

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 30<sup>th</sup> day  
of January, 2013.

In the Matter of a Request for an Increase in	)	
Annual Sewer System Operating Revenues	)	<b><u>File No. SR-2013-0053</u></b>
for W.P.C. Sewer Company	)	<b><u>Tariff No. YS-2013-0324</u></b>

**ORDER APPROVING COMPANY/STAFF DISPOSITION AGREEMENT  
AND APPROVING TARIFF FILING**

Issue Date: January 30, 2013

Effective Date: March 4, 2013

On August 14, 2012, W.P.C. Sewer Company ("WPC")<sup>1</sup> initiated a small company revenue increase request pursuant to Commission Rule 4 CSR 240-3.050. Part of the reason for the requested increase is the installation of an Ultraviolet disinfection system, which Staff has inspected and has determined to be complete, used and useful.

On January 11, 2013, the Commission's Staff filed a Disposition Agreement executed by it and WPC, and on January 16, 2013, WPC filed revised tariff sheets in conformity with the agreement bearing an effective date of March 4, 2013.<sup>2</sup> If the tariff sheets are approved, WPC's current PSC MO Number 1 tariff will be cancelled in its entirety and be replaced by PSC MO Number 2.

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<sup>1</sup> WPC serves approximately 68 residential customers in Sedalia, Missouri.

<sup>2</sup> WPC originally requested an increase of \$14,483 in its annual sewer system operating revenues representing an increase of approximately 70.85%. After discussions with the Commission's Staff ("Staff"), WPC and Staff agreed that WPC's annualized sewer system operating revenue should be increased by \$10,670, representing an increase of approximately 52.2%. Under this increase, an average residential customer would experience an increase in their sewer bill of \$13.08 per month (\$25.04 currently to \$38.12 following the increase).

On January 16, 2013, the Office of the Public Counsel ("Public Counsel") filed its position statement. Public Counsel stated it believes the hypothetical capital structure used by Staff is arbitrary and unreasonable and the recommended return on equity of 12.09% is excessive. However, Public Counsel also states that the dollar amounts related to these issues are small and it does not believe that opposition to the agreement would be in the best interest of the ratepayers. Consequently, Public Counsel affirmatively asserted that it would not oppose the Disposition Agreement.

Based upon its independent and impartial review, the Commission finds the Disposition Agreement is reasonable and shall approve it.<sup>3</sup> The Commission shall also approve the tariffs sheets filed in compliance with the Disposition Agreement.

**THE COMMISSION ORDERS THAT:**

1. The Company/Staff Disposition Agreement regarding W.P.C. Sewer Company's request for an increase in sewer revenue, File No. SR-2013-0053, entered into by W.P.C. Sewer Company and the Staff of the Missouri Public Service Commission and filed on January 11, 2013, is approved.
2. The signatories shall comply with the terms of the Company/Staff Disposition Agreement. A copy of the Disposition Agreement is attached to this order as Appendix A.
3. The tariff sheets filed by W.P.C. Sewer Company on January 16, 2013, and assigned Tariff File No. YS-2013-0324, bearing an effective date of March 4, 2013, are approved. The tariff sheets approved are:

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<sup>3</sup> The Commission has the legal authority to accept stipulations and agreements as offered by the parties pursuant to Section 536.060, RSMo 2000. The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App.1989). Since no one has requested a hearing in this case, the Commission may grant the relief requested based on the Disposition Agreement.

**P.S.C. MO No. 2 Canceling P.S.C. MO No. 1**  
Original Sheet No. 1 through Original Sheet No. 29

4. This order shall become effective on March 4, 2013.

**BY THE COMMISSION**



Shelley Brueggemann  
Acting Secretary

( S E A L )

Gunn, Chm., Jarrett, R. Kenney, Stoll,  
and W. Kenney, CC., concur.

Stearley, Deputy Chief Regulatory Law Judge