

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 26th  
day of October, 1993.

In the matter of Clarence Cannon Wholesale )  
Water Commission's tariff sheet designed to ) CASE NO. WR-94-102  
implement a new commodity rate to increase )  
water rates. )

ORDER APPROVING TARIFFS

On June 18, 1993, Clarence Cannon Wholesale Water Commission (Clarence Cannon) filed for a rate increase in its water operations under the Missouri Public Service Commission's small company rate procedure, pursuant to 4 CSR 240-2.060(8). Clarence Cannon serves approximately 13 wholesale water customers in the vicinity of Mark Twain Lake and the surrounding area. These 13 wholesale water customers are also members of Clarence Cannon's Board of Directors, and voted to file this increase.

Clarence Cannon sought a rate increase in its current commodity charge from \$0.74 to \$0.85 per thousand gallons of water, which would increase revenues by \$82,028, an increase of 17 percent. The Staff of the Commission (Staff) conducted an investigation into the books, records, and operations of Clarence Cannon related to the provision of water service, and filed its recommendation on October 12, 1993. Based upon its investigation, the Staff has concluded that there is justification for an increase in revenue of approximately \$95,786. However, since Clarence Cannon only requested an increase of \$82,028, the Staff recommends that an increase in the current annual revenue of \$82,028, or 17 percent, be approved effective for water service rendered on and after November 1, 1993. This proposal will increase the current commodity charge from \$0.74 to \$0.85 per thousand gallons of water. According to Staff, the Office of

the Public Counsel agrees that the Commission should approve the water rate contained in the tariff filed by Clarence Cannon on September 23, 1993.

Upon review of the Staff's memorandum and Clarence Cannon's tariff filing of September 23, 1993, the Commission finds that the Staff's recommendation is appropriate. Staff's accounting workpapers indicate that for the test year ending July 31, 1993, Clarence Cannon had total expenses of \$518,352, and revenues of \$481,003, with a deficiency of \$37,349. After a number of adjustments were made, an additional \$58,437 was added to the revenue requirement, such that the test year as updated reflected total expenses of \$576,789. Since revenues remained the same, the size of the deficiency grew from \$37,349 to \$95,789. Given that Clarence Cannon's requested increase of \$82,028 is less than the amount justified by Staff's recommendation, the Commission determines that the increase is warranted. The Commission is of the opinion 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 Clarence Cannon.

IT IS THEREFORE ORDERED:

1. That the following tariff sheet filed by Clarence Cannon Wholesale Water Commission on September 23, 1993, is hereby approved to become effective November 1, 1993:

P.S.C. MO. NO. 1

2nd Revised Sheet No. B, Cancelling 1st Revised Sheet No. B.

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

BY THE COMMISSION

(S E A L)



David L. Rauch  
Executive Secretary

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