

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 27th
day of February, 1998.

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

ORDER SUSPENDING TARIFF

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. These tariff sheets bear an effective date of March 1. Frimel filed its proposed tariff in accordance with the Commission's small company rate procedure pursuant to 4 CSR 240-2.200. A proposed order to dispose of this case was placed on the Commission's agenda, for good cause, on February 26. However, in the process of reviewing the proposed order several irregularities were identified. The Commission has determined it appropriate to suspend the proposed tariff so that these irregularities may be corrected.

The case file contains a letter from a customer of Frimel regarding the proposed rate increase. On June 24, 1997, by letter a member of the Commission Staff (Staff) advised that customer that "Once the Staff audit is completed, you will be notified by mail of the results of the audit, and be given a chance to comment." No such notification was subsequently sent to that customer and Commission action on this date would deprive the customer of the opportunity to comment, as promised by the Staff. It is not necessary that an actual response be received from that customer, but it is necessary that the opportunity to respond be provided. The Commission will direct Staff to provide such notice and the proposed

BV
BH
R0
TW

tariff will be suspended for a sufficient period to allow an opportunity to comment.

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 addition, all parties are allowed ten days to respond to the memorandum pursuant to 4 CSR 240-2.080(12) and that period will not run until March 1, 1998. Therefore, the Commission concludes it must suspend the tariff in order to provide an opportunity for OPC to respond to the Staff memorandum or, in the alternative, to provide an opportunity for the parties to file an agreement in compliance with the rule. Although allowing the ten day period in which OPC may respond is adequate, filing an agreement would actually bring this case into compliance with the rule.

IT IS THEREFORE ORDERED:

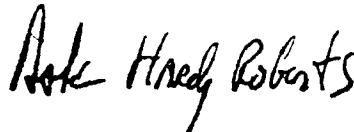
1. That tariff file No. 9700816, filed in Case No. WR-98-320, shall be suspended from its current effective date of March 1, 1998 to April 1, 1998.

2. That the Public Service Commission Staff shall provide notice of the results of the Staff audit to the customer to whom it was promised and such notice shall be mailed not later than March 3, 1998.

3. That any comment, or response to either the results of the audit or the proposed disposition of this case, shall be submitted in writing not later than March 16, 1998.

4. That this order shall be effective on February 27, 1998.

BY THE COMMISSION

A handwritten signature in black ink that reads "Dale Hardy Roberts". The signature is written in a cursive, slightly slanted style.

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Murray, and Drainer,
CC., Concur.
Crumpton, C., Absent.

Roberts, Chief Regulatory Law Judge

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION

FEB 27 1998

RECEIVED