cancelling P.S.C. MO. No. 2, Original Sheet No. 3
2nd Revised Sheet No. 5, Cancelling P.S.C. MO. No. 2, 1st Revised Sheet No. 5
2nd Revised Sheet No. 6, Cancelling P.S.C. MO. No. 2, 1st Revised Sheet No. 6.

2. That this Order shall become effective on June 1, 1993.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

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