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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 25th
day of January, 1995.

In the matter of St. Louis County Water)
Company's tariff revisions designed to)
increase rates for water service provided to) CASE NO. WR-95-145
customers in the Missouri service area of)
the company.)

ORDER ESTABLISHING TEST YEAR

On November 9, 1994, the Commission issued a Suspension Order
And Notice setting December 9, 1994 as the date for St. Louis County Water
Company's (St. Louis County) recommendation for the proper test year in
this case and setting January 9, 1995 as the date for all other parties'
recommendations for the proper test year.

On December 8, 1994, St. Louis County, concurrent with its
prefiled direct testimony, recommended that the test year in this case
should be the year ended October 31, 1994, with adjustments for certain
known and measurable changes to the rate base, operating statement and
capital structure.

On January 9, 1995, the Staff of the Commission (Staff) filed
a recommendation concerning the appropriate test year to be used in this
case. Staff recommends that the Commission adopt a test year of the twelve
months ending October 31, 1994, as updated through February 28, 1995. In
support of its proposal, Staff states that adoption of this recommendation
will enable Staff to consider the latest available data prior to the filing
of its direct testimony on April 12, 1995.

The hearing in this matter is scheduled for June 19-25, 1995.
All parties' prefiled rebuttal testimony is due May 24, 1995 and all
parties' prefiled surrebuttal testimony is due June 9, 1995. Whether there

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are known and measurable changes occurring beyond the end of the test year as updated is an evidentiary question for the Commission. "Known and measurable changes" were defined by the Commission in its test year order in Case No. WR-91-361 (September 6, 1991). Such changes must be auditable and must not violate the relationship of revenues, rate base, and expenses established in Staff's audit. The rates should be based on the latest information available, including the most current known costs.

Viewing the proposals in this manner, the Commission finds that Staff's recommended test year as updated is more reasonable. Staff's direct testimony is to be filed on April 12, 1995. Staff's recommended test year is more reasonable because it allows the parties to address the issues using the same period in their prefiled rebuttal and surrebuttal testimony. The Commission can still consider and make findings as to known and measurable changes up to and including the hearing. Thus, the Commission determines that the proper test year to be used in this case should be the year ending October 31, 1994, as updated through February 28, 1995.

IT IS THEREFORE ORDERED:

1. That the test year to be used in this case is the twelve (12) months ending October 31, 1994, as updated through February 28, 1995.
2. That this Order shall become effective on the date hereof.

BY THE COMMISSION

(S E A L)



David L. Rauch
Executive Secretary

Mueller, Chm., McClure, Perkins,
Kincheloe and Crumpton, CC., Concur.