

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Tariff Filing of Aqua	)	
Missouri, Inc., to Implement a Rate Increase	)	
for Water Service Provided to Customers in its	)	<b><u>Case No. SR-2007-0023</u></b>
Missouri Service Areas.	)	Tariff No. YS-2007-0016

**PUBLIC COUNSEL’S PLEADING INDICATING DISAGREEMENT WITH THE  
TARIFF SHEETS AND REQUESTING AN ORDER FOR STAFF INVESTIGATION**

COMES NOW the Office of the Public Counsel and for its Pleading Indicating Disagreement with the Tariff Sheets and Requesting an Order for Staff Investigation states as follows:

1. On July 12, 2006, Aqua Missouri, Inc. filed revised tariff sheets to implement a rate increase for water service in two of its service area. The proposed rate increase, on average, is approximately 42 percent.
2. The rate increase was agreed to by Aqua Missouri and the Staff of the Commission. Staff filed its Notice of Agreement Regarding Disposition of Small Company Rate Increase Request on July 21, 2006. Public Counsel did not join in the agreement.
3. Pursuant to 4 CSR 240-3.330, Public Counsel requested a local public hearing be held. The service territories affected by this increase are near Sedalia and near Jefferson City. Therefore, Public Counsel suggested holding one local public hearing in Jefferson City and one local public hearing in Sedalia. Case Nos. WR-2007-0020 and WR-2007-0021 also affect the rates of customers in the Jefferson City and Sedalia areas, so Public Counsel suggested holding the local public hearings in those two cases concurrently with the public hearing in this case. The Commission granted this request. A local public hearing was held on August 28, 2006 in

Sedalia, Missouri. Also a local public hearing was held on August 30, 2006, in Jefferson City, Missouri. Each of these local public hearings addressed both the water and sewer increases.

4. Testimony adduced at the local public hearing indicated that the percentage of increase would cause rate shock to the public. There was strong public disagreement with the high percentage of the proposed water and sewer increases. As a result of the testimony adduced at that hearing, Public Counsel does not believe that the Commission should approve the rate increase requests agreed to by the Staff and Aqua Missouri. Pursuant to 4 CSR 240-3.330(1)(E), Public Counsel states that it disagrees with the proposed increases reflected on the tariff sheets filed in this case.

5. The public also voiced numerous complaints about the quality of service they are receiving. One customer from Quail Village Lake in Jefferson City voiced concerns about a recurring sewage leak from the lift station which was running into the lake. Therefore, as a result of the testimony adduced at the hearing, Public Counsel requests that the Commission order a Staff Investigation into the numerous complaints raised by customers at the hearing.

6. Public Counsel also objects to the Return on Equity developed by the Staff and reflected in the Aqua Missouri and Staff Agreement in the rate case.

7. Because the Public Counsel states its disagreement with the tariff sheets, and requests a staff investigation, the Commission should suspend the pending tariffs. Section 393.150 RSMo 2000 provides that the Commission may suspend tariff sheets for a maximum period of 120 days plus six months. In order to allow for adequate time for the Commission to determine whether the proposed rate increase is just and reasonable, the Commission should suspend them for the maximum period.

WHEREFORE, Public Counsel respectfully requests that the Commission issue an order:  
(1) requesting a staff investigation; and (2) suspending the pending tariff sheets for the maximum period allowed by law.

Respectfully submitted,

OFFICE OF THE Public Counsel

**/s/ Christina L. Baker**

By:\_\_\_\_\_

Christina L. Baker (#58303)

Assistant Public Counsel

P O Box 2230

Jefferson City, MO 65102

(573) 751-5565

(573) 751-5562 FAX

[christina.baker@ded.mo.gov](mailto:christina.baker@ded.mo.gov)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 6<sup>th</sup> day of September 2006:

Office General Counsel  
Missouri Public Service Commission  
200 Madison Street, Suite 800  
PO Box 360  
Jefferson City MO 65102  
[GenCounsel@psc.mo.gov](mailto:GenCounsel@psc.mo.gov)

Kathy Pape  
Aqua Missouri, Inc. (CU)  
762 W. Lancaster  
Bryn Mawr, PA 19010  
[klpape@aquaamerica.com](mailto:klpape@aquaamerica.com)

Richard W. Moore  
Missouri Department of Natural Resources  
205 Jefferson Street  
Jefferson City MO 65101

**/s/ Christina L. Baker**

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