

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 15th day
of October, 2009.

In the Matter of the Small Company Rate Increase)	<u>File No. WR-2009-0418</u>
Request of Gladlo Water & Sewer Company, Inc.)	Tariff No. YW-2010-0253

**ORDER SETTING LOCAL PUBLIC HEARING AND DIRECTING NOTICE
TO CUSTOMERS**

Issue Date: October 15, 2009

Effective Date: October 15, 2009

On May 20, 2009, pursuant to the Missouri Public Service Commission's small company rate increase procedure,¹ Gladlo Water & Sewer Company, Inc., filed a letter with the Commission requesting an increase in its annual water operating revenues. Following a Commission Staff investigation and negotiations, Staff and Gladlo reached an agreement, which was filed on October 7, 2009.

On October 8, 2009, Gladlo filed water tariff revisions in accordance with the disposition agreement. The tariff sheets bear an effective date of November 30, 2009.

Also on October 8, 2009, the Office of the Public Counsel filed its Request for Local Public Hearing. Public Counsel noted that the agreement between Staff and Gladlo contemplates a 66.27 percent increase in customer rates as well as a surcharge of \$10.00 per month per customer for up to 30 months. The surcharge is to be applied to the remaining balance on the well pump replacement costs associated with the water outage that occurred in May 2009 and the remaining balance on the well pump costs associated

¹ 4 CSR 240-3.050.

with the water outage that occurred in August 2009. Public Counsel believes that since customers are being asked to directly contribute the costs of the well pump replacement, they should be allowed the opportunity to comment on whether the imposition of the surcharge is appropriate. Public Counsel also noted as an additional customer concern the fact that Gladlo is now under the control of a court-appointed receiver. Public Counsel believes a local public hearing will allow the Commission to receive comments from the customers regarding issues Gladlo and its customers are facing.

In the same pleading, Public Counsel also requested a waiver of 4 CSR 240-3.050(14), which requires the company to send notice to its customers no later than five working days after the utility makes its tariff filing. Public Counsel asked that notice of a public hearing and of the proposed increase be sent at the same time. On October 9, 2009, the Commission issued an order granting the requested waiver.

The Commission has considered Public Counsel's request and will schedule a local public hearing as set out below to receive customer comments. Gladlo will be directed to send a combined notification to its customers regarding the proposed rate increase and the scheduled local public hearing.

THE COMMISSION ORDERS THAT:

1. A local public hearing is scheduled on November 4, 2009, beginning at 6:00 p.m., in the Rolla City Council Chambers, Rolla City Hall, 901 North Elm Street, Rolla, Missouri. A question-and-answer session will be held before the hearing, beginning at 5:30 p.m. The hearing will conclude when every person who wishes to testify has done so.
2. No later than October 28, 2009, Gladlo Water & Sewer Company, Inc., shall provide an individual notice to each of its customers regarding the proposed increase in

water service rates, including information regarding the scheduled local public hearing.

The notice shall contain the text as set out below:

SECOND CUSTOMER NOTICE AND NOTICE OF LOCAL PUBLIC HEARING

On May 20, 2009, Gladlo Water & Sewer Company, Inc., submitted a request for an increase in its annual water operating revenues to the Missouri Public Service Commission (PSC) under the provisions of the PSC's small utility rate case procedure. As a result of the Company's request, the Staff of the PSC conducted an independent audit of the Company's books and records, and an investigation of the Company's business and system operations. Based upon the results of its audit and investigation, the PSC Staff recommended an increase of \$6,998 in the Company's annual water operating revenues. The Company agrees with this recommendation.

In addition to the proposed increase is a \$10.00 per month surcharge for up to 30 months to pay for a recent major well repair. The proposal would increase the current customer charge from \$4.98 to \$8.28. The proposal also includes a usage rate increase from \$1.88 to \$3.13 for each 1000 gallons used. This means that under the proposal, a customer who uses 5000 gallons per month will see an increased total bill from \$14.38 to \$33.91 (including the \$10.00 surcharge).

The Office of the Public Counsel, a state agency responsible for representing the interests of utility consumers before the PSC, requested the PSC to hold a local public hearing to allow the Company's customers to comment on the requested increase in rates, the proposed surcharge, or comments regarding recent service-related problems.

Public Hearing Scheduled

The PSC has scheduled a local public hearing on Wednesday, November 4, 2009, in the Rolla City Council Chambers, Rolla City Hall, 901 North Elm Street, Rolla, Missouri. The PSC will hold an informal question-and-answer session at 5:30 p.m. The hearing will begin at 6:00 p.m.

The building where the public hearing will be held meets accessibility standards required by the Americans with Disabilities Act. If a customer needs additional accommodations to participate in the hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

* * * *

If you wish to make written comments or secure additional information, you may contact the Office of the Public Counsel, Post Office Box 2230, Jefferson City, Missouri 65102, telephone (573) 751-4857.

3. The local public hearing will 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 is asked to call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 prior to the hearing.

4. The Data Center of the Missouri Public Service Commission shall serve a copy of this order upon the county commission of each county in the Missouri service area of Gladlo Water and Sewer Company, Inc.

5. The Public Information Office of the Missouri Public Service Commission shall send a copy of this order to members of the General Assembly and to the media that serve the service area of Gladlo Water & Sewer Company, Inc.

6. This order shall become effective upon issuance.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

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

Dippell, Deputy Chief Regulatory Law Judge