

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 18th day of November, 2015.

In the Matter of a Request for Increase in
Annual Water System Operating Revenues for
Raytown Water Company

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File No. WR-2015-0246
Tariff No. YW-2016-0076

**ORDER APPROVING SMALL COMPANY RATE INCREASE
AND APPROVING TARIFF**

Issue Date: November 18, 2015

Effective Date: December 7, 2015

This order approves the Unanimous Disposition Agreement among the Staff of the Commission, the Office of the Public Counsel, and Raytown Water Company. It also approves a tariff implementing the agreed-upon rate increase.

On April 1, 2015, Raytown Water initiated a small company rate increase request under Commission Rule 4 CSR 240-3.050, seeking an increase in its annual water service operating revenues. The company provides retail water service to approximately 6,575 customers in and near the City of Raytown in Jackson County, Missouri. In response to Raytown Water's request, the Commission's Staff audited the company's books and records, reviewed the company's existing tariff, inspected the company's facilities, and reviewed the company's operation of those facilities.

On August 31, Staff and Raytown Water filed a disposition agreement to resolve all issues between them. Public Counsel did not join in that disposition and requested that the Commission conduct a local public hearing to obtain testimony from Raytown Water's

customers. That local public hearing was held on October 22. Thereafter, on November 3, Staff, Raytown Water, and Public Counsel filed a unanimous revised disposition agreement that reflects agreements reached among the parties as to appropriate accounting of company assets, payroll, structural updates, depreciation, and customer rates. It provides for a revenue increase of \$447,005 to be added to the existing final adjusted jurisdictional revenues of \$3,628,512 for an increase of 12.32 percent, and total annual revenue of \$4,075,517. The agreement also establishes a rate base of \$5,323,601 and sets a capital structure of 82.26 percent equity, with a return on equity of 7.70 percent. The agreement provides that the new rates are to go into effect on December 7.

Raytown Water initially filed a proposed tariff on September 3 to implement the terms of its disposition agreement with Staff. That tariff carried an effective date of October 23, but the Commission suspended it until December 7. After the unanimous disposition agreement was filed on November 3, Raytown Water filed revised tariff sheets on November 9 to bring its proposed tariff into compliance with the unanimous disposition agreement.

The Commission has authority to accept a disposition agreement as offered by the parties pursuant to 4 CSR 240-3.050(25). The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence.¹ Since no one has requested a hearing, the Commission may grant the relief requested based on the disposition agreement.

¹ *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989).

The Commission independently finds and concludes that the unanimous disposition agreement is reasonable and should be approved. Furthermore, Raytown Water's proposed tariff and the rates it establishes are just and reasonable and will be approved.

THE COMMISSION ORDERS THAT:

1. The Unanimous Disposition Agreement concerning Raytown Water Company's request for a rate increase is approved.
2. Raytown Water Company, the Office of the Public Counsel and the Commission's Staff shall comply with the terms of the Unanimous Disposition Agreement.
3. Tariff No. YW-2016-0076, filed by Raytown Water Company on September 3, 2015, and revised on November 9 and 10, is approved for service on and after December 7, 2015. The tariff sheets approved are:

P.S.C. MO No. 5

- 1st Revised Sheet No. 2, Canceling All Previous Schedules
- 2nd Revised Sheet No. 3, Canceling Original Sheet No. 3
- 3rd Revised Sheet No. 9, Canceling 2nd Revised Sheet No. 9
- 1st Revised Sheet No. 10, Canceling All Previous Schedules
- 1st Revised Sheet No. 11, Canceling All Previous Schedules
- 1st Revised Sheet No. 13, Canceling All Previous Schedules
- 1st Revised Sheet No. 15, Canceling All Previous Schedules
- 1st Revised Sheet No. 16, Canceling All Previous Schedules
- 1st Revised Sheet No. 17, Canceling All Previous Schedules
- Original Sheet No. 17A, Canceling All Previous Schedules
- 1st Revised Sheet No. 18, Canceling All Previous Schedules
- 1st Revised Sheet No. 19, Canceling All Previous Schedules
- 1st Revised Sheet No. 21, Canceling Original Sheet No. 21
- 1st Revised Sheet No. 23, Canceling All Previous Schedules
- 1st Revised Sheet No. 34, Canceling All Previous Schedules
- 1st Revised Sheet No. 36, Canceling All Previous Schedules
- 1st Revised Sheet No. 37, Canceling All Previous Schedules
- 1st Revised Sheet No. 38, Canceling All Previous Schedules
- 1st Revised Sheet No. 39, Canceling All Previous Schedules
- 1st Revised Sheet No. 40, Canceling All Previous Schedules

Original Sheet No. 40A, Canceling All Previous Schedules
Original Sheet No. 40B, Canceling All Previous Schedules
Original Sheet No. 40C, Canceling All Previous Schedules
1st Revised Sheet No. 41, Canceling All Previous Schedules
1st Revised Sheet No. 42, Canceling All Previous Schedules
1st Revised Sheet No. 43, Canceling All Previous Schedules
1st Revised Sheet No. 44, Canceling All Previous Schedules
1st Revised Sheet No. 45, Canceling All Previous Schedules

4. This order shall become effective on December 7, 2015.
5. This file shall be closed effective December 8, 2015.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is fluid and cursive.

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
Rupp, and Coleman, CC., concur.

Woodruff, Chief Regulatory Law Judge