

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 7th day of  
July, 2010.

In the Matter of the Application of Missouri-American	)	
Water Company for Waiver of Service Connection	)	
Charges for Customer in the St. Charles District	)	<b><u>File No. WE-2010-0360</u></b>

**ORDER GRANTING WAIVER**

Issue Date: July 7, 2010

Effective Date: July 17, 2010

On June 9, 2010, Missouri-American Water Company filed with the Missouri Public Service Commission an application seeking a waiver of the service connection charge for a customer. Through this order, the Commission grants that requested relief.

**The Application**

In its application, Missouri-American explains that it now serves a Taco Bell<sup>1</sup> restaurant located in its service area in St. Peters, Missouri. The restaurant will be rebuilt and expanded, requiring a new service connection. Upon this new connection, Taco Bell will have the option of seeking water service from the City of St. Peters. The City does not charge a connection fee. In order to better compete for continued service to the restaurant, Missouri-American seeks to waive the service connection charge of \$3,608.59.

Missouri-American points out that under its tariff, the company is permitted to “waive all or part of any service connection charges in order to effectively compete with offers made to developers and/or customers by other water suppliers after requesting approval of

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<sup>1</sup> The Specific Taco Bell referenced is #2956, located at 1630 Jungerman Road, St. Charles, Missouri.

the waiver from the Missouri Public Service Commission on a case-by-case basis and receiving an Order granting the waiver for good cause shown.<sup>2</sup> Further, the tariff states that “good cause” shall be shown where the company has provided reasonable and adequate documentation that:

1. *Bona fide* competition exists between water suppliers for new customers.
2. The addition of customers for whom the waiver applies would not result in a positive revenue requirement.
3. A positive new income will likely be achieved within a five-year period from the time the first new construction is placed in service.

With its application, Missouri-American provided documentation showing that the City of St. Peters seeks to provide service to the newly-constructed Taco-Bell.<sup>3</sup> Missouri-American adds that with an average monthly bill of \$183, Taco Bell annually pays \$2,196. Over a five-year period, the total amount would be \$10,980. This figure does not include the anticipated increase in usage due to the expansion of the restaurant. Also, Missouri-American states that there will be no negative effective on its customers if the Commission approves this order prior to the new construction. Because the restaurant intends to start construction by August 1, 2010, Missouri-American requests that the Commission approve this waiver prior to that date.

### **Staff Recommendation**

The Staff of the Commission filed its recommendation on June 29. Staff believes the conditions to waive the connection fee, as specified in the company’s tariff, have been satisfied and recommends approving the waiver. Staff also points out that there is a place

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<sup>2</sup> Tariff Form No. 13, P.S.C. Mo. No. 2, Sheet 13A.

<sup>3</sup> Exhibit B, filed on June 28, 2010.

on the tariff sheet for the company to list Taco Bell as a customer whose connection fee has been waived. Staff therefore recommends that the Commission direct Missouri-American to file a revised tariff sheet that lists Taco Bell as having had its connection fee waived. Finally, Staff recommends that Commission order that it makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matter pertaining to the granting of this waiver in any later proceeding.

### **Discussion**

The Commission has reviewed Missouri-American's application and Staff's recommendation and finds that *bona fide* competition exists between Missouri-American and the City of St. Peters to provide service to the newly-constructed Taco Bell. That Commission also finds that the waiver of the connection fee for Taco Bell will not result in a positive revenue requirement and that a positive income will be achieved within the five-year period from the time the new construction is placed in service. Based on these findings, the Commission concludes that there is good cause to grant the requested waiver.

The Commission will grant the waiver and direct Missouri-American to amend its tariff sheet to list Taco Bell in St. Peters as a customer whose connection fee has been waived. The Commission will also direct the Staff of the Commission to file a pleading informing the Commission that Missouri-American has filed a revised tariff sheet as ordered herein. Thereupon, the Commission will issue an order approving the revised tariff sheet as being in compliance with a Commission order. Finally, the Commission points out that it has made no finding that would preclude it from considering the ratemaking treatment to be afforded any matter pertaining to the grant of this waiver in any later proceeding.

**THE COMMISSION ORDERS THAT:**

1. Missouri-American Water Company's request for a waiver of its service connection charge to Taco Bell Corp. #2956, located at 1630 Jungerman Road, St. Charles, Missouri, is granted.
2. Missouri-American Water Company shall file a revised tariff sheet 13A that lists Taco Bell Corp. #2956 as a customer whose service connection charge has been waived.
3. The Staff of the Commission shall file a pleading informing the Commission that Missouri-American Water Company has filed a revised tariff sheet as directed.
4. This order shall become effective on July 17, 2010.

**BY THE COMMISSION**



Steven C. Reed  
Secretary

( S E A L )

Clayton, Chm., Davis, Jarrett,  
Gunn, and Kenney, CC., concur.

Jones, Senior Regulatory Law Judge