

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

<b>In the Matter of Aqua Missouri, Inc.'s )</b>	
<b>Request for an Increase in Rates for Water )</b>	
<b>Service Pursuant to the Commission's Small )</b>	<b><u>Case No. WR-2008-0266</u></b>
<b>Company Rate Increase Procedure )</b>	

<b>In the Matter of Aqua Missouri, Inc.'s )</b>	
<b>Request for an Increase in Rates for Sewer )</b>	
<b>Service Pursuant to the Commission's Small )</b>	<b><u>Case No. SR-2008-0267</u></b>
<b>Company Rate Increase Procedure )</b>	

<b>In the Matter of Aqua Missouri, Inc.'s )</b>	
<b>Request for an Increase in Rates for Sewer )</b>	
<b>Service Pursuant to the Commission's Small )</b>	<b><u>Case No. SR-2008-0268</u></b>
<b>Company Rate Increase Procedure )</b>	

<b>In the Matter of Aqua Missouri, Inc.'s )</b>	
<b>Request for an Increase in Rates for Water )</b>	
<b>Service Pursuant to the Commission's Small )</b>	<b><u>Case No. WR-2008-0269</u></b>
<b>Company Rate Increase Procedure )</b>	

**STAFF'S RESPONSE TO PUBLIC COUNSEL'S  
REQUEST FOR STAFF INVESTIGATION  
AND LOCAL PUBLIC HEARING**

**COMES NOW** the Staff of the Missouri Public Service Commission and, for its Response to Public Counsel's Request for Staff Investigation and Local Public Hearing, states to the Commission as follows:

1. On July 22, 2008, the Office of the Public Counsel filed its Request for Staff Investigation and Local Public Hearing.
2. Although the OPC filed this request in all four of the above-styled cases, the Staff understands that OPC's principal concern is with Aqua Missouri's sewer customers in Vanloo

Estates and with other sewer customers in the Jefferson City area who are in the service territory that is the subject of Commission Case No. SR-2008-0267.

3. On July 11, 2008, the Staff filed its Notice of Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request in Case No. SR-2008-0267. The Staff attached to this notice a complete copy of the Disposition Agreement between Staff and Aqua, dated July 3, 2008, together with all of the attachments to said Disposition Agreement. The Staff also filed similar notices in each of the other three above-styled cases.

4. In the Disposition Agreement that the Staff filed in Case No. SR-2008-0267, the Staff and Aqua made the following agreements:

(10) That the Company will perform a physical audit of the Company's customer counts for the sewer systems in the Jefferson City area in cooperation and in the presence of the Commission's Staff to confirm the exact number of customer's who are connected to the Company's sewer systems. This audit will be completed by November 30, 2008.

(11) The Jefferson City area sewer rates will be interim rates subject to refund, depending on the results of the physical audit of sewer customers listed in item (10) above. The Company agrees to recalculate the rates based upon the agreed to operating revenue increase in item (2) above if the results of the physical audit indicate the actual number of customer's is 40 or more greater than (1,807 or more) the number of customer's used by Staff in the revenue annualization calculation.

5. The Disposition Agreements in the other three above-styled cases do not include similar provisions regarding customer counts.

6. The Staff supports a physical audit of Aqua's sewer customers in the Jefferson City area who are part of the service territory that is the subject of Case No. SR-2008-0267. In discussions with Aqua, the Staff indicated to Aqua that it was prepared to start the physical audit of Aqua's customers on July 21, 2008. Aqua has indicated that due to previous employee

commitments, the audit cannot begin until after July 29, 2008. Staff wishes to begin this physical audit of the number of customers as soon as possible.

7. In Paragraph 8 of OPC's Request, OPC stated that it does not object to the Commission scheduling a local public hearing as soon as practicable, but said that it is concerned that scheduling the local public hearing on August 6, 2008, will not give sufficient time for Staff to verify an exact customer count for Aqua. Additionally, OPC states a concern that sufficient notice be given to Aqua customers who did not receive timely notice of the proposed increase or of previous local public hearings. The Staff agrees that, since the physical audit cannot proceed until after July 29, 2008, due to the Company's prior commitments, Aqua may not be able to provide appropriate notice to any customers who may be "discovered" in the audit process.

8. The Staff believes that five business days may be required to complete the customer audit, and requests that the Commission allow the Staff one week for the completion of the audit, from the date that the audit begins until the audit is concluded.

9. The Staff requests that the local public hearing be scheduled at the earliest possible date that will allow the Company to provide its customers with reasonable notice of the time and place for such hearing. The Staff further requests that the local public hearing be held at a site that is convenient for the residents of Vanloo Estates.

**WHEREFORE,** the Staff requests that the Commission schedule a local public hearing at a site that is convenient for the residents of Vanloo Estates.

Respectfully Submitted,

/s/ **Keith R. Krueger**

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Deputy General Counsel  
Missouri Bar No. 23857

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Missouri Public Service Commission

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronic mail to all counsel of record this 23<sup>rd</sup> day of July, 2008.

/s/ **Keith R. Krueger**