

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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

ORDER DIRECTING FILINGS AND ADDING A PARTY

Issue Date: May 19, 2006

Effective Date: May 19, 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.

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 Taneycomo 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 its discharges were not in compliance with effluent limits.

The Commission finds that the information concerning Taneycomo's lack of compliance with DNR requirements is necessary for a complete review this case. The Commission also believes this new information may affect both the recommendation of its Staff and the positions of the parties related to the Unanimous Agreement.

The Commission shall add DNR as a party and direct it to file a pleading containing the information regarding Taneycomo's noncompliance with reporting and sewer service requirements. In addition, DNR shall outline what steps, if any, the company has taken to come into compliance. The Commission shall order Staff to file a revised recommendation incorporating and addressing DNR's information on Taneycomo's noncompliance. The Commission shall also order Staff and Public Counsel to each file notice as to whether they continue to support the Unanimous Agreement.

IT IS ORDERED THAT:

1. The Missouri Department of Natural Resources is added as a party to this case.
2. The Commission's Data Center is directed to serve a copy of this order on the Missouri Department of Natural Resources, and to add that agency to the service list.

3. No later than June 2, 2006, the Missouri Department of Natural Resources shall file a pleading as directed above.

4. The Commission's Staff shall file its revised recommendation and memorandum no later than June 16, 2006.

5. Any responses to Staff's recommendation and memorandum shall be filed no later than June 23, 2006.

6. The Office of the Public Counsel and the Commission's Staff shall 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.

7. This order shall become effective on May 19, 2006.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Cherlyn D. Voss, Regulatory Law Judge,
by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 19th day of May, 2006.