

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of a Working Case to Investigate Appropriate)
Methods for Ratemaking Treatment of Fees or Other) **File No. SW-2011-0042**
Mechanisms used for Capital Recovery of Sewer and) **File No. WW-2011-0043**
Water Infrastructure Investment)

ORDER DIRECTING NOTICE OF WORKING CASE AND **DIRECTING FILING**

Issue Date: August 23, 2010

Effective Date: August 23, 2010

During the recent ratemaking proceeding for Lake Region Water and Sewer Company, the Commission announced its intention to change, on a prospective basis, its practices and policies with how it treats revenue derived through the use of availability fees and other similar fees for capital recovery of infrastructure investment in sewer and water companies. Consequently, the Commission is opening these files to explore all proper options for ratemaking treatment of this revenue and to ultimately formalize a proper policy in a subsequent rulemaking. It is the intent of the rulemaking proceeding to delineate a definitive policy for ratemaking treatment of availability fees, reservation fees, standby fees, connection fees, or any other similar fees and their proper use as mechanisms of capital recovery.

The two workshops will not be consolidated at this time because it is possible that different considerations, and thus different rules, will need be to be articulated with regard to water and sewer systems. However, the Commission may consolidate these dockets in the future if it finds that issues of fact and law are substantially related for both types of utilities.

THE COMMISSION ORDERS THAT:

1. No later than September 24, 2010, the Staff of the Missouri Public Service Commission shall file a proposed schedule for workshops, along with any other proposals it has regarding the procedure to follow in these workshop dockets.

2. The Commission's Data Center shall provide electronic notice of these workshop dockets to all regulated Missouri water and sewer companies. If the Commission's Data Center is unable to provide electronic notice to specific regulated entities, the Data Center shall notify those entities by mail.

3. The Commission's Data Center shall provide electronic notice of this workshop docket to all entities listed for the:

Missouri Chamber of Commerce Members at:
<http://www.ccemo.org/mx/hm.asp?id=memdir>;

Missouri Growth Association at:
<https://www.mogrowth.com/>;

Missouri Home Builders' Associations at:
http://www.nahb.org/local_association_search_results.aspx?state=MO;

Associated General Contractors of Missouri, Inc. at:
<http://www.agcmo.org/contact/> or agcmo@agcmo.org ;

Missouri Municipal League at:
<http://www.mocities.com/index.php>

Missouri Economic Development Council at:
<http://www.showme.org/>

If the Commission's Data Center is unable to provide electronic notice to these specific entities, the Data Center shall notify those entities by mail.

4. The Commission's Data Center shall also provide notice of this workshop docket to the Small Business Regulatory Fairness Board at: Missouri Department of

Economic Development, 301 W. High Street, P.O. Box 1157, Jefferson City, Missouri 65102, by mail or by E-mail at: SBRFB@ded.mo.gov.

5. This order shall become effective immediately upon issue.

BY THE COMMISSION



Steven C. Reed
Secretary

(S E A L)

Harold Stearley, Senior Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 23rd day of August, 2010.