

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

In the Matter of R.D. Sewer Company,
L.L.C.'s Small Company Rate Increase

)
)

Case No. SR-2009-0226

**RECOMMENDATION REGARDING DISPOSITION OF SMALL COMPANY
REVENUE INCREASE REQUEST**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), through the undersigned counsel, and for its *Recommendation* respectfully states to the Missouri Public Service Commission (Commission) the following:

1. On October 23, 2008, the Commission issued a *Report And Order (Order)* in Case No. SO-2008-0289, effective November 2, 2008. The *Order* authorized R.D. Sewer Company, L.L.C. (RD Sewer or Company) to acquire the assets of Stoddard County Sewer Co., Inc. (Stoddard County), and to the extent Commission approval was required, the stocks, bonds, and other indebtedness and obligations of Stoddard County Sewer Co., Inc.

2. On November 26, 2008, R.D. Sewer initiated a small company rate increase proceeding with the Commission requesting approval of the interim rates ordered by the Commission in SR-2008-0289.

3. On April 27, 2009, Staff filed its *Notice of Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase (Disposition Agreement)* acknowledging an agreement between Staff and Company for a annualized sewer operating revenue increase of \$14,540.

4. Pursuant to the 4 CSR 240-3.050(5) activities timeline filed in the case, Staff is to file a recommendation on the disposition of the case, and confirm the Company's continued compliance with the Commission's annual report and assessment rules, and that the Company remains in good standing with the Missouri Secretary of State.

5. On April 30, 2009, R.D. Sewer filed revised tariff sheets based upon the *Disposition Agreement* entered into by the Company and Staff. The tariff was assigned Tracking No. YS-2009-0765.

6. The Commission has the authority to approve the proposed tariff revisions pursuant to Sections 393.140(11) and 393.150 RSMo (2000).

7. Additionally, Section 393.130.1 RSMo (Supp. 2008) provides that all charges made by a sewer corporation for service rendered or to be rendered shall be “just and reasonable”.

8. Staff states that the proposed tariff revisions are in accordance with the conditions contained in the *Disposition Agreement*, and that the rates and charges contained in the tariff revisions are just and reasonable, and necessary to maintain safe and adequate operation of the Company.

9. Staff has verified the Company filed a calendar year 2008 annual report. The Company’s fiscal year 2010 assessment amount is \$2,373.56, and the Company has until July 15, 2009, to pay the entire amount or elect to pay in equal installments under Section 386.370 RSMo (2000).

10. R.D. Sewer remains in good standing with the Missouri Secretary of State.

11. Staff notes that Stoddard County owes a total of \$4,691.81 in assessments to the Commission, originally assessed during fiscal years 2000 through 2002.

12. Currently, Stoddard County, under Permit ID number MO 0096881, owes the Missouri Department of Natural Resources (DNR) \$36,400.00 in fees and late penalties. R.D. Sewer has operated the system since January of 2002. The Commission’s *Order* in SO-2008-

0289 noted the position statement filed by Stoddard County and R.D. Sewer on March 26, 2008¹ realized that there are pending non-compliance issues with DNR, and that those issues are to be addressed by a compliance schedule with DNR per discussions and correspondence with the Missouri Office of Attorney General (AGO) without penalty.

13. Due to R.D. Sewer's ongoing compliance issues, the Commission ordered the Company to file status reports to update the Commission on the negotiations, the compliance schedule once formalized with DNR and AGO, and status reports on the Company's implementation of the compliance schedule.²

14. On May 1, 2009, the Company filed a *Semi-Annual Compliance Report*, which states that as of that date, no agreement has been reached between the Company, DNR, and the AGO regarding the compliance issues.

15. At this time, Staff is unaware of the status of any further settlement discussions between R.D. Sewer, DNR, and the AGO on the fee and late penalty amounts.

WHEREFORE, Staff respectfully submits this *Recommendation* and requests the Commission issue an order that 1) approves the revised tariff sheets that the Company submitted to the Commission on April 30, 2009, to be effective for service rendered on or after June 15, 2009; 2) approves the *Disposition Agreement* submitted in this case; and 3) directs the Company to comply with the terms of the *Disposition Agreement* submitted in this case.

¹ *Statement of Positions on Issues of Stoddard County Sewer Company, Inc., and R.D. Sewer Co, LLC Private Joint Applicants*, Document 33 in EFIS Case No. SO-2008-0289.

² EFIS Docket No. 68, *Report and Order*, issued October 23, 2008.

Respectfully Submitted,

/s/ Jennifer Hernandez

Jennifer Hernandez

Missouri Bar No. 59814

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360

Jefferson City, MO 65102

(573) 751-8706 (Telephone)

(573) 751-9285 (Fax)

jennifer.hernandez@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this *Recommendation* has been provided, either by first-class mail, electronic mail, facsimile transmission or hand-delivery, to each attorney and/or party of record for the above-captioned case on this 13th day of July 2009.

/s/ Jennifer Hernandez