

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 25th day of May, 2006.

In the Matter of Taneycomo Highlands, Inc.'s Tariff) **Case No. SR-2006-0379**
to Implement a Rate Increase for Sewer Service) Tariff No. YS-2006-0749

ORDER FURTHER SUSPENDING TARIFF

Issue Date: May 25, 2006

Effective Date: May 30, 2006

On April 3, 2006, Taneycomo Highlands, Inc., filed with the Missouri Public Service Commission revised tariff sheets to implement increases in its sewer service rates and charges. Taneycomo's transmittal letter submitted with its tariff indicated the changes contained in the subject revised tariff sheets were based upon an Unanimous Agreement Regarding Disposition of Small Sewer Company Rate Increase Request (Unanimous Agreement) entered into by the Company, Staff and the Office of the Public Counsel. The Commission previously suspended that tariff until May 30.

On April 6, 2006, Staff filed a Notice of Agreement Regarding Disposition of Small Company Rate Increase Request. The Unanimous Agreement was attached to Staff's notice as Appendix A. The Unanimous Agreement stated that Staff would file several pieces of information with the Commission, including "(i) any recent Notices of Violations issued to the company by the Missouri Department of Natural Resources; ..." In Staff's Memorandum in support of its Recommendation Regarding Disposition of Small Company Rate Increase Request, filed on May 12, 2006, Staff accurately noted "that the Company received no 'notices of violations' from the Missouri Department of Natural Resources

during the test year used for the Request, nor has it received any such notices since the end of the test year to date.”

On May 18, 2006, the Commission received information from the Department of Natural Resources (DNR) that is relevant to the issues in this case. The DNR informed the Commission that, while Taneycomo did not receive a notice of violation during the test year in this case, it has been in noncompliance with reporting requirements for approximately seven straight quarters. Specifically, Taneycomo has not submitted a quarterly Discharge Monitoring Report since August of 2004. Further, the information indicates that when Taneycomo was submitting discharge reports, prior to August of 2004, its discharges were not in compliance with effluent limits.

On May 19, 2006, the Commission issued its Order Directing Filings and Adding a Party, which , among other things: 1) added the DNR as a party; 2) directed DNR to file a pleading containing the information regarding Taneycomo’s noncompliance with reporting and sewer service requirements on or before June 2, 2006; 3) ordered Staff to file a revised recommendation and memorandum incorporating and addressing DNR’s information on Taneycomo’s noncompliance by June 16, 2006; 4) required any responses to Staff’s recommendation and memorandum to be filed no later than June 23, 2006; and 5) ordered the Public Counsel and the Commission’s Staff to each file notice reflecting their current position on the Unanimous Agreement Regarding Disposition of Small Sewer Company Rate Increase Request no later than June 16, 2006.

Absent Commission action, Taneycomo’s tariffs will go into effect on May 30, 2006. To allow sufficient time to evaluate the information provided by the DNR in conjunction with all other information in the case and to determine if the tariff is just, reasonable and in the

public interest, the proposed tariff will be suspended for an additional 90 days, or 120 days beyond the initially requested effective date, as permitted by Section 393.150, RSMo 2000.

IT IS ORDERED THAT:

1. The tariff sheets filed by Taneycomo Highlands, Inc., on April 3, 2006, and assigned Tariff File No. YS-2006-0749, originally suspended until May 30, 2006, are suspended an additional 90 days, until August 28, 2006.

2. This order shall become effective on May 30, 2006.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Gaw, Clayton,
and Appling, CC., concur.

Voss, Regulatory Law Judge