

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 11th day
of December, 2008.

In the Matter of Midland Water Company, Inc.,)	<u>Case No. WR-2009-0167</u>
Request for a Rate Increase)	Tariff No. YW-2009-0328

**ORDER GRANTING SMALL COMPANY RATE INCREASE,
APPROVING TARIFF AND CLOSING CASE**

Issue Date: December 11, 2008

Effective Date: December 19, 2008

On May 9, 2008, Midland Water Company, Inc. initiated a small company rate case, pursuant to Commission rule 4 CSR 240-3.635, intended to generate an annual increase of \$8,747.00, or 35%, in water system operating revenues. On June 6, 2008, the company informed its customers of the proposed rate increase.

On November 3, the Staff of the Commission and the company entered into an Agreement Regarding Disposition of Small Water Company Revenue Increase Request. In that Agreement, at paragraph 20, the company is required to implement the recommendations contained in the Engineering & Management Service Department Report no later than November 30, 2008. The Commission is aware that the company did not implement all of the recommendations by November 30. The Commission will therefore require the company to do so no later than March 31, 2009. Further, the Commission will require Staff to file a statement, informing the Commission that all of the recommendations have been implemented.

On November 6, 2008, Staff notified the Commission of that Agreement informing the Commission that the company filed a revised tariff sheet requesting that the Commission allow an increase of \$2,026 in the company's operating revenues. The tariff sheet bears an effective date of December 19, 2008. The company sent a second customer notice on December 8, reflecting the revised tariff sheet. The Office of the Public Counsel was to have filed any opposition to the increase no later than November 10. Public Counsel remained silent.

As shown in Attachment E to the Agreement, the current customer charge is \$13.77. The proposed charge is \$15.00. The current usage rate is \$3.410 per 1000 gallons for a 5/8" meter. The proposed charge is \$3.714. Based on an average monthly usage of 6000 gallons, a customer's bill would increase from \$34.23 to \$37.28. The company and Staff agree that the rates are just and reasonable. Also attached to the Agreement is the schedule of depreciation rates.

Upon review of the Agreement and the proposed rates, the Commission finds the proposed tariff sheet to be just and reasonable and finds that it should be approved for service rendered on or after December 19, 2008. The Commission also finds the depreciation rates proposed by Staff to be just and reasonable and will direct the company to implement them.

THE COMMISSION ORDERS THAT:

1. The following tariff sheet filed by Midland Water Company, Inc. is approved for service rendered on or after December 19, 2008:

P.S.C.MO.No. 1
2nd Revised Sheet No. 4, cancelling 1st Revised Sheet No. 4

2. The Agreement Regarding Disposition of Small Water Company Revenue Increase Request entered into between the Staff of the Commission and Midland Water Company, Inc. is approved.

3. The parties to this matter are directed to comply with the terms of the Agreement Regarding Disposition of Small Water Company Revenue Increase Request.

4. Midland Water Company, Inc. shall implement the depreciation rates attached to the Agreement Regarding Disposition of Small Water Company Revenue Increase Request.

5. Midland Water Company, Inc., shall implement all of the recommendations contained in the Staff of the Commission's Engineering & Management Service Department Report, referenced in paragraph 20 of the Agreement, no later than March 31, 2009.

6. The Staff of the Commission shall file a statement upon Midland Water Company Inc.'s implementation of the recommendations referenced in ordered paragraph 5.

7. This order shall become effective on December 19, 2008.

8. This case shall be closed on December 20, 2008.

(S E A L)

BY THE COMMISSION

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

Colleen M. Dale
Secretary

Davis, Chm., Murray, Clayton,
and Gunn, CC., concur.
Jarrett, C., absent.

Jones, Senior Regulatory Law Judge