

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 May, 1993.

In the matter of The Raytown Water Company's tariff )  
designed to increase water rates due to wholesale water ) Case No. WR-93-275  
rate increase. )  
)

ORDER APPROVING TARIFF

On April 6, 1993 The Raytown Water Company (Company) filed a revised water tariff rate sheet with an effective date of May 7, 1993. On April 21, 1993 the Company requested that the effective date of the proposed tariff be extended to June 1, 1993. The Company has requested a "pass-through" water rate increase to recover the increase in wholesale water costs that the City Council of Kansas City (City) approved on April 15, 1993 through City Ordinance No. 930328, which had an effective date of June 1, 1993. Company states that the proposed increase resulting from the increase in rates of the Company's wholesale water supplier is applied to the water usage charge, or commodity charge, and represents an increase in revenues estimated to be \$122,728.16 on an annual basis for the Company. This represents an increase of approximately 7.5 percent in the Company's revenues from its present rates. This increase in the commodity charge is an increase of \$.236 per 1,000 gallons over the current commodity charge reflected in the Company's present tariff.

On May 13, 1993 the Commission's Staff (Staff) filed its recommendation which states that it has reviewed the tariff sheet and all documentation submitted by the Company and that the proposed revised tariff should be approved.

Staff states that the Company is taking measures to control its water costs through the formation of a coalition of suburban water suppliers which plans to protest the increase by City, hire an engineering consultant to review the City's rate increase, and pursue alternative sources of water supply. The Staff also recommends that an explanatory notice be mailed to every customer of the Company beginning with the next billing cycle.

After considering the proposed revised tariff submitted by the Company and the Staff's recommendation, the Commission determines that the proposed revised tariff is just and reasonable and should be approved. The Commission understands that the Company essentially has little control at the present over the cost of water that it purchases from the City and commends the Company for participating in a protest of the City's water rate increase and the search for alternative water supplier sources. The Commission also determines that it would be appropriate to provide notice to the customers of the Company as suggested by the Staff.

**IT IS THEREFORE ORDERED:**

1. That the following proposed revised tariff submitted by The Raytown Water Company on April 6, 1993 be hereby approved for water service rendered on and after June 1, 1993:

P.S.C. MO No. 3

24th Revised SHEET No. 1 Cancelling 23rd Revised SHEET No. 1

2. That The Raytown Water Company send notice to every one of its customers beginning with the next billing cycle as follows:

Due to an increase in the cost of purchased water from the Kansas City Water Department per Ordinance No. 930328, water costs will increase from \$2.39 per 1,000 gallons to \$2.63 per 1,000 gallons, or 10 percent. A residential customer using 12,000 gallons bimonthly will see an increase in his/her bill as follows: bill with current rate -- \$40.59; bill with new rate -- \$43.47, or 7 percent increase.

3. That this order shall become effective on the 1st day of June,  
1993.

BY THE COMMISSION

*Brent Stewart*

Brent Stewart  
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins,  
Kincheloe and Crumpton, CC., concur.