

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 24th day
of August, 2011.

In the Matter of the Application of TBJ Sewer)	
Systems, Inc., Request for an Increase Annual)	<u>File No. SR-2011-0182</u>
Sewer Operating Revenues)	Tariff No. YS-2012-0022

**ORDER APPROVING DISPOSITION AGREEMENT
AND APPROVING TARIFF**

Issue Date: August 24, 2011

Effective Date: September 2, 2011

On December 27, 2010, TBJ Sewer Systems, Inc. filed with the Missouri Public Service Commission a request to increase its annual sewage operating revenues by \$8,940.60. The company provides service to approximately 59 customers. On July 14, the company and the Staff of the Commission filed an Agreement regarding the disposition of this small sewer company rate increase request. The Office of the Public Counsel did not join in the Agreement but, with certain concerns, does not object to its approval. The Agreement provides for a \$9,055 increase in the company's annual sewer system operating revenues.

The company provides service in three different service areas, St. John, Bourbeuse and Oak Hollow. Current rates in these areas are as follows:

	Residential	Commercial	School
St. John	\$21.02	\$21.02 +\$3.25/1000 ¹	\$199.00
Bourbeuse	\$27.82		
Oak Hollow	\$23.99		

¹ The \$3.25/1,000 represents a charge of \$3.25 per 1,000 gallons used.

Under the proposed agreement, the rates will be as follows:

	Residential	Commercial	School
St. John	\$36.59	\$36.59 +\$5.66/1000	\$346.36
Bourbeuse	\$30.05		
Oak Hollow	\$36.11		

On July 19, the company filed a proposed tariff consistent with the Agreement. The tariff has an effective date of September 2, 2011.

Under the agreement, within 90 days of the effective date of this order, the company is required to:

- Maintain and retain proper plant and contribution in aid of construction records
- Ensure that all employees complete and maintain time sheets to record work assignments and the time spent working on each work assignment
- Modify its existing “welcome letter” to include contact information for the Commission and the Office of the Public Counsel, and distribute to all new and existing customers
- Ensure that a duplicate copy of customer account records is securely maintained
- Obtain a minimum of three competitive bids on all future capital improvement projects and repair projects that exceed \$2,500
- File all of its sewer systems concurrently for all new rate increase requests
- Mail a final, written notice of the rates to its customers

Public Counsel’s Concern

Although the Office of the Public Counsel does not oppose the Agreement, Public Counsel states that it has concerns about the increases in rates of the Bourbeuse and

Oak Hollow service areas. Public Counsel reminds the Commission and the parties of an agreement reached when the company was certificated in 2003.²

Particularly, the agreement states that unless extraordinary and unforeseen circumstances occur, the rates in the Bourbeuse and Oak Hollow service areas will not be subject to change unless the number of customers in those areas increases above the customer bases used to then calculate rates. Public Counsel informs the Commission that the customer base in Bourbeuse has decreased from 24 to 19, and that of Oak Hollow, from 21 to 12. Public Counsel, however, does not request a hearing and does not oppose the agreement.

Discussion

Upon review of the Agreement, the Commission finds that the terms and obligations set out in the Agreement are reasonable. The Commission will therefore approve the Agreement and direct the parties to abide by the terms set out therein. The Commission will also approve the tariff to become effective on September 2, 2011.

THE COMMISSION ORDERS THAT:

1. The Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request is approved.
2. The signatories to the Agreement shall comply with the terms set out therein.
3. The proposed revised tariff sheets, filed by the TBJ Sewer Systems, Inc. on July 19, 2011, and assigned Tariff No. YS-2012-0022, are approved to become effective on September 2, 2011.

² Commission Case No. SA-2003-0189, May 21, 2003 letter written to TBJ from Dale Johansen of the PSC.

4. The following tariff pages are approved:

P.S.C. MO No. 1

3rd Revised Sheet No. 4, Canceling 2nd Revised Sheet No. 4
2nd Revised Sheet No. 5, Canceling 1st Revised Sheet No. 5
1 Revised Sheet No. 24, Canceling Original Sheet No. 24
1st Revised Sheet No. 26, Canceling Original Sheet No. 26

5. This order shall become effective on September 2, 2011.
6. This case shall be closed on September 3, 2011.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Gunn, Chm., Davis,
Jarrett, and Kenney, CC., concur.

Jones, Senior Regulatory Law Judge