

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of Public Counsel's Petition To)	
Open a Workshop Docket to Investigate)	File No. _____
Solutions to Issues Faced by Small Water and)	
Sewer Regulated Public Utilities.)	

**OFFICE OF THE PUBLIC COUNSEL'S PETITION
TO OPEN A WORKSHOP DOCKET**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Petition to Open a Workshop Docket states as follows:

1. Small water and sewer regulated public utilities and their customers face increasing hardships in these troubled economic times. Due to the fact that customer numbers are few, even a small investment by the utility has a great effect on rates which potentially could result in customer rate shock.
2. Increasingly, the Commission is faced with regulated utilities that do not have the technical, managerial and financial viability essential to successfully running a public utility while meeting ever increasing environmental regulations.
3. Many of the small water and sewer utilities have no succession planning to ensure continual safe and adequate utility service for the customers and therefore, the Commission finds itself regulating an increasing number of utilities under the control of a court-appointed receiver.
4. The Commission must be proactive in ensuring that those who seek to set up or own a small regulated public utility have the necessary technical, managerial and financial skills to run that utility successfully. However, the Commission requires only a determination of whether an application for a Certificate of Convenience and Necessity is a detriment to the public at the time

the application is filed. There is no mechanism to consider obvious signs that the utility may not have the ability to be successful and may become a detriment to the public in the future.

5. The Commission is also often faced with small water and sewer regulated public utilities which have no rate-base upon which to set rates. Without investment, there is no return or profit available for the utility. Those that seek to purchase these utilities are then faced with the problem that the purchase price may not be recoverable through rates. If the customers have already paid for the plant, it is not fair to ask them to pay again just because the new owner paid more than that plant is worth in the ratemaking scheme.

6. As the Commission is aware, the examples above represent only a small number of the problems faced by water and sewer regulated public utilities.

7. Therefore, Public Counsel asks the Commission to open a workshop docket to allow interested entities and the Commission to investigate some of the many issues facing small water and sewer regulated utilities.

8. The Commission has a duty to balance the financial needs of the regulated utility and the needs of the customers to have safe and adequate utility service at a just and reasonable price. Inherent in this is a duty to seek solutions to the known problems faced by the small water and sewer public utility and their customers.

9. Having various stakeholders work together will provide the wide variety of expertise and experience needed to determine creative solutions to the problems faced by small water and sewer regulated public utilities.

WHEREFORE, Public Counsel submits its Petition to Open a Workshop Docket to investigate solutions to issues faced by small water and sewer regulated public utilities.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

By:_____

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 8th day of April 2009:

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