

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of)	
Peaceful Valley Service Company's Request)	<u>File No. SR-2014-0153</u>
For Increase in Sewer Operating Revenues)	Tracking No. YS-2014-0425

In the Matter of the Application of)	
Peaceful Valley Service Company's Request)	<u>File No. WR-2014-0154</u>
For Increase in Water Operating Revenues)	Tracking No. YW-2014-0426

ORDER DIRECTING STAFF TO SUBMIT REPORT

Issue Date: July 29, 2014

Effective Date: July 29, 2014

Peaceful Valley Service Company ("Peaceful Valley" or "Company") notified the Commission it wanted to increase its annual sewer revenue by approximately \$93,840. Peaceful Valley requested the increase in order to pay for needed upgrades to its waste water treatment facility based on stricter ammonia discharge requirements adopted by the Missouri Department of Natural Resources ("DNR"). DNR set a deadline of January 1, 2018 for the completion of construction by Peaceful Valley on a new sewer treatment plant.

The Staff of the Missouri Public Service Commission ("Staff") submitted for Commission approval a disposition agreement between Staff and Peaceful Valley. The Disposition Agreement does not provide Peaceful Valley an opportunity to collect funds for future waste water treatment improvements. At a local public hearing held on June 25, 2014, Peaceful Valley customers testified in support of an increase in rates that would address the DNR mandated improvements.

At a July 23rd Agenda meeting the Commission discussed the disposition agreement and its failure to address upgrades to the sewer system. Members of the Commission were interested in exploring rate mechanisms that could provide funding for any improvements, but wanted additional information on DNR's requirements, how much money Company needed, and the time-frame for improvements in the form of a compliance plan as outlined below.

The Commission will direct its Water and Sewer Department to obtain information from Peaceful Valley and submit a report on Peaceful Valley's compliance plan.

THE COMMISSION ORDERS THAT:

1. The Water and Sewer Department of the Missouri Public Service Commission shall obtain the following information from Peaceful Valley:

- What projects are required by DNR?
 - Documentation of what DNR requires.
 - Records showing by what date a compliance project must be completed and deadlines for submission of progress reports to DNR, and any DNR issued schedule of compliance; including lower cost options to come into compliance with DNR's requirements.
 - Documentation showing detailed costs of the projects, including any engineering studies, consultant reports, or any other analysis of potential costs. If none, indicate reasons no information is available.

- Documentation showing timeline for completing project, including expenditures for each step or phase of construction.
 - What steps has the Company taken to determine availability of financing to contribute to the cost of completing the required capital investment?
 - Documentation – forms, letters, statements under affidavit, etc. – detailing requests or inquiries regarding financing and results of those requests.
2. The Water and Sewer Department shall file a report on Peaceful Valley's plan to comply with DNR's regulations by August 15, 2014.
3. This order shall become effective immediately upon issuance.

BY THE COMMISSION



A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Kim S. Burton, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 29th day of July, 2014.