

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

In the Matter of the Small Company Rate       )  
Increase Request of Moore Bend Water       )  
Company, Inc.    )

Case No. WR-2007-0181  
Tariff File No. YW-2007-0324

**RECOMMENDATION REGARDING DISPOSITION  
OF SMALL COMPANY RATE INCREASE REQUEST**

**COMES NOW** the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its Recommendation Regarding Disposition of Small Company Rate Increase Request ("Recommendation") states the following to the Missouri Public Service Commission ("Commission").

1. On November 7, 2006 (unless noted otherwise, all dates herein refer to the year 2006), Moore Bend Water Company, Inc. ("Company") submitted to the Commission proposed revised tariff sheets to implement increases in its water service rates and charges, and other tariff changes, and the instant case was established.

2. As is noted in the Company's tariff filing transmittal letter, the changes contained in the proposed revised tariff sheets are based upon a *Unanimous Agreement Regarding Disposition of Small Water Company Rate Increase Request* ("Disposition Agreement") entered into by the Company, the Staff and the Office of the Public Counsel ("OPC"). As is also noted in the Company's tariff filing transmittal letter, the Disposition Agreement pertains to the small company rate increase request ("Request") that the Company submitted to the Commission on May 25, under the provisions of Commission Rule 4 CSR 240-3.635 – Water Utility Small Company Rate Increase Procedure ("small company rate increase procedure"). Initially, the Company's Request was assigned Tracking File No. QW-2006-0006.

3. On November 14, the Staff filed the above-referenced Disposition Agreement. Included with the agreement were the attachments listed below, as well as affidavits from the Staff members that were responsible for the preparation of each of the attachments.

- \* Attachment A – Example Tariff Sheets
- \* Attachment B – Ratemaking Income Statement
- \* Attachment C – Audit Workpapers
- \* Attachment D – Rate Design Worksheet
- \* Attachment E – Customer Billing Comparison
- \* Attachment F – Schedule of Depreciation Rates
- \* Attachment G – Engineering & Management Services Department Report

4. The specific agreements between the Company, the Staff and the OPC regarding the disposition of the Company's Request are set out on Pages 2 & 3 of the Disposition Agreement.

5. In addition to the information that has been filed in the case file for this case, the following documents are included in the Tracking File for the Company's Request.

- \* Item 1      Company's Original Request Letter
- \* Item 2      Company's Customer Notice
- \* Item 3      Staff Report Regarding Customer Comments Received  
   in Response to Company's Customer Notice

6. Pursuant to a review of available electronic information maintained by the Commission's Budget & Fiscal Services Department and Data Center, and in the Commission's electronic filing and information system, the Staff notes that the Company had no delinquencies regarding the payment of its Commission assessments or the submission of its Commission annual reports when it submitted its Request, and that the Company remains current on those matters as of the date of this Recommendation. The assessment information reviewed covers fiscal years 2000 through 2007, and the annual report information reviewed covers calendar years 1997 through 2005.

7. Based upon contacts with appropriate personnel at the Department of Natural Resources ("DNR"), the Staff notes that the Company currently has no outstanding DNR compliance issues, and in fact has had only one DNR compliance-related "incident" during the last several years. This "incident" occurred in 2002 and involved a one-time exceedance of a "non-acute" maximum contaminant level.

8. The Company currently has no other matters pending before the Commission. As a result, approval of the Company's proposed revised tariff sheets will not affect any other matter before the Commission with regard to the Company.

9. The Commission has the authority to approve the subject proposed tariff revisions in accordance with Sections 393.140(11) and 393.150, RSMo. Additionally, Section 393.130.1, RSMo provides that all charges made by any water corporation for service rendered or to be rendered shall be "just and reasonable." The Staff's and the OPC's agreement with the proposed tariff revisions are evidence that the rates and charges contained in the tariff revisions are just and reasonable.

10. The procedure followed in this case complies with the requirements of the small company rate increase procedure in general, and with 4 CSR 240-3.635 (1) (C) in particular.

**WHEREFORE**, based upon the above, the Staff respectfully recommends that the Commission issue an order that: (a) approves the revised tariff sheets the Company submitted to the Commission on November 7 to be effective for service rendered on and after December 7; (b) approves the Disposition Agreement submitted in this case; (c) directs the Company to comply with the terms of the Disposition Agreement submitted in this case; and (d) prescribes the schedule of depreciation rates included as Attachment F to the Disposition Agreement submitted in this case as the schedule of depreciation rates authorized for the Company's use.

Respectfully Submitted,

/s/ **Keith R. Krueger**

Keith R. Krueger  
Deputy General Counsel  
Missouri Bar No. 23857

Attorney for the Staff of the  
Missouri Public Service Commission

P.O. Box 360  
Jefferson City, MO 65102  
573-751-4140 (telephone)  
573-751-9285 (facsimile)  
[keith.krueger@psc.mo.gov](mailto:keith.krueger@psc.mo.gov) (e-mail)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of this Recommendation have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 17th day of November 2006.

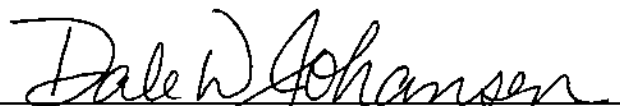
/s/ **Keith R. Krueger**

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

**AFFIDAVIT OF DALE W. JOHANSEN**

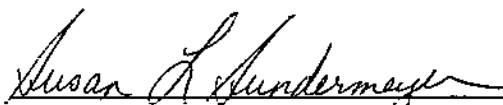
STATE OF MISSOURI     )  
                                  ) SS         CASE NO. WR-2007-0181  
COUNTY OF COLE       )

COMES NOW Dale W. Johansen, being of lawful age, and on his oath states the following: (1) that he is the Manager of the Missouri Public Service Commission's Water & Sewer Department; (2) that he participated in the preparation of the foregoing Recommendation Regarding Disposition of Small Company Rate Increase Request ("Recommendation"); (3) that he has knowledge of the matters set forth in the foregoing Recommendation; and (4) that the matters set forth in the foregoing Recommendation are true and correct to the best of his knowledge, information and belief.



Dale W. Johansen - Manager  
Water & Sewer Department  
Utility Operations Division

Subscribed and sworn to before me this 17<sup>th</sup> day of November 2006.



Notary Public



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086

My Commission Expires: 9-21-10