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BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

CASE NO. WR-81-363

In the matter of Missouri Water Company  
of University City, Missouri, for authority  
to file tariffs increasing rates for water  
service provided to customers in the Missouri  
service area of the Company.

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APPEARANCES: Richard T. Ciottone, General Counsel, Missouri Water  
Company, 8390 Delmar Boulevard, University City, Missouri  
63124, for Missouri Water Company.

Jeremiah D. Finnegan, Attorney at Law, 4225 Baltimore,  
Kansas City, Missouri 64111, for the Cities of Blue Springs,  
Lee's Summit, Oak Grove, Grain Valley, Lake Tapawingo and  
Buckner, Missouri; Jackson County Public Water Supply  
District Nos. 15 and 17; and Lafayette County Public Water  
Supply District No. 1.

Mary Ann Garr, Assistant General Counsel, Missouri Public  
Service Commission, Post Office Box 360, Jefferson City,  
Missouri 65102, for the Staff of the Missouri Public Service  
Commission.

REPORT AND ORDER

This case is before the Commission as a result of the filing by Missouri  
Water Company (hereinafter Company) of proposed revised tariffs reflecting increased  
rates for water service in its Independence Division. The proposed revised tariffs  
would have resulted in an increase in total revenues of \$1,843,547, or an average  
increase of 26.71 percent.

The proposed revised tariffs were suspended by the Commission and a  
schedule of proceedings was established, including the filing of testimony, a  
prehearing conference and a hearing.

### Findings of Fact

Upon the convening of the hearing, the parties announced that a proposed Stipulation and Agreement had been reached during the course of the prehearing conference which was being offered to the Commission in proposed disposition of all matters involved.

The Stipulation and Agreement, identified as Exhibit 1, adequately sets forth the procedural and factual matters at issue, and is hereinafter set forth in its entirety:

#### STIPULATION AND AGREEMENT

On May 29, 1981, the Missouri Water Company of University City, Missouri (hereinafter "Company") submitted to the Missouri Public Service Commission (hereinafter "Commission") revised tariffs seeking to increase rates for water service provided to customers in the Missouri service area of the Company. By orders dated June 19 and July 13, 1981, the tariffs which are the subject of Case No. WR-81-363 were suspended by the Commission until April 26, 1982, unless otherwise ordered by the Commission.

On August 11, 1981, an application for intervention was filed on behalf of the cities of Blue Springs, Lee's Summit, Oak Grove, Grain Valley, Buckner, Lake Tapawingo, Jackson County Public Water Supply District Nos. 15 and 17 and Lafayette County Public Water Supply District No. 1 (hereinafter "Intervenors"). The Company filed its prepared testimony, exhibits, and minimum filing requirements in support of its request for increased rates on August 21, 1981. On February 19, 1982, the Commission Staff (hereinafter "Staff") filed its testimony and exhibits with the Commission. On February 22, 1982, intervenors filed their direct testimony and exhibits.

On March 1, 1982, the prehearing conference was convened as scheduled by the Commission's Second Suspension Order and Notice of Proceedings of July 13, 1981. Representatives of the Company, Intervenors, and Commission Staff appeared and participated. Public Counsel did not appear at nor participate in the prehearing conference, nor did it file any prepared testimony or exhibits in this matter. As a result of said prehearing conference, Company, Intervenors, and Staff hereby stipulate and agree as follows:

1. That Company be permitted to file revised permanent tariffs for water service to its Missouri customers which are designed to increase gross annual revenues by \$1,527,066 exclusive of gross receipt and franchise taxes and to produce total annual revenues of \$8,244,131.

2. That the revised permanent tariffs to be filed in accordance with paragraph 1 of this Stipulation and Agreement shall become effective for service rendered on and after March 19, 1982.

3. The rates to be filed in the tariff sheets referred to in paragraphs 2 and 3 above shall be as shown on the tariff sheets attached hereto and incorporated herein by reference as Appendix A. Tariff sheets to be filed shall not include any language regarding revision of the Commodity Charge for recovery of future electric rates.

4. Company states that its determination of delinquent accounts complies with Commission Rule 240-13.010(8)(D), and will furnish Staff a sample of its bill form to indicate such compliance.

5. That this Stipulation and Agreement represents a negotiated dollar settlement for the sole purpose of disposing of Case No. WR-81-363, 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 future proceeding or in this proceeding, in the event the Commission does not approve this Stipulation and Agreement in its entirety.

6. That none of the parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking principle or any method of cost of service determination or cost allocation underlying any of the rates provided for in this Stipulation and Agreement.

7. That the prefilled testimony and exhibits sponsored by Company, Staff and Intervenor witnesses shall be received into evidence without the necessity of these witnesses taking the witness stand.

8. 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 the foregoing paragraph, with respect to their prepared testimony and exhibits.

9. That in the event the Commission accepts the specific terms of this Stipulation and Agreement, the parties waive their rights to present oral argument and written briefs, pursuant to Section 536.010(1), their right pertaining to the reading of the transcript by the Commission, pursuant to Section 536.080(3), and their right to judicial review pursuant to Section 386.510, RSMo 1978.

10. This Stipulation and Agreement has resulted from extensive negotiations among the signatory parties and are interdependent; that in the event the Commission does not approve and adopt this Stipulation and Agreement in total, and in the event the tariffs agreed to herein do not become effective for

service rendered on and after March 19, 1982, then, under those circumstances, the parties agree that this Stipulation and Agreement shall be void, and no party shall be bound by any of the agreements or provisions hereof.

Respectfully submitted,

/s/ Richard T. Clottone  
Richard T. Clottone  
General Counsel  
MISSOURI WATER COMPANY  
8390 Delmar Boulevard  
University City, Missouri 63124

Attorney for Missouri Water Company

/s/ Mary Ann Garr  
Mary Ann Garr  
Assistant General Counsel  
MISSOURI PUBLIC SERVICE COMMISSION  
P.O. Box 360  
Jefferson City, Missouri 65102

Attorney for the Staff of the  
Missouri Public Service Commission

/s/ Jeremiah D. Finnegan  
Jeremiah D. Finnegan  
Finnegan and Kopp  
501 East Armour Boulevard  
Kansas City, Missouri 64109

Attorney for Intervenors

In the Commission's opinion the proposed Stipulation and Agreement is a fair and equitable disposition of all issues in this matter, and the recommendation of the parties that it be adopted in disposition of this case should be accepted.

#### Conclusions

Missouri Water Company is a public utility subject to the jurisdiction of this Commission pursuant to Chapters 386 and 393, R.S.Mo. 1978.

The Company's tariffs, which are the subject matter of this proceeding, were suspended pursuant to authority vested in this Commission by Section 393.150, R.S.Mo. 1978, and the burden of proof to show that the increased rates are just and reasonable is upon the Company. The Commission may consider all facts which, in its judgment, have any bearing upon a proper determination of the setting of fair and reasonable rates.

The Commission may accept a stipulation and agreement in disposition of the issues in a rate proceeding when it appears that the proposed settlement is fair and equitable to all concerned. In the instant case, all parties have agreed to the proposed settlement, and the Commission concludes that the settlement should be adopted and that the Company should be allowed to file revised tariffs in conformance therewith.

In accordance with the Stipulation and Agreement, hereby received in evidence, the testimony and exhibits of all parties, which were marked for identification at the time of the hearing, should be received in evidence.

It is, therefore,

ORDERED: 1. That the Stipulation and Agreement received in evidence in this matter as Exhibit 1 and hereinabove set forth, is hereby accepted and adopted in disposition of all matters in this proceeding.

ORDERED: 2. That pursuant to the Stipulation and Agreement, the revised tariffs herein suspended are hereby disapproved and the Company is authorized to file in lieu thereof, for approval by this Commission, tariffs designed to increase gross annual revenues in the amount of \$1,527,066, exclusive of gross receipt and franchise taxes.

ORDERED: 3. That the tariffs to be filed pursuant to this report and order may be effective for service rendered on and after March 19, 1982.

ORDERED: 4. That Exhibit 2, consisting of the testimony of Company witnesses Buescher, Mueller, Reis, Reeder, and Gould, and Exhibit 3, consisting of Company's minimum filing requirements, are hereby received in evidence.

ORDERED: 5. That Exhibit 4, consisting of the testimony of the municipal intervenors' witnesses Dunn and Keith, is hereby received in evidence.

ORDERED: 6. That Exhibit 5, consisting of the testimony of Staff witnesses Trippensee, Kaiser, Henderson and Kemp, and Exhibit 6, consisting of the revised accounting tables prepared by the aforementioned witnesses, are hereby received in evidence.

ORDERED: 7. That this report and order shall become effective on the 19th day of March, 1982.

BY THE COMMISSION

*Harvey G. Hubbs*  
Harvey G. Hubbs  
Secretary

(S E A L)

Fraas, Chm., McCartney and Musgrave,  
CC., Concur.  
Shapleigh, C., Not Participating.  
Dority, C., Absent.

Dated at Jefferson City, Missouri,  
on this 10th day of March, 1982.