

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

In the Matter of a Requested Rate Increase for)
Annual Sewer Operating Revenues by) File No. SR-2014-0166
Hickory Hills Water & Sewer)

In the Matter of a Requested Rate Increase for)
Annual Water Operating Revenues by) File No. WR-2014-0167
Hickory Hills Water & Sewer)

ORDER DIRECTING FILING

Issue Date: August 13, 2014

Effective Date: August 13, 2014

In case the Commission decides to approve a tariff increasing rates more than seven percent, the Commission is directing Staff to file the information required by statute.

That statute provides that, when the Commission approves tariffs increasing rates by more than seven percent, the Commission must give notice to:

. . . the governing body of each city or county imposing a **business license tax** pursuant to section 66.300, 92.045, 94.110, 94.270 or 94.360, **or a similar tax** adopted pursuant to charter provisions in any constitutional charter city with a population of at least three hundred fifty thousand inhabitants which is located in more than one county, on gross receipts of any gas corporation, electric corporation, water corporation or sewer corporation [.¹]

The notice required consists of:

. . . any tariff increases authorized for such [utility corporation] doing business in that city or county **if the approved increase exceeds seven percent**. The commission shall include with such notice to any city or county **the percentage increase approved** for the utility, together with an **estimate of the annual increase in gross receipts resulting** from the tariff increase on customers residing in that city or county. [2]

Also, that statute requires the described entities to take action as follows:

¹ Section 393.275.1, RSMo 2000 (emphasis added).

² Section 393.275.1, RSMo 2000 (emphasis added).

The governing body of each city or county notified of a tariff increase as provided in subsection 1 of this section shall reduce the tax rate of its business license tax on the gross receipts of utility corporations. **Within sixty days of the effective date of the tariff increase**, the tax rate shall be reduced to the extent necessary so that revenue for the ensuing twelve months will be approximately equal to the revenue received during the preceding twelve months plus a growth factor. The growth factor shall be equal to the average of the additional revenue received in each of the preceding three years. However, a city or county may maintain the tax rate of its business license tax on the gross receipts of utility corporations without reduction if an ordinance to maintain the tax rate is enacted by the governing body of the city or an order to maintain the tax rate is issued by the governing body of the county after September 28, 1985 [³]

If notice is required, the Commission intends to notify the described entities in a timely fashion.

Further, this action is proceeding under small utility rate procedure, which is designed to reduce the barriers between a small company and a Commission decision, so the Commission will order Staff to provide the information.

THE COMMISSION ORDERS THAT:

1. If the Commission issues an order approving tariff sheets, and those tariff sheets increase rates more than seven percent, the Commission's staff shall file a response to this order.

2. The response shall identify the governing body of each city or county:

a. In which customers of the applicant reside, and

b. That imposes on the gross receipts of the utility a:

i. Business license tax pursuant to Section 66.300, 92.045, 94.110, 94.270, or 94.360, RSMo; or

ii. Tax, similar to the tax described in paragraph 2.b.i, adopted pursuant to charter provisions in any constitutional charter city

³ Section 393.275.2, RSMo 2000 (emphasis added).

with a population of at least three hundred fifty thousand inhabitants which is located in more than one county.

3. The response shall also include a draft notice to the cities and counties described in paragraph 2. The draft notice shall:

- a. State the percentage increase approved for the utility; and
- b. Estimate the annual increase in gross receipts resulting from the tariff increase on customers residing in each city or county.

4. Any response required by this order is due no later than ten days after the effective date of the order approving tariff sheets described in paragraph 1.

5. This order shall become effective immediately upon issuance.

BY THE COMMISSION



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Daniel Jordan, Senior Regulatory Law Judge,
by delegation of authority pursuant
to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 13th day of August, 2014.