

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

In the Matter of Rex Deffenderfer Enterprises, Inc.,)
d/b/a RDE Water Company’s Request for Increase) **Case No. WR-2016-0267**
in Annual Water Operating Revenues) **Tariff No. YW-2017-0058**

STAFF’S RESPONSE TO ORDER DIRECTING FILING

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Response to Order Directing Filing*, states as follows:

1. On November 4, 2016, the Commission, mindful of § 393.275, RSMo., by order directed Staff to file a response if “Rex Deffenderfer Enterprises, Inc. d/b/a RDE Water Company operates in a city or county that imposes a business license tax.”

Section 393.275, RSMo., provides:

1. The commission shall notify 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 of any tariff increases authorized for such firm 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. The provisions of this subsection shall not apply to rate adjustments in the purchase price of natural gas which are approved by the commission.

2. 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. The provisions of this subsection shall not apply to rate adjustments in the purchase price of natural gas which are approved by the commission.

2. On November 2, 2016, the Commission issued its *Order Approving Small Company Rate Increase, Approving Tariff, And Granting A Certificate Of Convenience And Necessity For An Expanded Service Area* in the above case. In Case No. WR-2014-0104, the increase approved was 8.11%. Therefore, by the terms of the Commission's order of November 2, 2016, Staff must file a response containing certain information.

3. Rex Deffenderfer Enterprises, Inc. d/b/a RDE Water Company (RDE) operates in Christian County. RDE does not operate within any municipality. Upon its investigation, Staff has determined that RDE does not operate in any city or county that imposes a business license tax upon the gross receipts of utility corporations. Therefore, the Commission need not make the notification required by § 393.275.1, RSMo., with respect to the rate increases approved in these cases.

WHEREFORE, Staff prays that the Commission will accept its *Response*; and grant such other and further relief as is just in the circumstances.

Respectfully submitted,

/s/ Hampton Williams
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 8th day of November, 2016.

/s/ Hampton Williams