

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service Commission held at its office in Jefferson City on the 28th day of June, 1996.

In the Matter of Raytown Water Company's )  
Tariff Sheets Designed to Increase Rates for ) CASE NO. WR-94-211  
Water Service Provided to Customers in the )  
Missouri Service Area of the Company. )

## ORDER APPROVING COMPLIANCE REVIEW AND CLOSING CASE

The Raytown Water Company (Raytown or the company) submitted tariff sheets to the Commission on January 7, 1994, reflecting increased rates for water service provided to the company's Missouri customers. The rate case was resolved by a Stipulation and Agreement filed on August 3, 1994, and approved by the Commission in its Report and Order issued on August 26, 1994. Resolution of the case included a requirement for Staff to complete a compliance audit and report 18 months after the effective date of the order to determine whether Raytown had complied with all provisions of the approved Stipulation and Agreement. Staff conducted its compliance review and filed a report on May 9, 1996, stating that Raytown had complied with all the provisions of the agreement that required company action. The Stipulation and Agreement included 20 specific provisions, all of which were examined and discussed in the Staff's report.

Agreements 1 and 2 of the agreement provided for Raytown to file revised tariff sheets reflecting the rate increase approved in the Report and Order. Staff reported that Agreements 1 and 2 have been completed.

Agreement 3 provided for Raytown to complete the computerization of its general ledger by December 31, 1994, and complete computerization of its work orders by June 1, 1995. Staff reported that

the general ledger was completely computerized by December 31, 1994, as required, and that the company has submitted general ledger reports for Staff review on a quarterly basis. Staff stated that work orders had been computerized by January 1, 1995, five months ahead of schedule.

Agreement 4 called for Raytown to continue the computerization of operational records. Staff reported that the company's computerized Inventory of Meters Program, Property Maintenance Program, Service Reports/Complaints Program, and Backflow Program had all been implemented as of January, 1996. Staff stated that Raytown intends to computerize its inventory records as well and has purchased a program for that purpose.

Agreement 5 required Raytown to maintain use logs for vehicles and equipment to be updated on each use, and to include purpose and destination of the company vehicles. Staff reported that Raytown initiated the use of vehicle and equipment logs on September 23, 1994, using a form that includes the required information.

Agreement 6 required the company President and General Manager to maintain hourly worklogs and provide them to Staff for review on a quarterly basis. Staff reported that the President and General Manager initiated the use of work logs on September 15, 1994, and continues to maintain them.

Agreement 7 required Raytown to file semi-annual management audit status reports as required by the Commission in Case No. WO-93-194. Staff reported that the company provided status reports in November of 1994 and March of 1995. Staff stated that the company met in person with Commission Staff to discuss implementation in February of 1995 and January of 1996.

Agreement 8 provided for Raytown to refrain from paying preferred stock dividends for 18 months after the effective date of the

Report and Order. Staff reported that Raytown has complied with this provision.

Agreement 10 required Raytown to make quarterly reports to Staff on the company's financial condition, the results of operations and changes in cash flow. Staff reported that Raytown has been providing quarterly reports on a continuing basis since the first quarter of 1995.

Agreement 11 provided for the Staff compliance audit. Staff filed its report on May 9, 1996. "

Agreement 12 called for Raytown to pay its current and past-due PSC assessments and stay current with future assessments. Staff reported that the company had made all payments on past-due assessments and all required payments on current assessments as of the date of the audit.

Agreement 13 required Raytown to become current on the return of customer deposits in accordance with Commission rules and submit a status report showing compliance. Staff reported that Raytown began a four-stage plan for returning deposits, plus interest, in August of 1994, which it has now completed. The company began its current practice of returning all deposits, plus interest, to customers with one year of satisfactory payment history in February of 1995.

Agreement 14 required Raytown to revise its tariffs to define interest on customer deposits as 1% above the prime lending rate as published in the *Wall Street Journal*. Staff reported that the company implemented the revised tariff on September 15, 1994, and began adjusting the interest paid on customer deposits on an annual basis as of January 1, 1995.

No company action was required by Agreements 9, 15, 16, 17, 18, 19, and 20. Staff reported that no further action is required by any of these provisions.

The Commission, having reviewed the Staff's report filed on May 9, 1996, finds that the Raytown Water Company has complied with the requirements of the Stipulation and Agreement approved in this case on August 26, 1994, and the case should be closed.

**IT IS THEREFORE ORDERED:**

1. That the report filed by the Commission Staff on May 9, 1996, is approved.
2. That the Raytown Water Company has complied with the provisions of the Commission's Report and Order issued on August 26, 1994, and the Stipulation and Agreement approved in that order.
3. That this case is closed.
4. That this order shall become effective on the date hereof.

BY THE COMMISSION



David L. Rauch  
Executive Secretary

(S E A L)

Zobrist, Chm., McClure, Kincheloe,  
Crumpton, and Drainer, CC., Concur.

ALJ: Freeman