

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

In the Matter of the Tariff Filing of Aqua)	
Missouri, Inc., to Implement a Rate Increase)	
for Water Service Provided to Customers in its)	<u>Case No. WR-2007-0021</u>
Missouri Service Areas.)	Tariff No. JW-2007-0015

**PUBLIC COUNSEL’S PLEADING INDICATING DISAGREEMENT
WITH THE TARIFF SHEETS**

COMES NOW the Office of the Public Counsel and for its Pleading Indicating Disagreement with the Tariff Sheets states as follows:

1. On July 12, 2006, Aqua Missouri, Inc. filed revised tariff sheets to implement a rate increase for water service in several of its area. The proposed rate increase, on average, is approximately 63 percent.

2. The rate increase was agreed to by Aqua Missouri and the Staff of the Commission. Staff filed its Notice of Agreement Regarding Disposition of Small Company Rate Increase Request on July 21, 2006. Public Counsel did not join in the agreement.

3. Pursuant to 4 CSR 240-3.635, Public Counsel requested a local public hearing be held. Public Counsel requested one local public hearing be held in Sedalia and one in Branson due to the fact that the service territories affected by this increase are fairly spread out, and it would be unnecessarily expensive to hold a local public hearing in each area.. Public Counsel requested that the public hearing in Sedalia be held concurrently with a public hearing on a proposed sewer rate increase in Case No. SR-2007-0023 since this case also affects the rates of customers in the Sedalia area. The Commission granted this request. A local public hearing was held in Sedalia, Missouri on August 28, 2006 addressing the both the water and sewer increases.

Local public hearings were also held in Branson, Missouri and Reeds Spring, Missouri on August 30, 2006 addressing the water increase.

4. Testimony adduced at these local public hearings indicated that the percentage of increase would cause rate shock to the public. There was strong public disagreement with the high percentage of the proposed water and sewer increases. As a result of the testimony adduced at that hearing, Public Counsel does not believe that the Commission should approve the rate increase requests agreed to by the Staff and Aqua Missouri. Pursuant to 4 CSR 240-3.635(1)(E), Public Counsel states that it disagrees with the proposed increases reflected on the tariff sheets filed in this case. The Commission should schedule an evidentiary hearing to allow Aqua Missouri, and the Commission Staff if it so desires, to present evidence in support of the proposed increases.

5. Public Counsel also objects to the Return on Equity developed by the Staff and reflected in the Aqua Missouri and Staff Agreement in the rate case.

6. Because the Public Counsel states its disagreement with the tariff sheets, and requests an evidentiary hearing and staff investigation, the Commission should suspend the pending tariffs. Section 393.150 RSMo 2000 provides that the Commission may suspend tariff sheets for a maximum period of 120 days plus six months. In order to allow for adequate time for the Commission to determine whether the proposed rate increase is just and reasonable, the Commission should suspend them for the maximum period.

WHEREFORE, Public Counsel respectfully requests that the Commission issue an order:
(1) scheduling an evidentiary hearing; and (2) suspending the pending tariff sheets for the maximum period allowed by law.

Respectfully submitted,

OFFICE OF THE Public Counsel

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By: _____

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CERTIFICATE OF SERVICE

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