

² Staff provided the Office of the Public Counsel the results of its investigation and its recommendations for resolutions of S. K. & M.'s request.

annual water system operating revenues (an increase of approximately 29.5%). S. K. & M. had originally requested a rate increase intended to generate an additional \$36,876 in its total annual sewer service operating revenues, but after working with Staff, filed revised tariff sheets containing customer rates intended to produce an increase of \$18,332 in the company's annual sewer system operating revenues (an increase of approximately 49.1%). Based upon its audit of S. K. & M.'s books and records, an evaluation of its depreciation rates, and an analysis of its capital structure and cost of capital, Staff concluded that S. K. & M. could justify these increases. In compliance with Commission Rules 4 CSR 240-3.330(1)(D) and 4 CSR 240-3.635(1)(D), S. K. & M. filed its tariffs to implement the new rates bearing an effective date of July 16, 2007.

On June 7, 2007, Staff filed Company/Staff Agreements Regarding Disposition of Small Water Company Rate Increase Request and Disposition of Small Sewer Company Rate Increase Request ("Disposition Agreements"). On June 13, 2007, the Office of the Public Counsel ("OPC") filed a formal request for a local public hearing in these matters pursuant to Commission Rules 4 CSR 240-3.330(1)(E) and 4 CSR 240-3.635(1)(E). OPC emphasizes that it did not join the Disposition Agreements, but it has also not stated a position at this time as to whether it agrees or disagrees with S. K. & M.'s tariffs. OPC notes that it does not object to the Commission scheduling the hearing promptly as long as customers are given sufficient notice. OPC's request is reasonable and shall be granted.

Commission Rule 4 CSR 240-2.110(1) requires the Commission to set the time and place for hearings and serve notice as required by law. Section 536.067(4), RSMo 2000, and Section 386.390.5, RSMo 2000, require at least ten days notice be given prior to a hearing. In complying with its statutory mandate, and taking into consideration the

expedited nature of the small water and sewer company rate increase procedure, the Commission shall set the date for the local public hearing for Monday, June 25, 2007. At the hearing, the Staff of the Commission will hold an informal question-and-answer session beginning at 5:30 p.m.; the hearing will begin at 6:00 p.m. and will conclude at 9:00 p.m., or when every person who wishes to testify has done so, whichever is sooner.

Pursuant to Commission Rule 4 CSR 240-3.330(1)(E) and 4 CSR 240-3.635(1)(E), OPC shall be directed to file a pleading within seven days of the local public hearing stating whether it agrees or disagrees with the S. K. & M.'s tariff sheets. OPC shall file this pleading no later than July 2, 2007.

IT IS ORDERED THAT:

1. The Commission gives notice that it shall hold a local public hearing on June 25, 2007, from 6:00 p.m. until 9:00 p.m., or until all persons who wish to testify have done so, whichever is sooner, at Perryville, Missouri.

2. The local public hearing shall be held at: Perryville Area Higher Education Center, 108 South Progress Drive, Room 110, Perryville, Missouri 63775.

3. A question-and-answer session will be held before the hearing beginning at 5:30 p.m.

4. Customers wishing to make written comments or secure additional information may contact the Office of the Public Counsel, Post Office Box 2230, Jefferson City, Missouri 65102, telephone (573) 751-4857. Comments may also be registered in this case using the Internet Electronic Filing System at <http://psces/mpsc/>. Use the link to the Public Comment section and fill in all required fields on the comment page.

5. The local public hearing shall be held in a facility that meets the accessibility requirements of the Americans with Disabilities Act. Any person who needs additional accommodation to participate in the hearing should call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

6. The Data Center of the Missouri Public Service Commission shall serve a copy of this order upon the county commission of Perry County, Missouri, the service area of S. K. & M. Water and Sewer Company.

7. The Public Information Office of the Missouri Public Service Commission shall make notice of this order available to members of the General Assembly representing the residents in S. K. & M. Water and Sewer Company's service area and to the news media serving the residents in S. K. & M. Water and Sewer Company's service area.

8. No later than July 2, 2007, the Office of the Public Counsel shall file with the Commission a pleading stating whether it agrees or disagrees with the S. K. & M.'s tariff sheets.

9. This order shall become effective on June 14, 2007.

(S E A L)

BY THE COMMISSION



Colleen M. Dale
Secretary

Harold Stearley, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 14th day of June, 2007.