

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 14th
day of October, 1994.

In the matter of Clarence Cannon)
Wholesale Water Commission's)
tariff designed to increase)
rates for water service pursuant)
to the Commission's informal)
rate procedure.)

Case No. WR-95-108

ORDER APPROVING TARIFF

On October 3, 1994, the Clarence Cannon Wholesale Water Commission (Applicant) filed with the Commission a request for a commodity rate increase as a result of the Commission's informal rate procedure, initiated August 17, 1994, pursuant to Commission Rule 4 CSR 240-12.060(8). Initial notice of the proposed rate increase was sent to all 13 customers of the Applicant on August 18, 1994. All customers of the applicant currently serve on the Board of Directors of the Company and approved the filing of the rate increase. No complaints were received, and no secondary notice was deemed necessary.

The Staff, in its recommendation of October 12, 1994, noted that an audit was made of the Applicant's books and records by the accounting section of the Commission's Utility Services Division, which found that the Applicant has a current revenue deficiency of \$66,916.00. The Staff further recommended that, based on the revenue deficiency, an increase from the current commodity charge of 85 cents per 1000 gallons to 94 cents per 1000 gallons was appropriate. This increase is reflected in the tariff filed by the Applicant in this case.

Further, the Staff pointed out that this rate increase would generate an increase in annual revenue of the needed \$66,916.00 for water service after November 2, 1994, or an increase of 10%. The Staff finds the increase to be reasonable and recommends the Commission approve the requested increase and accompanying revised tariff. The Office of Public Counsel is in agreement with this recommendation.

After review of the Staff recommendation, accompanying documentation, and requested revised tariff, the Commission finds that a public hearing is not necessary as no complaints were received, no request was made, and in fact, the Applicant is controlled by its customers, who are all in agreement with the rate increase.

The Commission finds the requested rate to be reasonable and necessary to generate the required revenue for the Applicant to provide safe and adequate service to its customers. The requested rate increase will be approved. Since the proposed increase is in excess of 7%, the Commission will direct the Applicant to submit the information required by Section 393.275, RSMo. 1986.

IT IS THEREFORE ORDERED:

1. That the following tariff, filed by Clarence Cannon Wholesale Water Commission on October 3, 1994, is hereby approved for service on or after November 2, 1994:

P.S.C. Mo. No. 1

3rd Revised Sheet No. B, Cancelling 2nd Revised Sheet No. B.

2. That Clarence Cannon Wholesale Water Commission shall file with the Commission the names of any and all cities and counties which impose a business tax license on its operations, with an estimate of the annual increase in gross receipts resulting from the tariff increase from

customers residing in that city or county within 10 days of the date of approval.

3. That this order shall become effective on November 2, 1994.

BY THE COMMISSION

A handwritten signature in black ink, reading "David L. Rauch". The signature is written in a cursive, flowing style.

David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure,
Perkins and Crumpton, CC., Concur.
Kincheloe, C., Absent.