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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 26th  
day of March, 1998.

In the Matter of Frimel Water Systems,	)	
Inc.'s Tariff for Approval of	)	<u>Case No. WR-98-320</u>
Implementing a Rate Increase.	)	

**ORDER APPROVING TARIFFS**

On January 31, 1998, Frimel Water Systems, Inc. (Frimel) filed tariff sheets with the Commission designed to increase rates for water service by approximately 3.7 percent. This proposed increase would constitute an annual increase in revenue in the amount \$740. Frimel filed its proposed tariffs in accordance with the Commission's small company rate procedure pursuant to 4 CSR 240-2.200. On February 27 the Commission issued its Order Suspending Tariff so that any one who chose to do so would have an opportunity to comment in writing on the results of the audit of Frimel.

Staff of the Commission (Staff) submitted its recommendation on February 19 in which it recommended approval. Staff initiated its investigation of Frimel's books and records which resulted in an agreement with Frimel that an increase of \$740, or 3.7 percent, was justified. This increase was lower than the original request for an increase of \$5,195, or 27 percent. Both Frimel and the Office of Public Counsel (OPC) have agreed that the increase proposed by Staff is justified. Increases from \$15 to \$35 in Frimel's connection and reconnection services were also agreed to.

Finally, the parties agreed to the depreciation rates for Frimel as appended to this order and incorporated herein as Attachment A.

In the Order Suspending Tariff the Commission noted:

The Commission is also concerned about the lack of participation by the Office of the Public Counsel (OPC) in this case. Pursuant to the small company rate increase procedure, if the Staff, Frimel and OPC reach an agreement concerning the revenue requirements, that agreement shall be reduced to writing. See 4 CSR 240-2.200(1)(C). There is no agreement which has been signed by the parties and filed pursuant to that rule. Staff did file a memorandum on February 19, 1998, which states that the proposed disposition has been agreed to by OPC and by Frimel. However, it is not clear that the memorandum constitutes the agreement referred to in the rule, and it is not signed by OPC.

In response, Frimel attempted to file the missing document on March 13. That attempted filing was rejected as improperly submitted and subsequently re-filed, by Staff, on March 20, 1998. Staff's filing of the agreement contemplated by 4 CSR 240-2.080(12) provides written documentation of the unanimous agreement by Staff, Frimel and OPC to the proposed increase.

The Commission has reviewed the proposed tariff, the Staff recommendation and the attached documentation and found the proposed tariff to be just and reasonable. The Commission will approve the proposed tariff sheets.

**IT IS THEREFORE ORDERED:**

1. That the following tariff sheets, filed by Frimel Water Systems, Inc., on January 30, 1998, and suspended to April 1, 1998, are hereby approved for service on or after April 1, 1998:

P.S.C. MO. No. 1

7th Revised Sheet No. 1, Canceling 6th Revised Sheet No. 1  
3rd Revised Sheet No. 7, Canceling 2nd Revised Sheet No. 7

2. That depreciation rates are hereby adopted for use by  
Frimel Water Systems, Inc., as set out in Attachment A to this order.

3. That this order shall become effective on April 1, 1998.

**BY THE COMMISSION**



**Dale Hardy Roberts**  
**Secretary/Chief Regulatory Law Judge**

(S E A L)

Lumpe, Ch., Crumpton, Murray,  
and Drainer, CC., concur.

Roberts, Chief Regulatory Law Judge