

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of The Empire District Electric)
Company for authority to file tariffs increasing) CASE NO. WR-90-56
rates for water service provided to customers in)
the Missouri service area of the Company.)

APPEARANCES: James C. Swearingen and Gary W. Duffy, Attorneys at Law,
Hawkins, Brydon, Swearingen & England P.C., P. O. Box 456,
Jefferson City, Missouri 65102, for The Empire District
Electric Company.

John B. Coffman, Assistant Public Counsel, Office of the
Public Counsel, P. O. Box 7800, Jefferson City, Missouri
65102, for the Office of the Public Counsel and the public.

William K. Haas, Assistant General Counsel, Missouri Public Service
Commission, P. O. Box 360, Jefferson City, Missouri 65102, for the
Staff of the Missouri Public Service Commission.

Hearing
Examiner: C. Gene Fee

REPORT AND ORDER

On September 1, 1989, The Empire District Electric Company (Empire) filed with the Missouri Public Service Commission (Commission) proposed revised tariffs designed to increase its annual water service revenues by \$188,261. On October 3, 1989, the Commission issued its Suspension Order and Notice of Proceedings. No party has intervened. The prehearing conference began as scheduled on March 5, 1990. Empire has notified each of its customers of the proposed increase and hearing dates by written notice mailed directly to each customer.

On Monday, March 26, 1990, the hearing was held as scheduled at which time the Commission Staff, the Office of Public Counsel and Empire offered prefiled testimony and a Stipulation and Agreement proposing to settle all issues in the case. No other persons appeared at the hearing.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact:

The Empire District Electric Company is a public utility which provides electric service and, to a lesser extent, water service to customers within a service territory in the southwestern portion of the State of Missouri. In this case, Empire requested Commission approval of an annual increase in water revenues in the amount of \$188,261. As a result of the negotiation between the parties, it is recommended that the Commission approve an annual increase in Missouri jurisdictional gross revenues for water service by \$148,115, exclusive of applicable franchise, gross receipts and other taxes.

The Commission has reviewed the rates stipulated to by the parties and finds that they are reasonable and the Stipulation and Agreement should be adopted in disposition of all matters in this case.

Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions of law:

The Company is a public utility subject to the jurisdiction of this Commission as provided in Chapters 386 and 393, RSMo. 1986. The tariffs which are the subject matter of this proceeding were suspended pursuant to authority vested in this Commission in Section 393.150, RSMo 1986. The burden of proof to show that the proposed increased rates are just and reasonable shall be upon the Company. The Commission, after notice and hearing, may order a change in any rate, charge or practice, including rate design, and it may determine and prescribe the lawful rate, charge or practice thereafter to be observed.

The Commission may consider all facts which, in its judgment, have any bearing upon the proper determination of the price to be charged, with due regard, among other things, to a reasonable average return upon the value of the property actually used in public service, and to the necessity of making reservations out of income for surplus and contingencies. In so doing, the Commission shall consider the fair value of the property in its proper relationship to all other facts that have a material bearing on the establishment of fair and just rates.

For ratemaking purposes and rate design purposes, the Commission may accept a stipulation of settlement on any contested matters subjected by the parties. The Commission is of the opinion that when the matters of agreement between the parties appear to be reasonable and proper, they should be accepted.

The Commission concludes that the proposed rate increase provided for in the Stipulation and Agreement, attached hereto as Appendix A, is just and reasonable and should be adopted.

It is, therefore,

ORDERED: 1. That the Missouri Public Service Commission adopts the Stipulation and Agreement filed herein on March 26, 1990.

ORDERED: 2. That the revised tariffs filed September 1, 1989, and suspended herein be, and they are, hereby disallowed, and The Empire District Electric Company is authorized to file in lieu thereof, for approval of this Commission, revised tariffs designed to increase the Company's gross annual operating revenues by \$148,115, exclusive of gross receipts, franchise and other taxes.

ORDERED: 3. That the tariffs filed shall embody the rate design features set out in the Stipulation and Agreement adopted herein.

ORDERED: 4. That the tariffs filed pursuant to the authority contained herein shall be effective, upon approval by the Commission, for service rendered on and after April 9, 1990.

ORDERED: 5. That this Report and Order shall become effective on the
9th day of April, 1990.

BY THE COMMISSION

Harvey G. Hubbs

Harvey G. Hubbs
Secretary

(S E A L)

Steinmeier, Chm., Mueller, Rauch,
and McClure, CC., Concur.
Letsch, C., Absent.

Dated at Jefferson City, Missouri,
on this 28th day of March, 1990.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of The Empire District)	
Electric Company of Joplin, Missouri)	
for authority to file tariffs)	Case No. WR-90-56
increasing rates for water service)	
provided to customers in the Missouri)	
service area of the Company.)	

STIPULATION AND AGREEMENT

On September 1, 1989, The Empire District Electric Company of Joplin, Missouri (hereinafter the "Company"), filed with the Missouri Public Service Commission (hereinafter the "Commission") a revised tariff sheet reflecting increased rates for water service provided to customers in the Missouri service area of the Company. The proposed tariff was designed to produce \$188,261 in additional annual revenue and was designed to become effective on October 6, 1989.

On October 3, 1989, the Commission issued its Suspension Order and Notice of Proceedings whereby it suspended the tariff filing for a period of one hundred twenty (120) days beyond October 6, 1989, the requested effective date, unless otherwise ordered. Additionally, by said Suspension Order, the Commission established a schedule of proceedings including dates for interventions, the filing of prepared direct testimony and schedules, a prehearing conference and hearing, and directed the Company to notify its customers of the proposed rate increase and hearing dates.

The Company advised its customers of the proposed rate increase and hearing date by written notice mailed directly to each customer, either in conjunction with a bill or by a separate mailing. In addition, the Company and the Staff of the Missouri

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PUBLIC SERVICE COMMISSION

Public Service Commission ("Staff") filed direct testimonies and schedules.

The prehearing conference was commenced on March 5, 1990 in the Commission's offices at Jefferson City, Missouri, at which time representatives of the Company, Staff and Office of Public Counsel attended and participated. As a result of the prehearing conference, the undersigned parties stipulate and agree as follows:

1. That the Company be authorized to file a revised tariff sheet designed to increase its Missouri jurisdictional gross annual water revenues by \$148,115, exclusive of applicable franchise, gross receipts and other taxes.

2. That the revised tariff sheet, attached hereto as Appendix A, will produce the revenue increase referred to in paragraph 1 pursuant to an appropriate rate design and said tariff sheet shall be filed with the Commission and shall become effective for service rendered on and after April 9, 1990.

3. That the revised depreciation rates attached hereto as Appendix B shall be prescribed by the Commission for the Company's water properties and said rates shall become effective concurrently with the revised tariff sheet, Appendix A.

4. That this Stipulation and Agreement represents a negotiated settlement for the purposes of disposing of Case No. WR-90-56 and the implementation of new depreciation rates for the Company's water properties, and none of the parties to this Stipulation and Agreement shall be prejudiced by or bound by the terms of this Stipulation and Agreement in any other proceeding,

or in this proceeding, in the event the Commission does not approve this Stipulation and Agreement.

5. That none of the parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in (1) any ratemaking principle or any method of cost of service determination or cost allocation or calculation method underlying the revised tariff sheet attached as Appendix A or (2) any depreciation or related principle or method underlying the revised depreciation rates attached as Appendix B.

6. That the prefiled testimonies and schedules sponsored by Company witnesses McKinney, Brill, Fancher, Knapp and Metzler and Staff witnesses Cox, Henderson, Love, Moore, Nazeri, Rucker and Wallis shall be received into evidence without the necessity of said witnesses taking the witness stand.

7. That in the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive their rights to cross-examine the witnesses named in paragraph 6 with respect to their prefiled testimonies and schedules.

8. That in the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive their rights pertaining to (1) the presentation of oral argument or filing of written briefs, pursuant to §536.080(1), RSMo 1986, as amended; (2) the reading of the transcript by the Commission, pursuant to §536.080(2), RSMo 1986, as amended; (3) judicial review, pursuant to §386.510, RSMo 1986, as amended.

9. That the agreements in this Stipulation and Agreement

have resulted from extensive negotiations among the signatory parties and are interdependent. In the event the Commission does not approve and adopt this Stipulation and Agreement in total, and in the event the tariff sheet and depreciation rates agreed to herein do not become effective in accordance with the provisions contained herein, this Stipulation and Agreement shall be void and no party shall be bound by any of the agreements or provisions hereof.

Respectfully submitted,

William K. Haas
William K. Haas
Assistant General Counsel
Missouri Public Service Commission
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Jefferson City, MO 65102
Attorneys for the MISSOURI PUBLIC
SERVICE COMMISSION STAFF

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Attorneys for THE EMPIRE DISTRICT
ELECTRIC COMPANY

Dated on this 12th day of March, 1990.

STATE OF MISSOURI, PUBLIC SERVICE COMMISSION

P.S.C.No.No. 4

The Empire District Electric Company

Original
Sec. 1 3rd Revised Sheet No. 1
Cancelling P.S.C.No.No. 4

Original
Sec. 1 2nd Revised Sheet No. 1
Which was issued 12-03-84

For AURORA, MARIONVILLE, VERONA
Community, Town or City

WATER SERVICE SCHEDULE WA

AVAILABILITY:

This schedule is available for water service on an annual basis to any customer located along the water lines of the Company.

+MONTHLY RATE:**Customer Charges:**

Meter 3/8" or less	\$ 4.92
Meter 1"	10.52
Meter 2"	31.08
Meter 4"	94.65
Meter 6"	188.13

Consumption Charges:

First 100,000 gallons, per thousand gallons	\$ 1.63
Over 100,000 gallons, per thousand gallons	0.57

TANK WATER:

Per 1,000 gallons or less \$ 6.93

PRIVATE FIRE PROTECTION SERVICE CHARGE:

If the Company for the service of the Customer's private fire protection system is required to install special or additional facilities not normally provided by the Company for the Customer's regular water service, the Customer will pay a monthly charge of 1 1/2% of such excess investment by the Company.

+PUBLIC FIRE HYDRANT SERVICE CHARGE:

A monthly charge for fire hydrant service to each community served shall be determined annually in accordance with the formula below and shall be added to each regular water service bill rendered to customers served on this schedule who reside within the community.

$$\text{Monthly Charge} = \frac{N \times R}{A \times 12}$$

Where: N = Number of Public Fire Hydrants in service within the community at the Date of Determination

R = Annual Rental Charge of \$103.80 per fire hydrant

A = Number of Customers within the community receiving service under Schedule WA at the Date of Determination.

The monthly fire hydrant service charge will be adjusted annually on March 1, based on December 31 date of the previous year or, at its option, the Company may adjust the monthly service charge at any time to reflect changes in the number of customers or fire hydrants in the community where the variance in the Monthly Charge of \$0.01 or more results from a new computation.

PAYMENT:

Bills for customers will be due on or before twenty-one (21) days after the date thereof.

GROSS RECEIPTS, OCCUPATION OR FRANCHISE TAXES:

There shall be added to the Customer's bill, as a separate item, an amount equal to the proportionate part of any license, occupation, franchise or other similar fee or tax now or hereafter imposed upon the Company by any municipality or any other governmental authority, whether imposed by ordinance, franchise or otherwise, in which the fee or tax is based upon a percentage of gross receipts, net receipts or revenues from the sale of water service rendered by the Company to the Customer. Bills will be increased the proportionate amount only in service areas where such tax is applicable.

CONDITIONS OF SERVICE:

1. Company Rules and Regulations, P.S.C. No. No. 4, Section 2, are a part of this schedule.

* INDICATES CHANGE IN RATE OR TEXT

DATE OF ISSUE _____

DATE EFFECTIVE _____

ISSUED BY R. L. LAMB, President, Joplin, MO.

SCHEDULE SHOWING DEPRECIATION RATES

ACCOUNT #	ACCOUNT DESCRIPTION	AVERAGE LIFE	NET SALV %	DEPRECIATION RATE %
SOURCE OF SUPPLY				
811	STRUCTURES AND IMPROVEMENTS	65	- 5.00	1.62
814	WELLS AND STRUCTURES	46		2.17
PUMPING EQUIPMENT				
825	ELECTRIC PUMPING EQUIPMENT	17	- 5.00	6.18
WATER TREATMENT EQUIPMENT				
832	WATER TREATMENT PLANT	20		4.00
TRANSMISSION AND DISTRIBUTION PLANT				
842	DISTR. RESERVOIRS AND STANDPIPES	51	-10.00	2.16
843	TRANS. AND DISTR. MAINS	79	- 5.00	1.33
845	SERVICES	50	- 4.00	2.08
846	METERS AND METER INSTALLATIONS	39		2.56
848	HYDRANTS	51	- 5.00	2.06
GENERAL PLANT				
891	OFFICE FURNITURE AND EQUIPMENT	25		4.00
893	STORES EQUIPMENT	29		3.45 **
894	TOOLS, SHOP AND GARAGE EQUIPMENT	41		2.44
895	LABORATORY EQUIPMENT	47		2.13 **
898	MISCELLANEOUS EQUIPMENT	15		6.67

** Account fully accrued and no depreciation expense shall be booked until additional investments are capitalized and exceed the depreciation reserve.