

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 23rd  
day of July, 1993.

In the matter of Clarence Cannon Wholesale     )  
Water Commission's tariff sheets designed     - ).. CASE NO. WR-93-359  
to increase rates for water service pursuant     )  
to the Commission's informal rate procedure.     )

ORDER APPROVING TARIFF SHEETS

On June 30, 1993, Clarence Cannon Wholesale Water Commission  
(Clarence Cannon) filed proposed tariff sheets pursuant to the Commission's  
informal rate procedure. Clarence Cannon serves thirteen wholesale water  
customers.

The Staff of the Commission (Staff) completed an investigation of  
Clarence Cannon's books, records and operations related to providing water  
service, and on July 16, 1993, filed a memorandum concerning Clarence Cannon's  
proposed tariff sheets. Staff indicated that Staff, Clarence Cannon and the  
Office of the Public Counsel (Public Counsel) have agreed that the Commission  
should approve the tariff sheets filed by Clarence Cannon on June 30, 1993, with  
an effective date of August 1, 1993.

The proposed tariff sheets would result in a reduction in Clarence  
Cannon's debt coverage requirement from 120 percent to 100 percent. The  
additional 20 percent of debt coverage that has been collected over the past year  
would be maintained in a separate fund, and as long as such a fund is maintained,  
Clarence Cannon would be required to collect only 100 percent of its annual debt  
service requirement to meet and be in compliance with Clarence Cannon's bond  
indenture. The proposed change in annual debt service coverage would result in  
a reduction in annual base rate revenue from \$2,240,000 to \$1,867,000. Other  
changes contributing to the reduction in base rate revenue are the addition of

a new customer, the City of Farber, Missouri, and an increase in contracted water for Public Water Supply District No. 1 of Knox County, Missouri from 125,000 gallons per day to 150,000 gallons per day.

Clarence Cannon's thirteen wholesale water customers were notified of Clarence Cannon's proposed tariff sheets by written notice on June 30, 1993. Staff indicated that it has not received any complaints from Clarence Cannon customers.

Staff stated that the proposed tariff sheets will have no effect on any other matters involving Clarence Cannon that may be pending before the Commission. Staff recommended that the Commission approve the tariff sheets filed by Clarence Cannon on June 30, 1993, for service on and after August 1, 1993.

The standard for Commission approval of the proposed tariff sheets is whether they are just and reasonable. The burden of proof to demonstrate that the proposed tariff sheets are just and reasonable is upon Clarence Cannon.

The proposed tariff sheets have resulted from extensive negotiations between Staff, Clarence Cannon and Public Counsel. The changes incorporated within the proposed tariff sheets will result in a reduction in annual base rate revenue. Thus, the Commission finds that the proposed tariff sheets are just and reasonable and determines that the tariff sheets filed by Clarence Cannon on June 30, 1993, should be approved for service on and after August 1, 1993.

IT IS THEREFORE ORDERED:

1. That the following tariff sheets filed by Clarence Cannon Wholesale Water Commission are hereby approved for service on and after August 1, 1993:

P.S.C. MO. No. 1

2nd revised Sheet Nos. B through O Canceling 1st Revised Sheets Nos. B through O.

2. That this Order shall become effective on August 1, 1993.

BY THE COMMISSION

*Brent Stewart*

Brent Stewart  
Executive Secretary

(S E A L)

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