

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

In the Matter of I.H. Utilities, Inc. Small     )  
Company Rate Increase.                             )  
**Case No. WR-2010-0048**

**THE OFFICE OF THE PUBLIC COUNSEL’S REQUEST  
FOR LOCAL PUBLIC HEARING**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Request for Local Public Hearing states as follows:

1. On August 25, 2006, the Commission received a Rate Increase Request Letter from I.H. Utilities, Inc. (IH Utilities or Company) and issued a tracking number of QW-2007-0003.
2. On August 3, 2009, the Staff of the Missouri Public Service Commission (Staff) filed a Notice of Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request and Motion to Set Prehearing Conference (Company/Staff Agreement) which reflected an agreed-upon annualized operating revenue increase in the amount of \$17,085 (20.087%). Public Counsel’s input was not considered for the Company/Staff Agreement nor was Public Counsel asked to be a signatory to this agreement.
3. On August 3, 2009, IH Utilities filed proposed tariff revision reflecting the agreements in the Company/Staff Agreement. These proposed tariffs bear an effective date of September 30, 2009.
4. In its August 3, 2009 filing, Staff stated “I.H.’s original letter requesting a rate increase was filed August 25, 2006, during the time when Commission Rule 4 CSR 240-3.635 was the water utility small company rate increase procedure to be followed. The Commission has since passed 4 CSR 240-3.050 to set out small utility rate case procedures. Therefore, Staff requests, in

an abundance of caution, the Commission quickly set a prehearing conference to clarify the procedure to be followed in this case and discuss any other alternative timelines necessary with the parties.”

5. 4 CSR 240-3.050(15) requires Public Counsel to file a pleading, no later than five (5) working days after the end of the customer notice comment period, stating its position regarding the Company/Staff Agreement and the related tariff revision, or requesting that the Commission hold a local public hearing or an evidentiary hearing, and providing the reasons for its position or request. However, 4 CSR 240-3.635(1)(E) states that a request for a local public hearing must be filed within twenty (20) days after the tariff sheets are filed by the company.

6. Therefore, pursuant to either 4 CSR 240-3.050(15) or 4 CSR 240-3.635(1)(E), Public Counsel requests a local public hearing.

7. Both 4 CSR 240-3.050 and 4 CSR 240-3.635 have requirements for customer notice following the filing of a Company/Staff disposition agreement. Therefore, no matter which procedure is ultimately followed, a customer notice is required to be sent to the customers regarding the proposed rate increase. To prevent the unnecessary duplicative costs of mailing a customer notice and a separate notice of evidentiary hearing at a later date, Public Counsel is making its request for an evidentiary hearing promptly and without delay. It is Public Counsel’s hope that a combined notice will be sent to the customers of IH Utilities which notifies the customers of the proposed increase and provides information regarding an upcoming local public hearing where comments on that proposed increase may be provided directly to the Commission.

8. Affording customers the opportunity to speak to the Commission at a hearing is a critical part of the ratemaking process. The amount of the increase proposed in the Company/Staff

Agreement is significant and the customers should have the opportunity to voice their comments regarding this proposed increase to the Commission at a local public hearing.

9. A long period of time has elapsed between the original customer notice in 2006 and the Company/Staff Agreement. Earlier customer comments have indicated the existence of poor service, billing problems, inadequate maintenance and operational deficiencies. Customers should be allowed to provide comments on whether these issues remain a concern or have been addressed by the company.

10. Additionally, Staff's EMSD Report (Company/Staff Agreement, Attachment G) and an attached letter to the company (Company/Staff Agreement, Agreement Attachment 3) indicate system deficiencies as well as several operational issues and office policies requiring action on the part of IH Utilities in order to provide safe and adequate water service. Customers should be allowed to provide comments on these deficiencies, operational issues and office policies.

11. Public Counsel does not object to the Commission scheduling the hearing promptly, as long as customers are given sufficient notice.

**WHEREFORE,** Public Counsel respectfully requests that the Commission schedule a local public hearing in this matter.

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 4<sup>th</sup> day of August 2009:

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**/s/ Christina L. Baker**

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