

**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-2007-0020</u>
Missouri Service Areas.)	Tariff No. JW-2007-0014

**PUBLIC COUNSEL’S PLEADING INDICATING DISAGREEMENT WITH THE
TARIFF SHEETS AND REQUESTING AN ORDER FOR STAFF INVESTIGATION**

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

1. On July 12, 2006, Aqua Missouri, Inc. filed revised tariff sheets to implement a rate increase for water service in its Jefferson City area. The proposed rate increase is approximately 56 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 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 Jefferson City area. The Commission granted this request and a local public hearing was held on August 30, 2006, in Jefferson City, Missouri addressing both the water and sewer increases.
4. Testimony adduced at the local public hearing 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. The public also voiced numerous complaints about the quality of service they are receiving as well as the quality of the drinking water Aqua Missouri is providing. Common complaints were: (1) high levels of chlorine; (2) particulates; and (3) iron in the water. Therefore, as a result of the testimony adduced at the hearing, Public Counsel requests that the Commission order a Staff Investigation into the numerous complaints raised by customers at the hearing.

6. 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.

7. 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; (2) requesting a staff investigation; and (3) suspending the
pending tariff sheets for the maximum period allowed by law.

Respectfully submitted,

OFFICE OF THE Public Counsel

/s/ Christina L. Baker

By:_____

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CERTIFICATE OF SERVICE

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