

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 7th day of
January, 2015.

In the Matter of Central Rivers Wastewater)
Utility, Inc.'s Small Company Rate Increase)
Request.)

Case No. SR-2014-0247

ORDER APPROVING STIPULATION AND AGREEMENT

Issued Date: January 7, 2015

Effective Date: January 17, 2015

On March 11, 2014, Central Rivers Wastewater Utility, Inc. ("Central Rivers") requested a small utility rate increase, pursuant to Commission Rule 4 CSR 240-3.050. An evidentiary hearing was scheduled for December 29 and 30, 2014. On December 22, 2014, Central Rivers, the Commission's Staff and the Office of the Public Counsel ("OPC") (jointly, "the Parties") filed a *Joint Motion to Suspend Procedural Schedule*. The motion indicated that the Parties had reached an agreement in principle. That same day, the Commission issued an order suspending the procedural schedule. On December 24, 2014, the Parties filed a *Stipulation and Agreement*. According to the Parties, the *Stipulation and Agreement* is intended to settle all issues identified by the Parties in this matter.

Under the terms of the *Stipulation and Agreement*, the Parties request the Commission approve an annual rate increase of \$35,756, plus rate case expense through December 19, 2014.¹ Central Rivers agrees to file a rate case within five years of the effective date of rates in this case. No changes will be made to the current tariff for Central Rivers'

¹ The Parties agree the rate case expense should be amortized over five years.

connection fee. The Parties also agree that tariff issues associated with allowing STEP and STEG installations by other entities should be addressed in a new docket or workgroup to be set up by the Commission. Central Rivers also agrees to require its contractors to use timecards and submit detailed records so that Central Rivers may provide actual cost information to support charges in future rate cases. Central Rivers will refund all customer deposits to effected customers, along with 6% simple interest, over a two-year period.²

After reviewing the *Stipulation and Agreement*, the Commission finds it to be reasonable.³ The Commission determines it shall be approved.

THE COMMISSION ORDERS THAT:

1. The *Stipulation and Agreement* filed on December 24, 2014 is approved. A copy of the agreement is attached as Attachment 1 and is incorporated as part of this order.
2. Central Rivers Wastewater Utility, Inc., Staff of the Missouri Public Service Commission, and the Office of the Public Counsel are ordered to comply with the terms of the agreement.
3. No later than January 19, 2015, Central Rivers Wastewater Utility, Inc. shall file with the Commission new tariff sheets that reflect the terms of the agreement.

² Central Rivers will provide reports to Staff and OPC every six months detailing the progress of those refunds.

³ Staff previously indicated that “it believes this case presents an important question regarding small company rate increase casesWhat sort of audit is necessary in a small company rate case? If a detailed, thorough, traditional regulatory audit is required....then no rate increase should be granted....On the other hand, if a less detailed audit is acceptable,...an audit focused on *value of service* rather than *cost of service*, then the agreed rate increase should be granted.” **EFIS Item No. 23**; Staff’s Response to Company’s Motion to Suspend and Enforce, ¶19. The Commission’s approval of this agreement may remove the need of an in depth response to this issue, however, it should be noted that the Commission interprets Staff’s ultimate position – the a rate increase should be approved – as an acknowledgement by Staff that the auditing of the records for small companies does not always necessitate the more rigorous examination that is common and expected for larger utilities. By approving this agreement, the Commission is also approving this perception.

4. This order shall become effective on January 17, 2015.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
Hall, and Rupp, CC., concur.

Burton, Regulatory Law Judge.