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March 19, 2002

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General Counsel

Mr. Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

FILED³

MAR 19 2002

**Missouri Public
Service Commission**

RE: Case No. WR-2002-371

Dear Mr. Roberts:

Enclosed for filing in the above-captioned case are an original and eight (8) conformed copies of the **STAFF'S RESPONSE TO COMMISSION'S ORAL REQUEST FOR DATA FROM OTHER SMALL COMPANY RATE INCREASE CASES.**

This filing has been mailed or hand-delivered this date to all counsel of record.

Thank you for your attention to this matter.

Sincerely yours,

Keith R. Krueger
Deputy General Counsel
(573) 751-4140
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KRK/lb
Enclosure
cc: Counsel of Record

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³
MAR 19 2002

Missouri Public
Service Commission

In the Matter of the Request of Argyle)
Estates Water Supply for a General Rate)
Increase Pursuant to the Commission's)
Small Company Rate Increase Procedure)
at Rule 4 CSR 240-2.200)

Case No. WR-2002-371
Tariff File No. 2001 01195

**STAFF'S RESPONSE TO COMMISSION'S ORAL REQUEST
FOR DATA FROM OTHER SMALL COMPANY RATE INCREASE CASES**

COMES NOW the Staff of the Missouri Public Service Commission and, for its Response to Commission's Oral Request for Data from Other Small Company Rate Increase Cases, states to the Missouri Public Service Commission as follows:

1. On March 18, 2002, the Commission requested, in a telephone conference call with all parties, that the Staff provide historical data from other Small Company Rate Increase Cases, for the purpose of enabling the Commission to place in perspective the rate increase that the parties have proposed in the present case. The Commission specifically requested information concerning the average monthly rates for other small companies, information about the dollar amounts of recently approved rate increases and the percentages of such increases.

2. Attached hereto as Exhibit A is information concerning this case and 10 other recent Small Company Rate Increase Cases for water and sewer companies. The first case listed on Exhibit A is the present case, pertaining to Argyle Estates, a water company. The next seven cases listed are also for water companies, and they are listed in reverse case number order. The final three cases listed are for sewer companies, and they are also listed in reverse case number order. In presenting the data for these 11 cases, the Staff has attempted to identify cases that are recent and that are representative of the Small Company Rate Increase Cases that have been filed

2

for water and sewer companies in the last three fiscal years; however, it is possible that the results shown may not exactly coincide with average results over this period of time.

3. Some data is missing from Exhibit A because the Staff prepared this Response on short notice, the missing information was not readily accessible, and Staff has not been able to locate the information. The Staff is, however, willing to supplement this Response if additional information is needed to provide the Commission with a clearer picture of the results of Small Company Rate Increase Cases.

4. Each application in a Small Company Rate Increase Case must be analyzed on a case-by-case basis. Although an "average" outcome for these cases, or an average bill, or an average percentage increase might be calculated, any such average would be misleading, because each case depends on its own specific facts.

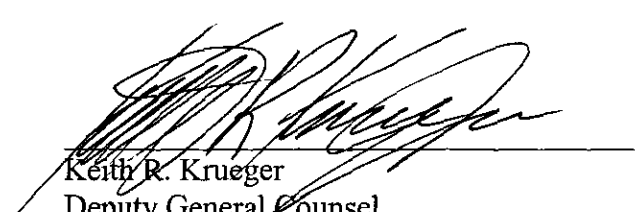
5. Among the factors that contribute to the variability mentioned in Paragraph 4 are the following: the size of the water or sewer system; the quality of the source of a water supply; the nature of a body of water to which sewage is discharged; the type of treatment equipment required; the age of existing equipment; the effects of terrain and soil conditions upon the cost of excavation and construction; whether residential customers occupy their premises on a year-round or seasonal basis; how long existing rates have been in effect; whether development in the service territory has proceeded as expected; and the effects of competition.

6. The Staff believes that the rate increases that were ordered in each of these cases produced just and reasonable rates, even though the resulting rates varied significantly from one case to the next. The Staff further submits that the rates that it has recommended in the instant case are just and reasonable, and requests that the Commission approve the proposed tariff revisions.

WHEREFORE, the Staff submits its Response to Commission's Oral Request for Data from Other Small Company Rate Increase Cases and requests that the Commission issue an order approving the Company's proposed tariff revisions, to be effective for service rendered on and after March 22, 2002, consistent with the recommendations contained in the Memorandum that the Staff filed in this case on March 13, 2002.

Respectfully submitted,

DANA K. JOYCE
General Counsel

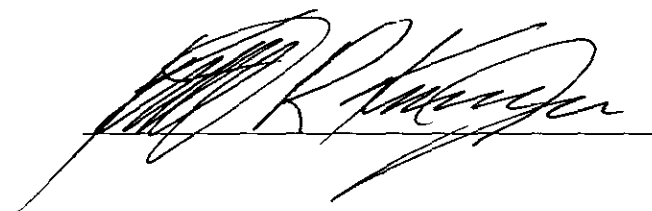


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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered to all counsel of record as shown on the attached service list this 19th day of March 2002.



Argyle Estates Water Supply

Case No.	WR-2002-371
Type of Service	Water
Number of Customers	49
Dollar Increase Requested	\$5,700
Percent Increase Requested	
Dollar Increase Recommended	\$5,433
Percent Increase Recommended	58.9 %
Typical Residential Bill	Before -- \$14.42 per month; After -- \$22.49 per month
Date of Last Rate Increase	
Reason Increase was Sought	To reflect an increase in operating expenses and the installation of a new storage tank and other plant
Remarks	This is the case now under consideration

South Jefferson County Utility Company

Case No.	SR-2002-350
Type of Service	Water
Number of Customers	212
Dollar Increase Requested	\$12,600
Percent Increase Requested	43.1 %
Dollar Increase Approved	(\$4,205)
Percent Increase Approved	(12.57%) (See Remarks)
Typical Residential Bill	Before -- \$12.26; After -- \$12.26
Date of Last Rate Increase	
Reason Increase was Sought	To meet current operating expenses and provide a return on investment
Remarks	Staff found that a \$4,205 decrease in water service charges (12.57%) was appropriate, but actually no change was ordered and the \$4,205 was offset against an \$11,286 increase in sewer service charges

Shell Knob Estates Utilities Company

Case No.	WR-2001-82
Type of Service	Water
Number of Customers	55
Dollar Increase Requested	\$4,600
Percent Increase Requested	
Dollar Increase Approved	\$4,286
Percent Increase Approved	87.9 %
Typical Residential Bill	Before -- \$10.19 per month; After -- \$17.42 per month
Date of Last Rate Increase	
Reason Increase was Sought	To update data for operating and maintenance and investment in plant
Remarks	

Osage Water Company

Case No.	WR-2000-557
Type of Service	Water
Number of Customers	317
Dollar Increase Requested	\$104,579
Percent Increase Requested	
Dollar Increase Approved	\$59,832
Percent Increase Approved	80.88 %
Typical Residential Bill	Before -- \$18.10 per month; After -- \$32.74 per month
Date of Last Rate Increase	Five years prior to the filing of this case
Reason for This Increase	Multiple; previous rates were established on the basis of projections, without good test year data
Remarks	The parties agreed upon the amount of the increase, but the case went to a hearing on other issues

Spokane Highlands Water Company

Case No.	WR-2000-349
Type of Service	Water
Number of Customers	31
Dollar Increase Requested	\$3,750
Percent Increase Requested	55 %
Dollar Increase Approved	\$2,675
Percent Increase Approved	39.2 %
Typical Residential Bill	Before -- \$20.43 per month; After -- \$28.70 per month
Date of Last Rate Increase	
Reason Increase was Sought	To update for operating and maintenance expense and for investment in plant
Remarks	

Quail Run Water & Land Company

Case No.	WR-2000-337
Type of Service	Water
Number of Customers	97
Dollar Increase Requested	\$11,243
Percent Increase Requested	
Dollar Increase Approved	\$11,243
Percent Increase Approved	68.9%
Typical Residential Bill	Before -- \$ 11.59 per month; After -- \$19.57 per month
Date of Last Rate Increase	
Reason Increase was Sought	To update for increases in operating expense and investment in plant
Remarks	Staff determined that the increase that was needed was greater than the Company requested, but could only approve the amount the Company initially requested

McCord Bend Water Company

Case No.	WR-2000-241
Type of Service	Water
Number of Customers	67
Dollar Increase Requested	\$18,325
Percent Increase Requested	212%
Dollar Increase Approved	\$12,881
Percent Increase Approved	159.93%
Typical Residential Bill	Before -- \$ 9.55 per month; After -- \$24.82 per month
Date of Last Rate Increase	
Reason Increase was Sought	To reflect update data re operating expense and plant
Remarks	The approval of this increase was contingent upon the sale of the Company to the Village of McCord Bend.

RDE Water Company

Case No.	WR-2000-337
Type of Service	Water
Number of Customers	908
Dollar Increase Requested	\$42,000
Percent Increase Requested	
Dollar Increase Approved	\$36,582
Percent Increase Approved	21.2%
Typical Residential Bill	Before -- \$ 13.62 per month; After -- \$16.60 per month
Date of Last Rate Increase	1999
Reason Increase was Sought	New storage facility was put on line
Remarks	

South Jefferson County Utility Company

Case No.	SR-2002-350
Type of Service	Sewer
Number of Customers	212
Dollar Increase Requested	\$12,600
Percent Increase Requested	60.5 %
Dollar Increase Approved	\$11,286
Percent Increase Approved	30.9 % (See Remarks)
Typical Residential Bill	Before -- \$9.00 per month; After -- \$11.78 per month
Date of Last Rate Increase	
Reason This Increase was Sought	To meet current operating expenses and provide a return on investment
Remarks	Staff found that an \$11,286 increase in sewer service charges (30.9%) was appropriate, but the actual increase was only \$7,081, after a \$4,205 offset to reflect the Company's overearnings on its water service charges

Shell Knob Estates Utilities Company

Case No.	SR-2001-83
Type of Service	Sewer
Number of Customers	55
Dollar Increase Requested	\$2,900
Percent Increase Requested	
Dollar Increase Approved	\$2,899
Percent Increase Approved	42.3 %
Typical Residential Bill	Before -- \$10.39 per month; After -- \$14.78 per month
Date of Last Rate Increase	
Reason Increase was Sought	To update data for operating and maintenance expense and for investment in plant
Remarks	

Osage Water Company

Case No.	SR-2000-556
Type of Service	Sewer
Number of Customers	103
Dollar Increase Requested	\$54,172
Percent Increase Requested	121.86 %
Dollar Increase Approved	\$3,960
Percent Increase Approved	8.7 %
Typical Residential Bill	Before -- \$23.90 per month; After -- \$26.03 per month
Date of Last Rate Increase	Five years prior to the filing of this case
Reason for This Increase	Multiple; previous rates were established on the basis of projections, without good test year data
Remarks	

Service List for:

Case No. WR-2002-371

Verified: March 19, 2002 (lb)

Office of the Public Counsel

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Albert E. Argyle

Argyle Estates Water Supply

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