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**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office  
in Jefferson City on the 6th  
day of June, 1997.

In the Matter of St. Louis County Water Company's )  
Tariff Designed to Increase Rates for Water Service ) Case No. WR-97-382  
to Customers in the Company's Service Area. )  
)

**ORDER ESTABLISHING TEST YEAR**

On April 4, 1997, the Commission issued a Suspension Order And Notice in this proceeding which Order directed St. Louis County Water Company<sup>1</sup> to include its test year recommendation in its direct testimony filing. On May 1, 1997, James M. Jenkins, the Company's Manager of Rates, filed direct testimony in this case. Witness Jenkins states that this rate filing is based upon a historic test year ending December 31, 1996, with proforma adjustments through November 30, 1997. Witness Jenkins further states that the November 30, 1997 cutoff was selected to provide the parties ample opportunity to audit capital additions that have been closed to plant in-service, prior to the operation of law date or February 12, 1998.<sup>2</sup>

On May 22, 1997, the Staff of the Missouri Public Service Commission (Staff) filed a Test Year Recommendation. Staff recommends that the Commission adopt a test year of the twelve months ending December 31, 1996, as updated through June 30, 1997. Staff states that the June 30,

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<sup>1</sup> St. Louis County Water Company may be referred to as "County Water" or "Company" in this order.

<sup>2</sup> Jenkins direct testimony filed May 1, 1997, at p. 3, lines 13-17.

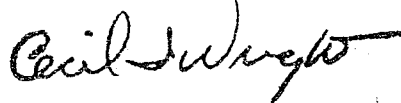
1997 update period would allow Staff to incorporate the latest data available in its direct testimony filing. Staff states that as required by the Suspension Order And Notice, it will address the necessity of a true-up audit and hearing in a pleading filed concurrently with its direct testimony. Staff's direct testimony is due on September 2, 1997.

The Commission finds that the test year in this case should be the twelve months ending December 31, 1996 and that the test year should be updated through June 30, 1997, as recommended by Staff. The Commission will consider whether a true-up is needed, and the specifics of a true-up, if any, after analyzing the Staff's true-up recommendation and any responses relating to such recommendation.

**IT IS THEREFORE ORDERED:**

1. That the test year for this case shall be the twelve months ending December 31, 1996, updated through June 30, 1997.
2. That this order shall become effective on the date hereof.

**BY THE COMMISSION**

A handwritten signature in black ink, appearing to read "Cecil I. Wright", written over a horizontal line.

**Cecil I. Wright  
Executive Secretary**

( S E A L )

Zobrist, Chm., Crumpton,  
Drainer and Murray, CC.,  
concur.

ALJ: Luckenbill