

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 18th day
of September, 2008.

In the Matter of the Small Company Rate)	<u>Case No. WR-2009-0058</u>
Increase Request of Tri-States Utility, Inc.)	Tariff No. YW-2009-0152

**ORDER APPROVING DISPOSITION AGREEMENT,
APPROVING TARIFF AND CLOSING CASE**

Issue Date September 18, 2008

Effective Date: September 29, 2008

On January 31, 2008, Tri-States Utility, Inc. initiated a small company rate increase pursuant to Commission rule 4 CSR 240-3.635. Tri-States requested a rate increase intended to generate an annual increase of \$1,450,000 in its annual water system operating revenues. The proposed revenue represented a 140% increase in the company's annual water system operating revenues. The company serves 3,445 customers and informed them of the proposed rate increase. Three hundred eight comments were received. Forty-five of those comments mirrored others.

On August 27, 2008, the company filed proposed tariff sheets with an effective date of September 29. On September 3, the Staff of the Commission filed a unanimous agreement entered into between it, the company and the Office of the Public Counsel. Attachment B of the agreement shows that the company's total operating revenue is \$991,380 but that the total cost of service is \$989,198. This resulted in an agreed-upon decrease of \$2,182 in revenues. As shown in Attachment D to the agreement, the parties also agreed to certain depreciation rates.

In its recommendation, filed on September 12, Staff recommends that the Commission issue an order that: (a) approves the proposed revised tariff sheets; (b) approves the Disposition Agreement; (c) directs the company to comply with the terms of Disposition Agreement; (d) prescribes the schedule of depreciation rates attached to the Disposition Agreement.

The Commission finds the proposed tariff sheets to be just and reasonable and finds that they should be approved for service rendered on or after September 29, 2008. The Commission also finds the depreciation rates proposed by Staff to be just and reasonable and will direct the company to implement them.

IT IS ORDERED THAT:

1. The following tariff sheets filed by Tri-States Utility, Inc. and assigned Tariff File No. YW-2009-0152, are approved for service rendered on or after September 29, 2008:

P.S.C. MO No. 1
Revised Sheet No. 6, Canceling Original Sheet No. 6
Original Sheet No. 6A

2. The Disposition Agreement entered into between Tri-States Utility, Inc., the Staff of the Missouri Public Service Commission and the Office of the Public Counsel is approved.

3. The parties to the Disposition Agreement shall abide by its terms.

4. The depreciation rates attached to the Disposition Agreement as Attachment D are approved and Tri-States Utility, Inc. shall implement them.

5. This order shall become effective on September 29, 2008.
6. This case shall close on September 30, 2008.

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,
Jarrett, and Gunn, CC., concur.

Jones, Senior Regulatory Law Judge