

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 16th day of December, 2014.

)	File No. WR-2015-0192
In the Matter of the Rate Increase Requests)	
of the Regulated Water and Sewer Utilities)	Tracking Nos. JW-2016-0082,
Owned and Operated by Ozark International, Inc.)	JW-2016-0083, JW-2016-0084,
)	JW-2016-0085, JW-2016-0086,
)	YS-2016-0088, YW-2016-0087

**ORDER APPROVING TARIFFS
AND INCORPORATING DISPOSITION AGREEMENT**

Issue Date: December 16, 2015

Effective Date: December 29, 2015

The following companies (“applicants”) requested rate increases, and are receiving an increase or decrease, in annual operating revenues authorized for service as follows.¹

<i>Original File No.²</i>	<i>Applicant (water service only except as shown)</i>	<i>Increase (Decrease)</i>			
		<i>Requested</i>		<i>Received</i>	
WR-2015-0192	Bilyeu Ridge Water Company, LLC	\$5,000	30%	\$7,716	48.93%
WR-2015-0193	Midland Water Company, Inc.	\$9,000	25%	\$482	1.43%
WR-2015-0194	Moore Bend Water Utility, LLC	\$22,000	250%	\$21,882	142.78%
WR-2015-0195	Riverfork Water Company	\$5,400	10%	\$5,481	10.54%
WR-2015-0196	Taney County Water, LLC	\$60,000	35%	\$24,414	15.05%
WR-2015-0197	Valley Woods Utility, LLC	\$6,600	40%	\$0	0%
SR-2015-0198	Valley Woods Utility, LLC (Sewer)	\$3,900	20%	(\$8,602)	(29.06%)
<i>Total</i>		\$111,900		\$51,373	

The applicants serve approximately 947 customers, almost all residential, in the counties of Christian, Stone, and Taney.

¹ Electronic Filing and Information System <http://pscprodweb/mpsc/> (“EFIS”) No. 9, (September 8, 2015) *Notice of Disposition*, Company/Staff Disposition Agreement, Appendix H, page 1 to 2.

² All other citations to EFIS refer to this File No. WR-2015-0192.

The Commission has authority to determine the propriety of the proposed tariffs.³ The applicants initiated separate actions by applying for rate increases, which the Commission consolidated into this action.⁴ The applicants filed proposed schedules for terms of service, including new rates, with proposed effective dates of October 30, 2015 (“tariffs”),⁵ and later filed substitute pages.⁶ Staff filed a disposition agreement (“agreement”)⁷ that provides for a full resolution of the utility’s request between Staff and the applicants, but does not include the Office of the Public Counsel (“OPC”). OPC filed,⁸ and the Commission granted,⁹ a motion to suspend the tariffs and convene local public hearings. The local public hearings took place in the cities of Forsyth¹⁰ and Ozark,¹¹ which are in the counties of Taney and Christian, respectively. The local public hearings revealed no information changing Staff’s endorsement of the tariffs and agreement.¹² OPC does not ask for an evidentiary hearing on, and does not oppose, the tariffs and agreement.¹³

The agreement and tariffs also address collection, maintenance, recordkeeping, and reporting matters. In addition to any increase or decrease in annual operating revenues for each applicant, the agreement and tariffs provide a capital structure of 75 percent debt and 25 percent equity, and allow a return on equity of 11.18 percent.¹⁴ Because the proposed

³ Section 393.150.1, RSMo 2000.

⁴ EFIS No. 5 (March 3, 2015) *Order Consolidating and Re-Styling Cases*.

⁵ EFIS No. 10, 11, 12, 13, 14, 15, and 16 (September 14, 2015).

⁶ EFIS No. 24 (October 14, 2015) and Nos. 43 and 44 (December 15, 2015).

⁷ EFIS No. 9, (September 8, 2015) *Notice of Disposition*.

⁸ EFIS No. 25 (October 14, 2015) *The Office of Public Counsel’s Request for Local Public Hearing*.

⁹ EFIS No. 26 (October 16, 2015) *Order Granting Local Public Hearings*.

¹⁰ EFIS No. 40 (December 1, 2015) *Transcript - Volume 1 (Forsyth: November 19, 2015)*.

¹¹ EFIS No. 36 (November 30, 2015) *Transcript - Volume 2 (Ozark: November 19, 2015)*.

¹² EFIS No. 35 (November 30, 2015) *Staff’s Report on Local Public Hearings*.

¹³ EFIS No. 42 (December 7, 2015) *Public Counsel’s Position Statement*.

¹⁴ EFIS No. 9 (September 8, 2015) *Notice of Disposition*, Company/Staff Disposition Agreement page 3.

tariffs seek an increase in rates, the applicants have the burden of proving that the proposed rates are just and reasonable.¹⁵ The agreement disposes of this case, so the Commission need not separately state its findings of fact.¹⁶

While not opposing the agreement, OPC asserts that only the actual expenses and capital structure shown in a historical test year can support any component of annual revenue. OPC also asserts that the applicants should spend the money needed to improve service before increasing their revenues. OPC does not propose what the result would be under strict adherence to an historical test year, or whether the result would support safe and adequate service at just and reasonable rates, and does not offer a suggestion for financing improvements before revenues increase. Because OPC does not oppose the agreement between Staff and applicants, and is not requesting an evidentiary hearing, the Commission is not determining the issues that OPC raises.

Therefore, the Commission independently finds and concludes that the agreement and tariffs support safe and adequate service, at just and reasonable rates, and are in the public interest. The Commission will approve the tariffs, incorporate the agreement into this order, and direct the signatories to comply with the agreement. Because OPC does not oppose the tariffs and agreement, and the record shows a pressing need to improve service, good cause exists to make this order effective less than 30 days from issuance.¹⁷

THE COMMISSION ORDERS THAT:

1. The agreement described in the body of this order is incorporated into this order, as if fully set forth, and all signatories shall comply with the agreement.

¹⁵ Section 393.150.2, RSMo 2000.

¹⁶ Section 536.090, RSMo 2000.

¹⁷ Section 386.490.3, RSMo Supp. 2013; *Harter v. Missouri Pub. Serv. Comm'n*, 361 S.W.3d 52, 57-59 (Mo. App., W.D. 2011).

2. The suspension is lifted and tariffs described in the body of this order are approved to become effective on December 29, 2015.

3. The specific tariffs approved are:

<i>Applicant</i>	<i>Tracking No.</i>	<i>Tariff</i>
Bilyeu Ridge Water Company, LLC	JW-2016-0083	P.S.C. MO No. 2, Canceling P.S.C. MO No. 1
Midland Water Company, Inc.	JW-2016-0082	P.S.C. MO No. 3, Canceling P.S.C. MO No. 2
Moore Bend Water Utility, LLC	JW-2016-0086	P.S.C. MO No. 3, Canceling P.S.C. MO No. 2
Riverfork Water Company	JW-2016-0084	P.S.C. MO No. 2, Canceling P.S.C. MO No. 1
Taney County Water, LLC	JW-2016-0085	P.S.C. MO No. 3, Canceling P.S.C. MO No. 2
Valley Woods Utility, LLC	YW-2016-0087	P.S.C. MO No. 2, Canceling P.S.C. MO No. 1
Valley Woods Utility, LLC	YS-2016-0088	P.S.C. MO No. 4, Canceling P.S.C. MO No. 1

4. This order shall become effective on December 29, 2015.

5. This file may close on December 30, 2015.

BY THE COMMISSION



A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

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

Jordan, Senior Regulatory Law Judge