

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 1<sup>st</sup> day of  
September, 2010.

In the Matter of the Application of Stockton Hills Water Company for an Increase in Annual Water System Operating Revenues	)	
	)	<b><u>File No. WR-2010-0202</u></b>
	)	Tariff No. YW-2010-0700

**ORDER APPROVING DISPOSITION AGREEMENT AND TARIFF**

Issue Date: September 1, 2010

Effective Date: September 11, 2010

On January 7, 2010, Stockton Hills Water Co. ("Stockton Hills")<sup>1</sup> initiated a small company revenue increase request pursuant to Commission Rule 4 CSR 240-3.050. On June 7,<sup>2</sup> the Commission's Staff filed a Disposition Agreement executed by it and Stockton Hills, and on June 11, Stockton Hills filed revised tariff sheets in conformity with the agreement bearing an effective date of July 26.<sup>3</sup>

On August 10, the Commission held a local public hearing at the request of the Office of the Public Counsel ("Public Counsel"). Because of the required timing of the request pursuant to the small company rate increase timeline, Stockton Hills' tariffs were suspended until December 7 to allow time to hold the hearing and give the parties an opportunity to file their position statements.

---

<sup>1</sup> The company serves approximately 140 customers within its certificated service area.

<sup>2</sup> All dates from this point forward in this order refer to the year 2010 unless otherwise noted.

<sup>3</sup> After the Commission's Staff completed a full audit of the company, Stockton Hills and Staff agreed that Stockton Hills' annualized water system operating revenue should be increased by \$6,873.00, representing an increase of approximately 23.61%. Under this increase, a residential customer using 6000 gallons of water per month would experience an increase in their water bill of \$6.19 per month (\$26.22 currently to \$32.41 following the increase).

On August 17, Staff filed its Status Report. Staff stated that the information learned at the local public hearing did not reveal any reason for the Staff to change its position.

On August 23, Public Counsel (“OPC”) filed its position statement. OPC did not agree with Staff’s calculation of depreciation expense for Stockton Hills. However, OPC stated the calculation has a minimal effect on the proposed rates. Further, OPC stated that it does not wish to burden Stockton Hills’ customers with additional rate case expense, nor does it wish to penalize Stockton Hills from implementing a necessary rate increase. Thus, OPC states that it will not oppose the Disposition Agreement or the revised tariff sheet.

The Commission finds the Disposition Agreement and its corresponding revised tariff sheet reasonable and shall approve them.<sup>4</sup>

**THE COMMISSION ORDERS THAT:**

1. The Disposition Agreement regarding Stockton Hills Water Co., Inc.’s request for an increase in water revenue, File No. WR-2010-0202, entered into by Stockton Hills Water Company, and the Staff of the Missouri Public Service Commission, and filed on June 7, 2010 is approved.
2. The signatories shall comply with the terms of the Disposition Agreement. A copy of the Agreement is attached to this order as Appendix A.
3. The following tariff sheet filed by Stockton Hills Water Company on June 11, 2010, and assigned Tariff File No. YW-2010-0700, with the effective date suspended until

---

<sup>4</sup> The Commission has the legal authority to accept stipulations and agreements as offered by the parties pursuant to Section 536.060, RSMo 2000. 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. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no party has requested an evidentiary hearing, the Commission may grant the relief requested based on the Agreement.

December 7, 2010, is approved for service rendered on and after September 11, 2010.

The tariff sheet approved is:

**P.S.C. MO No. 2**

3<sup>rd</sup> Revised Sheet No. 6, Replacing 2<sup>nd</sup> Revised Sheet No. 6

4. This order shall become effective on September 11, 2010.
5. This file shall be closed on September 12, 2010.

**BY THE COMMISSION**



Steven C. Reed  
Secretary

( S E A L )

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

Pridgin, Senior Regulatory Law Judge