

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office in
Jefferson City on the 6th day of
May, 2009.

In the Matter of Missouri Utilities Company)
Small Company Rate Increase) **Case No. WR-2009-0150**

In the Matter of Missouri Utilities Company)
Small Company Rate Increase) **Case No. SR-2009-0153**

ORDER REGARDING THE OFFICE OF THE PUBLIC COUNSEL'S
REQUEST FOR A LOCAL PUBLIC HEARING

Issue Date: May 6, 2009

Effective Date: May 6, 2009

In October 23, 2008, Missouri Utilities Company ("MUC") initiated a small company revenue increase request pursuant to Commission Rule 4 CSR 240-3.050. On January 21, 2009, MUC filed a Motion for Extension of Time and Waiver of Commission Rule 4 CSR 240-3.050(7) for Case No. WR-2009-0150, and on January 30, 2009, MUC filed an identical request for its companion case, Case No. SR-2009-0153. The extension was granted because there was an error with sending proper notice to MUC customers. The 60-day extension re-set the clock on these proceedings. The revised timeline would have Staff filing an executed Disposition Agreement on May 21, 2009. Presuming the Office of Public Counsel ("Public Counsel") did not join that Agreement, it would file a position statement on June 25, 2009, and with that filing it could request a local public hearing.¹

¹ Public Counsel's position statement and request for a local public hearing normally occur on Day 185 of this procedure. With the 60-day extension, the date for these filings was pushed back to Day 245, or June 25, 2009.

On March 19, 2009, Public Counsel filed a request for a local public hearing, 98 days premature of the schedule. Public Counsel states the proposed increase in rates of 100%, coupled with the fact that MUC is being managed by a court-appointed receiver necessitates the hearing. Public Counsel contends an early public hearing would allow the Commission and its Staff to gather information that “may be crucial in setting fair and reasonable rates.” No party filed a response to Public Counsel’s motion within the time allowed by the Commission’s regulations.² However, the Commission did not take any immediate action on Public Counsel’s request, so, on April 27, Public Counsel filed a request asking the Commission to rule on its earlier request for the setting of a local public hearing.

The Commission’s regulation that establishes the small company rate increase procedure allows Public Counsel to ask the Commission to hold a local public hearing, but it contemplates such a hearing after a disposition agreement has been filed.³ At this point in the process, MUC’s customers have been notified only that the company has requested a 100 percent rate increase. To date, the Commission has received only one written comment from MUC’s customers expressing displeasure with the proposed increase, and the disposition agreement between Staff and MUC, when it is filed, may bear little resemblance to the 100 percent rate increase initially requested by the company. As a result, Public Counsel’s request that the Commission hold a local public hearing before the filing of a disposition agreement is premature.

Scheduling a local public hearing to take place before the filing of a disposition agreement would be an inefficient use of the Commission’s resources and, more

² 4 CSR 240-2.080(15).

³ 4 CSR 240-3.050(15) and (17).

importantly, would create confusion among MUC's customers. A premature local public hearing could not address the actual rate increase facing the customers since the disposition agreement has not yet been filed. Since that disposition agreement is likely to be different than the company's originally requested rate increase, scheduling a premature hearing would put the Commission in the position of having to schedule a second local public hearing after the disposition agreement is filed. Two local public hearings within a few weeks of each other, discussing what could be radically different rate proposals, would undoubtedly confuse and try the patience of concerned customers. Therefore, the Commission will not hold a local public hearing before the disposition agreement is filed.

Nevertheless, Public Counsel has shown the need for a local public hearing to consider the circumstances of MUC's request for a rate increase. A local public hearing will give customers a much needed opportunity to learn more about the circumstances facing MUC and to express their concerns to the Commission. Thus, a local public hearing is appropriate and necessary, no matter what rate increase is proposed in the disposition agreement when it is filed.

Therefore, the Commission will schedule a local public hearing at a date following the filing of the disposition agreement. The date and location of the local public hearing will be established in a separate order to follow.

THE COMMISSION ORDERS THAT:

1. Office of the Public Counsel's Request for Local Public Hearing is granted, but the local public hearing shall be scheduled, by separate order, to take place after May 21, 2009, when the disposition agreement is scheduled to be filed.

2. This order shall be effective immediately upon issuance.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', with a stylized, cursive script.

Colleen M. Dale
Secretary

(S E A L)

Clayton, Chm., Murray, Davis, and
Gunn, CC., concur;
Jarrett, C., dissents with dissenting opinion to follow.

Stearley, Senior Regulatory Law Judge,