

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 2nd day of
November, 2016.

In the Matter of a Rate Increase for Rex)	
Deffenderfer Enterprises, Incorporated)	<u>File No. WR-2016-0267</u>
d/b/a RDE Water Company)	Tariff No. YW-2017-0058

**ORDER APPROVING SMALL COMPANY RATE INCREASE, APPROVING
TARIFF, AND GRANTING A CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR AN EXPANDED SERVICE AREA**

Issue Date: November 2, 2016

Effective Date: November 26, 2016

This order approves the Disposition Agreement between the Staff of the Commission and Rex Deffenderfer Enterprises, Inc. d/b/a RDE Water Company (RDE). It also approves a tariff implementing the agreed-upon rate increase and grants RDE a certificate of convenience and necessity to serve its existing service territory.

On April 11, 2016, RDE 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 1,138 customers in Christian County, Missouri. In response to RDE'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 October 11, Staff and RDE filed a disposition agreement to resolve all issues between them. Public Counsel did not join in that disposition agreement, but on October

21, filed a position statement indicating that it does not oppose the disposition agreement and does not request a local public hearing.

The unopposed disposition agreement reflects agreement as to appropriate accounting of company assets, payroll, structural updates, depreciation, and customer rates. It provides for a revenue increase of \$20,801, amounting to an increase of 8.11 percent. The agreement also establishes a net rate base of \$416,561. The agreement provides that the new rates are to go into effect on November 26. RDE has filed a proposed tariff to implement the terms of its disposition agreement with Staff.

Staff's investigation of RDE's request for a rate increase revealed that RDE is providing service to customers adjacent to, but outside of, its existing approved certificated area. RDE requests, and the disposition agreement recommends, that the Commission grant RDE a certificate of convenience and necessity to serve that additional area.

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.

The Commission independently finds and concludes that the unanimous disposition agreement is reasonable and should be approved. Furthermore, RDE's proposed tariff and the rates it establishes are just and reasonable and will be approved. Finally it is appropriate to grant RDE a certificate of convenience and necessity to serve the additional customers it is already serving.

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

THE COMMISSION ORDERS THAT:

1. The Disposition Agreement concerning Rex Deffenderfer Enterprises, Inc. d/b/a RDE Water Company's request for a rate increase is approved.
2. Rex Deffenderfer Enterprises, Inc. d/b/a RDE Water Company and the Commission's Staff shall comply with the terms of the Disposition Agreement.
3. Tariff No. YW-2017-0058, filed by Rex Deffenderfer Enterprises, Inc. d/b/a RDE Water Company, is approved for service on and after November 26, 2016. The tariff approved is:

P.S.C. MO No. 2, Canceling P.S.C. MO No. 1

4. Rex Deffenderfer Enterprises, Inc. d/b/a RDE Water Company is granted a certificate of convenience and necessity to provide water service to the additional territory described in the Disposition Agreement.
5. This order shall become effective on November 26, 2016.
6. This file shall be closed effective November 27, 2016.

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.

Woodruff, Chief Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 2nd day of November 2016.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

November 2, 2016

File/Case No. WR-2016-0267

**Missouri Public Service
Commission**

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RDE Water Company

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.