STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 19th day of January, 2011.

In the Matter of a Request from Raytown Water) File No. WR-2010-0304 Company for an Increase in Its Operating Revenues) Tariff No. YW-2011-0175

ORDER APPROVING UNANIMOUS DISPOSITION AGREEMENT AND TARIFF

Issue Date: January 19, 2011

Effective Date: January 31, 2011

On April 30, 2010, Raytown Water Company initiated a small water company rate increase action pursuant to Commission rule 4 CSR 240-3.050. On September 27, 2010, the Staff of the Commission and Raytown Water filed a Disposition Agreement (Agreement) that included accounting schedules, a review of Raytown Water's customer service and business operation, and example tariffs designed to implement the agreed-upon revenue requirements. On October 1, 2010, Raytown Water filed a revised tariff sheet, Tariff No. YW-2011-0175, with an effective date of November 18, 2010, to bring the tariff into conformity with the Agreement.

The Office of the Public Counsel did not join in the Agreement and instead requested a local public hearing. Staff's timeline for this case contemplated holding a local public hearing on or around December 1, 2010. Because this date fell beyond the tariff effective date, the Commission suspended Raytown Water's tariff to January 18, 2011.

The Commission held a local public hearing in Raytown, Missouri, on December 1, 2010. On December 7, 2010, Staff filed its Response to Local Public Hearing as required by 4 CSR 240-3.050(19).

On December 14, 2010, Staff filed a Notice of Unanimous Disposition Agreement (Unanimous Agreement) on behalf of itself, Raytown Water Company, and the Office of the Public Counsel. Among other items, the Unanimous Agreement recommends approval of an annualized operating revenue increase of \$336,867. This amount is \$7,296 less than the amount contained in the original Agreement. Raytown Water provides service to approximately 6,578 mostly residential customers within the cities of Raytown and Independence. The revenue increase represents an 11.90 percent increase or \$4.46 per month for a residential customer using 6,000 gallons per month.

The Unanimous Agreement also prescribed a schedule of water plant depreciation rates and required Raytown Water to implement certain agreed-upon conditions, including the filing of tariff sheets with a 30-day effective date. In compliance with the Unanimous Agreement, Raytown Water filed a substitute tariff sheet on December 21, 2010, with an effective date of January 31, 2011.

The Commission set a filing deadline for Staff to advise whether the substitute tariff sheet is in compliance with the Unanimous Agreement, and for any other parties to respond to the tariff filing. Staff responded on January 10, 2010, stating that the substitute sheet complies with the terms of the Unanimous Agreement and recommending that the Commission approve the Unanimous Agreement and the substitute tariff sheet. No other responses were received.

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The Commission finds the Unanimous Agreement and the substitute tariff sheet to be reasonable and shall approve them.

THE COMMISSION ORDERS THAT:

1. The Notice of Unanimous Disposition Agreement Regarding Disposition of Small Water Company Revenue Increase Request, entered into by the Staff of the Commission, Raytown Water Company, and Office of the Public Counsel and filed on December 14, 2010, is approved and the parties shall comply with its terms.

2. Tariff No. YW-2011-0175, filed by Raytown Water Company, is approved as substituted on December 21, 2010, to become effective for service rendered on and after January 31, 2011. The tariff sheet approved is:

PSC FORM NO. 5

First Revised Sheet No. 9, Cancelling Original Sheet No. 9

- 3. This order shall become effective on January 31, 2011.
- 4. This case may be closed on February 1, 2011.

BY THE COMMISSION

Steven C. Reed Secretary

(SEAL)

Clayton, Chm., Davis, Jarrett, Gunn, and Kenney, CC., concur.

Dippell, Deputy Chief Regulatory Law Judge