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 November, 1997.

In the Matter of Village Water and)	
Sewer Company, Inc.'s Tariff for)	<u>Case No. SR-98-94</u>
Increase in Sewer Rates.)	

ORDER APPROVING TARIFF

Pursuant to the Commission's informal rate procedure, on August 28, 1997, Village Water and Sewer Company, Inc. (Village) filed a tariff designed to increase its rate for sewer service by 110 percent. The original filing bore an effective date of November 1. After negotiation with the Staff of the Commission (Staff) and the Office of the Public Counsel (OPC), Village withdrew the previous tariff filing and filed a revised tariff reflecting a two-part phase-in of the proposed rate increase. The revised tariff, filed November 10, bears an effective date of December 1.

OPC reflecting agreement between the parties as to the proposed rate increase and two-step phase-in of rates as set out in the Village tariff filing of November 10. In the joint recommendation the parties state that they have reviewed the November 10 filing and find it in compliance with all outstanding issues raised by the parties in this matter and that the proposed tariff will effectuate the terms of agreement between the parties.

In a September 9 filing the Staff submitted a set of depreciation rates for Village upon which the rate calculations contained in the proposed tariff are based. The Staff recommended the Commission adopt the

rates as proposed with the two-part phase-in as set out in the tariff filing of November 10.

The Commission finds the proposed tariff, as submitted on November 10 with the two-part phase-in of rates, to be reasonable. The Commission will adopt the proposed tariff for service on or after December 1.

IT IS THEREFORE ORDERED:

1. That the following tariff, filed November 10, 1997, by Village Water and Sewer Company, Inc., is approved for service on or after December 1, 1997:

P.S.C. MO. Schedule No. 1
1st Revised Sheet No. 5 Canceling Original Sheet No. 5

- 2. That the proposed depreciation schedule, appended to this order as Attachment A, is hereby approved for use by Village Water and Sewer Company, Inc.
 - 3. That this order shall become effective on December 1, 1997.

BY THE COMMISSION

L HARED Rober

Dale Hardy Roberts Secretary\Chief Regulatory Law Judge

(SEAL)

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

Derque, Regulatory Law Judge

VILLAGE WATER and SEWER COMPANY DEPRECIATION RATES

(SEWER)

Acct. No.	Description of Account	Annual Rate
311	Structures & Improvements	3.0%
352.1	Collection Sewers (Force)	2.0%
352.2	Collection Sewers (Gravity)	2.0%
353	Other Collection Plant	4.0%
354	Services to Customers	2.0%
355	Flow Measurement Devices	3.3%
362	Receiving Wells & Pump Pits	5.0%
363	Pumping Equipment	10.0%
372	Oxidation Lagoons	4.0%
373	Treatment & Disposal Facilities	4.5%
374	Plant Sewers	4.5%
375	Outfall Sewers	2.0%
376	Other Treatment & Disposal Plant	5.0%
391	Office Furniture & Equipment	5.0%
392	Transportation Equipment	13.0%
393	Other General Equipment	10.0%
394	Tools, Shop, Garage Equipment	5.0%
395	Laboratory Equipment	5.0%
396	Power Operated Equipment	6.7%
397	Communication Equipment	6.7%
398	Miscellaneous Equipment	5.0%