

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 5th day of
August, 2009.

In the Matter of the Application of Lakeland)	
Heights Water Company, Inc. for a Small)	<u>File No. WR-2009-0227</u>
Company Rate Increase)	Tariff No. YW-2009-0764

**ORDER APPROVING UNANIMOUS DISPOSITION
AGREEMENT AND AUTHORIZING TARIFF FILING**

Issue Date: August 5, 2009

Effective Date: August 15, 2009

On November 26, 2008, Lakeland Heights Water Company, Inc. ("Lakeland Heights")¹ initiated a small company revenue increase request pursuant to Commission Rule 4 CSR 240-3.050. On April 27, 2009,² the Commission's Staff filed a Disposition Agreement executed by it and Lakeland Heights, and on April 30, Lakeland Heights filed revised tariff sheets in conformity with the agreement bearing an effective date of June 15.³

On July 1, the Commission held a local public hearing at the request of the Office of the Public Counsel ("Public Counsel"). Because of the required timing of the request pursuant to the small company rate increase timeline, Lakeland Heights' substitute tariffs

¹ Lakeland Heights serves approximately 113 customers within its certificated service area.

² All dates from this point forward in this order refer to the year 2009 unless otherwise noted.

³ After the Commission's Staff completed a full audit of the company, Lakeland Heights and Staff agreed that Lakeland Heights's annualized water system operating revenue should be increased by \$9,191.00, representing an increase of approximately 77.51.%. After discussions with Public Counsel, the parties submitted the Unanimous Disposition Agreement where the parties agree that annualized water system operating revenue should be increased by \$7,651.00, representing an increase of approximately 64.52.%. Under this increase, a residential customer using 6000 gallons of water per month would experience an increase in their water bill of \$11.81 per month (\$18.31 currently to \$30.12 following the increase).

were suspended until August 14 to allow time to hold the hearing and give the parties an opportunity to file their position statements.

On July 10, Staff filed its recommendation that the Commission approve the Agreement and tariff sheets filed by the company. On July 16, Public Counsel filed its position statement. Public Counsel stated it had concerns regarding the appropriate cost of service for the utility; however, Public Counsel believed it had reached resolution with Lakeland Heights and Staff, and stated that a unanimous disposition agreement was forthcoming. To preserve its rights to an evidentiary hearing, should the parties fail to reach agreement, Public Counsel requested an evidentiary hearing. The Commission set the hearing for August 13 and further suspended Lakeland Heights' tariff sheets until October 26.

On July 29, Staff filed a Unanimous Disposition Agreement ("Agreement") executed by it, Public Counsel and Lakeland Heights. The Commission finds the Agreement reasonable and shall approve it.⁴ The Commission shall cancel the scheduled evidentiary hearing, reject Lakeland Heights' April 30 tariff filings, and shall authorize Lakeland Heights to file tariffs in compliance with the Agreement.

THE COMMISSION ORDERS THAT:

1. The evidentiary hearing and accompanying procedural schedule are canceled.

⁴ 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 Public Counsel's request for a hearing has been abandoned with the filing of the Agreement, the Commission may grant the relief requested based on the Agreement.

2. The Unanimous Disposition Agreement regarding Lakeland Heights Water Company, Inc.'s request for an increase in water revenue, File No. WR-2009-0227, entered into by Lakeland Heights Water Company, Inc., the Staff of the Missouri Public Service Commission and the Office of the Public Counsel, filed on July 29, 2009, is approved.

3. The signatories shall comply with the terms of the Unanimous Disposition Agreement. A copy of the Agreement is attached to this order as Appendix A.

4. The following revised tariff sheets filed by Lakeland Heights Water Company, Inc., on April 30, 2009, and assigned Tariff File No. YW-2009-0764, with the effective date suspended until October 26, 2009, are rejected. The tariff sheets rejected are:

P.S.C. MO No. 2

2nd Revised Sheet No. 4, Canceling 1st Revised Sheet No. 7
1st Revised Sheet No. 5, Canceling Original Sheet No. 5

5. Lakeland Heights Water Company, Inc., is authorized to file tariffs in compliance with the Unanimous Disposition Agreement.

6. This order shall become effective immediately upon issue.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

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

Pridgin, Senior Regulatory Law Judge