

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 29th day of
March, 2007.

In the Matter of the Tariff Filing of Algonquin Water)
Resources of Missouri, LLC, to Implement a General) **Case No. WR-2006-0425**
Rate Increase for Water and Sewer Service Provided)
to Customers in its Missouri Service Areas.)

ORDER DENYING APPLICATION FOR REHEARING

Issue Date: March 29, 2007

Effective Date: March 29, 2007

Syllabus: This order denies the pending motion for rehearing.

On March 13, 2007, the Commission issued its Report and Order. The Commission received a timely application for rehearing from the Office of the Public Counsel. Algonquin opposes OPC's application.

OPC's application is limited to the Commission's decision on rate case expense. In reviewing OPC's application, the Commission is mindful that

“(i)n the context of a rate case, the parties challenging the conduct, decision, transaction, or expenditures of a utility have the initial burden of showing inefficiency or improvidence, thereby defeating the presumption of prudence accorded the utility.”¹

The Commission finds that OPC's application raises nothing new for review. OPC simply restates its blanket objection to the concept of Algonquin being able to recover more than a nominal amount of rate case expense. The Commission already denied OPC's argument in its Report and Order, and will do so again here.

¹ *In re Missouri-American Water Company*, Report and Order, 9 Mo. P.S.C. 3d 254, 281 (August 31, 2000).

Section 386.500.1, RSMo 2000, provides that the Commission shall grant an application for rehearing if “in its judgment sufficient reason therefor be made to appear.” The Commission finds OPC has failed to establish sufficient reason to grant its application; therefore, the Commission shall deny it.

IT IS ORDERED THAT:

1. The Application for Rehearing filed by The Office of the Public Counsel is denied.
2. This order shall become effective on March 29, 2007.
3. This case shall be closed on April 3, 2007.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Clayton,
and Appling, CC., concur.
Gaw, C., dissents.

Pridgin, Senior Regulatory Law Judge