

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

The Staff of the Missouri)	
Public Service Commission,)	
)	
Complainant,)	
v.)	
)	<u>Case No. WC-2007-0452</u>
Suburban Water and Sewer Co. and Gordon)	
Burnam,)	
Respondents.)	

**STAFF'S MOTION FOR SUMMARY DETERMINATION,
MOTION FOR WAIVER OF THE 60 DAY RULE, AND FOR EXPEDITED
TREATMENT**

COMES NOW Counsel for the Staff of the Missouri Public Service Commission ("Staff"), and under 4 CSR 240-2.117, moves the Commission for Summary Determination against Respondent, Suburban Water and Sewer Co. only, on Courts V, VII, VIII, IX and X of Staff's First Amended Complaint. Staff also requests leave of the Commission under 4 CSR 240-2.117(1)(A) to file this motion less than 60 days before trial, and requests the Commission direct Respondent Suburban to file a response within five (5) days of the date of service of this motion.

MOTION FOR SUMMARY DETERMINATION

Staff moves this Court for Summary Determination against Suburban Water and Sewer Co. on Counts V, VII, VIII, IX, and X of Staff's Complaint. Material facts for which there is no genuine issue of dispute are as follows:

1. On June 8, 2007, the Staff filed its First Amended Complaint and Motion for Expedited Treatment against the Respondents.
2. On June 15, 2007, Suburban Water Company separately filed a responsive pleading in the form of a Motion to Dismiss the Complaint.

3. Suburban filed a Notice of Satisfaction on June 28, 2007, in response to the Commission's June 4, 2007 Notice of Complaint directing Respondents to file an answer or a notice that the complaint has been satisfied.
4. This case is on an expedited track, evidenced by the Commission's June 28, 2007 Order Granting Expedited Treatment of this case.

FACTS RELEVANT TO ALL COUNTS

5. On May 26, 2005, Suburban Water and Sewer Co., by its President Gordon Burnam, entered into a Unanimous Agreement Regarding Disposition of Small Water Company Rate Increase Request, in Case No. WR-2005-0455. Exhibit A.
6. The Unanimous Agreement was filed with the Commission on or about June 6, 2005, under cover of a Notice of Agreement Regarding Disposition of Small Company Rate Increase Request. Exhibit A.
7. On June 16, 2005 the Commission issued an Order in Case No. WR-2005-0455 directing Suburban Water and Sewer Co. to comply with the terms of the Unanimous Agreement Regarding Disposition of Small Company Rate Increase Request (hereafter the Disposition Agreement). Exhibit B.
8. On June 28, 2007, Respondents Suburban and Gordon Burnam, filed a Notice of Satisfaction in this case, WC-2007-0452, answering Counts V, VII, VIII, and IX of Staff's Complaint. Exhibit C.

COUNT V

9. Count V of Staff's Complaint alleges that Suburban has failed to install meters for all buildings no later than August 31, 2005.

10. The Disposition Agreement in Case No. WR-2005-0455 provided on page 3, item (10), that "the company will install meters for all buildings no later than August 31, 2005." Exhibit A.
11. Suburban's June 28, 2007 Notice of Satisfaction addressed Count V by stating in paragraph 2.e. that "As to Count V, Suburban was not required to install meters for commercial buildings for which a flat rate was approved by the Commission and further states that it is neither able nor required to install three meters and meter wells due to inadequate operating revenues...." Exhibit C.

COUNT VII

12. Count VII of Staff's Complaint alleges that Suburban failed to install flush valves.
13. The Disposition Agreement in Case No. WR-2005-0455 provided on page 3, item (12) that "the Company will install flush valves with the flushing capability of at least 3 feet per second in all mains." Exhibit A.
14. The June 28, 2007 Notice of Satisfaction addressed Count VII by stating in paragraph 2.g. that "As to Count VII, Suburban states that it is neither able nor required to install flush valves due to inadequate operating revenues." Exhibit C.

COUNT VIII

15. Count VIII of Staff's Complaint alleges that Suburban failed to replace the standpipe inlet.
16. The Disposition Agreement in Case No. WR-2005-0455 provided on page 3, item (13) that "the Company will replace the standpipe with an inlet high enough to provide adequate circulation and detention time." Exhibit A.

17. The June 28, 2007 Notice of Satisfaction addressed Count VIII by stating in paragraph 2.h. that "As to Count VIII, Suburban states that it is neither able nor required to install an inlet due to inadequate operating revenues and due to the condition of the standpipe." Exhibit C.

COUNT IX

18. Count IX of Staff's Complaint alleges that Suburban failed to contract with a certified operator.
19. The Disposition Agreement in Case No. WR-2005-0455 provided on page 3, item (14), that "the Company will contract with a certified operator to maintain the Company's well and distribution system." Exhibit A.
20. The June 28, 2007 Notice of Satisfaction addressed Count IX by stating in paragraph 2.i. that "As to Count IX, Suburban states that it is neither able nor required to contract with a certified operator due to inadequate operating revenues." Exhibit C.

COUNT X

21. Count X of Staff's Complaint alleges that Suburban failed to provide quarterly reports.
22. The Disposition Agreement provided on page 3, item (15), that "the Company will provide quarterly reports regarding monthly customer meter usage data and monthly master meter usage data to the Auditing Staff of the Commission for the period July 1, 2005 through December 31, 2006." Exhibit A.
23. Suburban has provide no quarterly reports regarding monthly customer usage data or monthly master meter usage data to the Auditing Staff of the Commission for the

period July 1, 2005, through December 31, 2006. See Affidavit of Kofi Boateng, attached hereto as Exhibit D.

WAIVER OF 4 CSR 240-2.117(1)(A)

Staff moves the Commission for leave to file this motion less than 60 days before hearing and states:

22. 4 CSR 240-2.117(1)(A) provides that a motion for summary determination shall not be filed less than sixty days prior to hearing without leave of the Commission.
23. Counsel anticipates the Commission will set this case for hearing within the month of July.
24. The Commission may waive a Chapter 2 Rule for good cause. 4 CSR 240-2.015(1).
25. Good cause for waiving the 60 day rule and granting leave to file this motion exists due to the Commission's June 28, 2007 Order expediting this case. Good cause also exists in facilitating a resolution of this case without the necessity of a hearing on issues on which there is no genuine issue of material fact. The Rules of Civil Procedure and Commission Rules "encourage the use of these procedures to permit resolution of claims as early as they are properly raised in order to avoid the expense and delay of meritless claims or defenses and to permit the efficient use of scarce judicial resources." *ITT Commercial Finance Corp., v. Mid-America Marine Supply Corp.*, 854 S.W.2d 371, 376 (Mo. banc 1993). Respondent Suburban Water and Sewer Co. admits it has not complied with the Commission's Order in Case No. WR-2005-0455. A hearing on Counts V, VII, VIII, IX, and X is unnecessary.

EXPEDITED TREATMENT

The Staff moves the Commission to issue an order directing Respondent, Suburban Water and Sewer Co., to respond to this motion by July 13, 2007, and states:

26. This case is already on an expedited hearing schedule. The Staff requests per 4 CSR 240-2.080(15) that the Commission shorten the time for Suburban's Response to this Motion for Summary Determination to five (5) days, making Suburban's Response due on July 13, 2007. The Staff further requests that the Commission resolve this Motion for Summary Determination by July 19, 2007. The harm of an unnecessarily lengthy hearing involving meritless defenses will be avoided by shortening the time for Suburban to respond. This request was made as soon as counsel could prepare this motion.

WHEREFORE, the Staff respectfully moves the Commission for Summary Determination.

Respectfully Submitted,

/s/ Steven C. Reed

Steven C. Reed
Litigation Counsel
Missouri Bar No. 40616

Attorney for the Staff of the
Missouri Public Service Commission

P.O. Box 360
Jefferson City, MO 65102
573-751-3015 (telephone)
573-751-9285 (facsimile)
steven.reed@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 9th day of July 2007.

/s/ Steven C. Reed

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

In the Matter of Suburban Water and Sewer)
Company's Water Utility Rate Increase)
Request)

Case No. WR-2005-0455

**NOTICE OF AGREEMENT REGARDING DISPOSITION
OF SMALL COMPANY RATE INCREASE REQUEST**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through Counsel, and for its Notice of Agreement Regarding Disposition of Small Company Rate Increase Request states the following to the Missouri Public Service Commission ("Commission").

1. On May 31, 2005, Suburban Water & Sewer Company ("Company") submitted to the Commission revised tariff sheets to implement increases in its water service rates and charges, and other tariff changes, and the instant case was established.

2. As is noted in the Company's tariff filing transmittal letter, the tariff changes contained in the subject revised tariff sheets are based upon a *Unanimous Agreement Regarding Disposition of Small Water Company Rate Increase Request* ("Disposition Agreement") entered into by the Company, the Staff and the Office of the Public Counsel. As is also noted in the Company's tariff filing transmittal letter, the Disposition Agreement pertains to the small company rate increase request that the Company submitted to the Commission on December 3, 2004 (Work I.D. No. QW-2005-0001).

3. Included in the document that is attached hereto and identified as Appendix A are copies of the Disposition Agreement, and related attachments, which are referenced in the Company's tariff filing transmittal letter.

Exhibit A

4. Although not addressed in the Disposition Agreement, the Staff notes that the Company and the Staff previously entered into a written agreement for an extension of the 150-day tariff filing period that normally applies to small company rate increase requests. A copy of that extension agreement is included in the above-referenced tracking file for the Company's rate increase request as Item No. 4.

5. Consistent with established internal procedures regarding small company rate increase requests, the Staff intends to file its recommendation in this case by the end of business on June 20, 2005.

WHEREFORE, the Staff respectfully submits the above-referenced Disposition Agreement, and related attachments, for the Commission's information and consideration in this case.

Respectfully Submitted,

DANA K. JOYCE
General Counsel

/s/ Keith R. Krueger

Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

Attorney for the Staff of the
Missouri Public Service Commission

P.O. Box 360
Jefferson City, MO 65102
573-751-4140 (telephone)
573-751-9285 (facsimile)
keith.krueger@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 6th day of June 2005.

/s/ Keith R. Krueger _____

APPENDIX A

DISPOSITION AGREEMENT & ATTACHMENTS

CASE NO. WR-2005-0455

Note: To browse through this document by item, click on the "Bookmark" tab at the top of the menu bar to the left of the screen and then click on the item that you want to see.

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Company/Staff/OPC Disposition Agreement

UNANIMOUS AGREEMENT REGARDING DISPOSITION
OF SMALL WATER COMPANY RATE INCREASE REQUEST

SUBURBAN WATER & SEWER COMPANY

MO PSC WORK I.D. No. QW-2005-0001

BACKGROUND

Suburban Water & Sewer Company ("Company") initiated the small company rate increase request ("Request") for water service that is the subject of the above-referenced Missouri Public Service Commission ("Commission") tracking file by submitting a letter to the Secretary of the Commission. The Company submitted its Request under the provisions of Commission Rule 4 CSR 240-3.635, Water Utility Small Company Rate Increase Procedure ("Small Company Rate Increase Procedure"). The date the Company's Request was received at the Commission's offices was December 3, 2004.

By its request letter, the Company was requesting Commission approval of customer rates intended to generate an increase of \$7,000 in its total annual water service operating revenues. In its request letter, the Company also stated its understanding that the design of its customer rates, its service charges, its customer service practices, its general business practices and its general tariff provisions would also be reviewed during the Commission Staff's review of the rate increase request, and could thus be the subject of Staff recommendations at the conclusion of the rate increase process. The Company provides service to approximately 110 customers, all of which are residential customers.

Upon receipt of the Company's Request, personnel in the Commission's Data Center entered the Request into the Commission's electronic filing and information system and Work I.D. No. QW-2005-0001 was assigned to the Request. The Request was then forwarded to the Commission's Water & Sewer Department for processing under the Small Company Rate Increase Procedure.

Pursuant to the provisions of the Small Company Rate Increase Procedure and related internal operating procedures, the Staff of the Commission ("Staff") initiated an audit of the Company's books and records, a review of certain of the Company's general business practices, an inspection of the Company's facilities and a review of the Company's operation of its facilities. (Hereafter, these activities will be collectively referred to as the Staff's "investigation" of the Company's Request.)

Upon completion of its investigation of the Company's Request, the Staff provided the Company and the Office of the Public Counsel ("OPC") various information regarding the results of the investigation, as well as its initial recommendations for resolution of the Company's Request.

RESOLUTION OF THE COMPANY'S RATE INCREASE REQUEST

Pursuant to negotiations held subsequent to the Company's and the OPC's receipt of the above-referenced information regarding the Staff's investigation of the Company's Request, the Staff, the Company and the OPC hereby state the following agreements.

- (1) That for the purpose of implementing the agreements set out herein, the Company will file tariff revisions with the Commission containing the rates and language set out in the example tariff sheets that are attached hereto as Attachment A.
- (2) That the ratemaking income statement that is attached hereto as Attachment B accurately reflects the Company's annualized revenues generated by its current customer rates, the Company's total annualized cost of providing service and the agreed-upon annualized operating revenue increase of \$4,192, which is required to recover the Company's cost of service.
- (3) That the rates set out in the attached example tariff sheets, the development of which is shown on the rate design worksheet that is attached hereto as Attachment C, are designed to generate revenues sufficient to recover the Company's total annualized cost of service, and that the provisions of the attached example tariff sheets also properly reflect all other agreements set out herein, where necessary.
- (4) That the rates included in the attached example tariff sheets are just and reasonable.
- (5) That the schedule of depreciation rates that is attached hereto as Attachment D hereto includes the water plant depreciation rates that should be prescribed for the Company, as these were the depreciation rates used by the Staff in its revenue requirement analysis.

- (6) That the Company will review its customer records and determine if any of its present customers paid a deposit that should be refunded with appropriate interest.
- (7) That the Company will refund the overcharges that occurred from April 2004 through October 2004. Such refunds will consist of a credit placed on the customers' bills and the refunds will be completed over a three month period starting with the first billing period after the effective date of revised tariff sheets that will be filed pursuant to this agreement.
- (8) That the Company will develop and distribute to all customers a brochure detailing the rights and responsibilities of the utility and its customers.
- (9) That the Company will develop a continuous property record system for plant that at a minimum includes the date plant is placed in service, the purchase price of plant and the dates of retirement of property.

That the Company will install meters for all buildings no later than August 31, 2005.

That the Company will implement a ten year replacement program for existing meters.

- (12) That the Company will install flush valves with the flushing capability of at least 3 feet per second in all mains.
- (13) That the Company will replace the standpipe with an inlet high enough to provide adequate circulation and detention time.
- (14) That the Company will contract with a certified operator to maintain the Company's well and distribution system.
- (15) That the Company will provide quarterly reports regarding monthly customer meter usage data and monthly master meter usage data to the Auditing Staff of the Commission for the period July 1, 2005 through December 31, 2006.
- (16) That the above agreements satisfactorily resolve all issues identified by the Staff, the Company and the OPC regarding the Company's Request, except as otherwise specifically stated.

ADDITIONAL MATTERS

Since this Disposition Agreement is only between the Staff, the Company and the OPC, the Small Company Rate Increase Procedure does not require that the Company send a notice to its customers regarding the rates and charges that would result from implementation of the provisions of this Disposition Agreement, nor does it provide for a local public hearing, unless the Commission orders otherwise.

Other than the specific conditions agreed upon and expressly set out herein, the terms of this Disposition Agreement reflect compromises between the Staff, the Company and the OPC, and none of the parties have agreed to any particular ratemaking principle in arriving at the amount of the annual operating revenue increase specified herein.

The Company and the OPC acknowledge that the Staff will be making an additional filing with the Commission regarding this matter, with that filing including the following: (a) the Staff's recommendation for approval of the subject tariff revisions, and any related recommendations; (b) background information regarding the Company's Request and the Staff's investigation thereof; (c) the Staff's audit workpapers; (d) a general overview of the Company, including an overview of the Company's customer service procedures and practices; (e) information regarding the status of the Company's payment of its Commission assessments; (f) the status of the Company's submission of its Commission annual reports; (g) the status of the Company's submission of its Commission annual statement of operating revenues; (h) any other pending cases that the Company may have before the Commission; (i) any recent Notices of Violations issued to the Company by the Missouri Department of Natural Resources; and (j) the status of the Company's corporate standing with the Missouri Secretary of State.

Additionally, the Company and the OPC agree that the Staff shall have the right to provide whatever oral explanation the Commission may request regarding the rate case that will be created when the Company files the tariff revisions called for in this agreement, at any agenda meeting at which that case is noticed to be considered by the Commission. To the extent reasonably practicable, the Staff will provide the Company with advance notice of any such agenda meeting so that it may have the opportunity to also be represented at the meeting.

EFFECTIVE DATE AND SIGNATURES

This Disposition Agreement shall be considered effective as of the date that the Company files the tariff revisions required herein with the Commission.

Agreement Signed and Dated:



Dale W. Johansen
Manager - Water & Sewer Department
Missouri Public Service Commission Staff

5/31/05

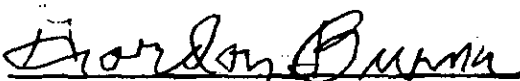
Date



Lewis Mills
Public Counsel
Office of the Public Counsel

5-31-05

Date



Gordon Burman
President
Suburban Water & Sewer Company

5-16-05

Date

List of Attachments

- Attachment A - Example Tariff Sheets
- Attachment B - Ratemaking Income Statement
- Attachment C - Rate Design Worksheet
- Attachment D - Schedule of Depreciation Rates

Agreement Attachment 1

Example Tariff Sheets

P.S.C. MO No. 1

2nd Revised Sheet No. 4

Canceling 1st Revised Sheet No. 4

Suburban Water & Sewer Company
Name of Issuing Company

For: Bon Gor Lake Estates
Certificated Service Area

**Rules & Regulations Governing
the Rendering of Water Service**

Rate Schedules

Rate Schedule W-1 – General Service

Availability: This rate is available to any metered water customer on Company's mains
suitable for supplying the service requested. +

Monthly Minimum	\$ 2.96	+
Commodity Charge (per 1,000 gallons)	\$ 1.87	+
Turn-on Fee	\$ 25.00	
Turn-off Fee	\$ 25.00	
Un-metered Monthly Rate	\$ 12.30	*

Rate Schedule W-2 – Fire Protection Service

Availability: Fire hydrants will be installed by the Company if Bon Gor Development
Corporation or any other entity owning or controlling property within the certificated
area requests installation in writing.

Rate: For each customer \$ 1.00 per month to be billed in
addition to the above charges.

Taxes

Any applicable Federal, State or Local taxes computed on billing basis shall be added as
separate items in rendering each bill.

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: May 31, 2005
Month/Day/Year

Effective Date: June 30, 2005
Month/Day/Year

Issued By: Gordon Burman President
Name & Title of Issuing Officer

1501 Vandiver Dr. #188 Columbia MO 65202
Company Mailing Address

P.S.C. MO No. 1

1st Revised Sheet No. 12

Canceling Original Sheet No. 12

Suburban Water & Sewer Company
Name of Issuing Company

For: Bon Gor Lake Estates
Certificated Service Area

**Rules & Regulations Governing
the Rendering of Water Service**

Rule 29.

Payments may be made in person at the office of the Company or at designated sub-pay stations, or by mail sent to the Company. No employees of the Water Company are permitted to accept payment of water bills, except authorized collectors.

DISCONTINUANCE OF SERVICE BY COMPANY

Rule 30.

If a Consumer violates any of the Rules and Regulations of the Company, the Company reserves the right, after due notice has been given to the Consumer, as provided in Rule No. 11 of General Order No. 20 of the Public Service Commission of Missouri, to annul the contract for water supply and discontinue service.

Rule 31.

In all cases of non-payment of bill within ten days after the same becomes due, and following 48 hours prior written notice, the supply will be cut off and not turned on again except upon payment of the amount due together with an additional fee of Twenty-five Dollars (\$25.00) for turning on the water. +

Rule 32.

Water shall not be taken through fire hydrants, fire risers or fire lines, for any other purpose other than for fire protection.

Rule 33.

Service may be discontinued by Consumer, by giving not less than twenty-four (24) hours' notice to the Company during its regular office hours that water service is to be discontinued. Final bill for service shall become (cont'd. on next page) +

* Indicates New Rate or Text

+ Indicates Changed Rate or Text

Issue Date: May 31, 2005
Month/Day/Year

Effective Date: June 30, 2005
Month/Day/Year

Issued By: Gordon Burman President
Name & Title of Issuing Officer

1501 Vandiver Drive #188 Columbia MO 65202
Company Mailing Address

Agreement Attachment 2

Ratemaking Income Statement

SUBURBAN WATER & SEWER COMPANY

Rate Making Income Statement-Water

Operating Revenues at Current Rates

1	Tariffed Rate Revenues *	\$	18,823
2	Unauthorized by Tariff Flat Fee	\$	-
3	Total Operating Revenues	\$	18,823
4	* See "Revenues - Current Rates" for Details		

Cost of Service

Item			
1	Pumping Equipment-Purchased Power	\$	2,411
2	Labor	\$	3,387
3	Water Treatment -Chemicals	\$	1,275
4	Maintenance of Parts/Equipment	\$	8,319
5	Outside Services Employed	\$	1,700
6	Meter Reading Expense	\$	620
7	Purchased Water	\$	-
8	Regulatory Commission Expense	\$	327
9	Miscellaneous General Expenses	\$	614
10	Sub-Total Operating Expenses	\$	18,653
11	Property Taxes	\$	-
12	MO Franchise Taxes		
13	Employer FICA Taxes		
14	Federal Unemployment Taxes		
15	State Unemployment Taxes		
16	State & Federal Income Taxes	\$	-
17	Sub-Total Taxes	\$	-
18	Depreciation Expense	\$	2,792
19	Amortization of Utility Plant (computer system)	\$	-
20	Sub-Total Depreciation/Amortization	\$	2,792
21	Return on Rate Base	\$	1,570
22	Total Cost of Service	\$	23,015
23	Overall Revenue Increase Needed	\$	4,192

Agreement Attachment 3

Rate Design Worksheet

SUBURBAN WATER & SEWER COMPANY

Development of Tariffed Rates-Water

Agreement is to increase currently tariffed rates by a percentage equal to the agreed-upon overall revenue increase divided by the revenues generated by the currently tariffed rates.

Revenues Generated by Current Tariffed Rates	\$ 18,823
Agreed-Upon Overall Revenue Increase	\$ 4,192
Percentage Increase Needed	22.271%

Metered Customer Rates				
Meter Size	Current Service Charge	Proposed Service Charge	Current Usage Rate	Proposed Usage Rate
5/8"	\$ 2.42	\$ 2.96	\$ 1.530	\$ 1.871

Agreement Attachment 4

Schedule of Depreciation Rates

Suburban Water & Sewer Company

DEPRECIATION RATES (WATER)

QW-2005-0001

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)
314	Wells & Springs	2.00%	50
321	Structures & Improvements	2.50%	40
325	Electric Pumping Equipment	10.00%	10
342	Distribution Reservoirs & Standpipes	2.50%	40
343	Transmission & Distribution Mains	2.00%	50
346	Meters	3.30%	30
347	Meter Installations	2.50%	40

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 16th day
of June, 2005.

In the Matter of Suburban Water & Sewer)	
Company's Water Utility Rate Increase)	<u>Case No. WR-2005-0455</u>
Request.)	

**ORDER APPROVING SMALL COMPANY RATE INCREASE
AND APPROVING TARIFF**

Issue Date: June 16, 2005

Effective Date: June 30, 2005

On December 3, 2004, Suburban Water & Sewer Company initiated a small company rate increase under Commission rule 4 CSR 240-3.635. Suburban originally requested a rate increase that would generate an additional \$7,100 in annual water service revenues. Suburban provides water service to approximately 110 residential customers. The company informed its customers of the proposed rate increase on January 7, 2005. One customer responded, stating that although she was concerned about the increase, she agreed that it was necessary for better water quality and improved system pressure. The company's current rates have been effective since November 1, 1993.

On May 31, 2005, Suburban filed proposed tariff revisions designed to produce an increase of \$4,192 in its annual water system revenues. The revised tariff sheets bear an effective date of June 30, 2005. Along with its tariff revisions, the company filed a letter indicating that it has reached an Agreement Regarding Disposition of Small Company Rate

Exhibit B

Increase Request with the Commission's Staff and the Office of the Public Counsel. Staff filed that agreement on June 6, 2005.

On June 13, 2005, Staff filed a recommendation and memorandum urging the Commission to approve Suburban's revised tariff sheets and the disposition agreement. Staff states that based upon an audit of the company's books and records, a determination of the company's rate base investments and necessary operating expenses, an evaluation of the company's depreciation rates, an analysis of the company's capital structure and cost of capital, and an investigation of the company's business system operation, Staff concludes that an increase of \$4,192 in the company's annual water service operating revenues is warranted.

Staff therefore recommends that the Commission approve the disposition agreement, which reflects the following agreements between the parties: (1) that an increase of \$4,192 in the company's annual operating revenues is necessary; (2) that certain changes to the company's administrative operation are appropriate; (3) that new depreciation rates need to be prescribed for the company; (4) that the rates included in the proposed tariff are designed to generate revenues sufficient to recover the company total annualized cost of service; and (5) that the rates included in the tariff revision are just and reasonable.

Staff also notes that the company is current on the payment of its Commission assessments and on the filing of its annual reports to the Commission. Staff adds that the company has no other matter pending before the Commission, and that approval of the tariff revisions will not affect any other matter before the Commission.

The Commission has the authority to approve the proposed tariff revision in accordance with Sections 393.140(11) and 393.150, RSMo 2000. In addition, Section 393.130, RSMo 2000, provides that all charges made by any water corporation for water service rendered are to be "just and reasonable." The Commission's rules, at 4 CSR 240-3.635, provide the procedural requirements for approval of a disposition agreement resolving a small water company's proposed rate increase.

The Commission finds that Suburban, Staff and OPC have complied with the procedural requirements for approval of a disposition agreement found in Commission rule 4 CSR 240-3.635. The Commission further finds that the disposition agreement between Suburban, Staff and OPC is reasonable, and will be approved. Furthermore, the Commission finds that the company's tariff sheets, and the rates they establish, are just and reasonable and will be approved.

IT IS THEREFORE ORDERED:

1. That the Agreement Regarding Disposition of Small Company Rate Increase Request between Suburban Water & Sewer Company, the Staff of the Commission, and the Office of the Public Counsel is approved.
2. That Suburban Water & Sewer Company is directed to comply with the terms of the Agreement Regarding Disposition of Small Company Rate Increase Request.
3. That the tariff sheets filed by Suburban Water & Sewer Company, and assigned Tariff File No. YW-2005-1074, are approved for service on or after June 30, 2005.

4. That this order shall become effective on June 30, 2005.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Murray, Clayton, and Appling, CC.,
concur.

Davis, Chm., concurs, with separate
concurring opinion to follow.

Gaw, C., dissents, with separate
dissenting opinion to follow.

Jones, Regulatory Law Judge

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

**The Staff of the Missouri Public
Service Commission,
Complainant,**

v.

**Suburban Water and Sewer Company
and
Gordon Burnam,
Respondents.**

Case No. WC-2007-0452

RESPONDENTS' NOTICE OF SATISFACTION

COME NOW Respondents Suburban Water and Sewer Company ("Suburban") and Gordon Burnam ("Burnam") and, pursuant to 4 CSR 240-2.070(7), for their Notice of Satisfaction state as follows:

1. Burnam has entered his appearance specially for the purpose of contesting this tribunal's jurisdiction over him. Nothing contained herein is a waiver of his rights to object or a submission to this tribunal's jurisdiction.

2. Respondents hereby state that Suburban has satisfied the matters complained of in Plaintiff's First Amended Complaint, in the following respects:

a. As to Count I, Suburban has reviewed its customer records and, upon information and belief, after reasonable inspection of said records, states that none of its present customers paid a deposit that should be refunded with appropriate interest.

b. As to Count II, Suburban has refunded the subject overcharges.

c. As to Count III, Suburban has developed and distributed the subject brochure.

Exhibit C

d. As to Count IV, Suburban has developed a continuous property record system.

e. As to Count V, Suburban was not required to install meters for commercial buildings for which a flat rate was approved by the Commission and further states that it is neither able nor required to install three meters and meter wells due to inadequate operating revenues but otherwise has installed meters at all buildings.

f. As to Count VI, Suburban has adopted and implemented a ten-year meter replacement program.

g. As to Count VII, Suburban states that it is neither able nor required to install flush valves due to inadequate operating revenues.

h. As to Count VIII, Suburban states that it is neither able nor required to install an inlet due to inadequate operating revenues and due to the condition of the standpipe.

i. As to Count IX, Suburban states that it is neither able nor required to contract with a certified operator due to inadequate operating revenues.

j. As to Count X, Suburban has provided quarterly reports regarding monthly usage data.

3. This shall constitute a notice of satisfaction only, and Respondents hereby reserve their rights to file an answer and other responsive pleadings, and do not waive such or any other rights or any allegations, statements, and defenses in any other filings, including their respective, pending motions to dismiss. Respondents admit no liability or violation of law whatsoever.

/s/ Matthew S. Volkert

Matthew S. Volkert, MO Bar Number 50631

Thomas M. Harrison, MO Bar Number 36617

Van Matre Harrison, and Volkert, P.C.

1103 East Broadway

P. O. Box 1017

Columbia, Missouri 65205

Telephone: (573) 874-7777

Telecopier: (573) 875-0017

matt@vanmatre.com

Attorneys for Respondent Suburban Water and
Sewer Company and Gordon Burnam

The undersigned certifies that a complete and conformed copy of the foregoing document was filed electronically and mailed to each attorney who represents any party to the foregoing action, by U.S. Mail, postage prepaid in the proper amount, at said attorney's business address.

/s/ Matthew S. Volkert

Dated: June 28, 2007

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

The Staff of the Missouri)
Public Service Commission,)
Complainant,)

v.)

Case No. WC-2007-0452

Suburban Water and Sewer Co. and Gordon)
Burnam,)

Respondents.

AFFIDAVIT OF KOFI A. BOATENG, CPA

State of Missouri)
) ss.
County of Cole)

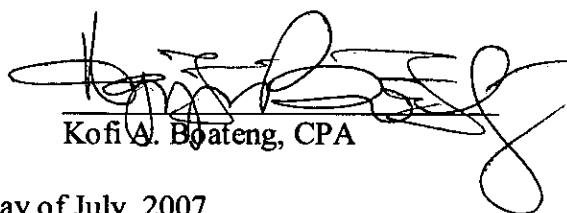
The undersigned, being of sound mind and lawful age, having been duly sworn upon oath, states as follows:

My name is Kofi Agyenim Boateng. I am an Utility Regulatory Auditor in the Auditing Department of the Missouri Public Service Commission.

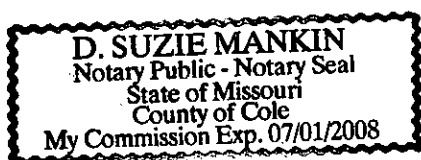
I was one of the Audit Staff that worked on Case No. WR-2005-0455, the rate case involving Suburban Water and Sewer Company.

As of the date of this Affidavit, the Auditing Department has not been provided quarterly reports from Suburban Water and Sewer Co. regarding monthly customer meter usage data for the period July 1, 2005, through December 31, 2006; on July 9, 2007, the Staff received information regarding the monthly master meter usage data for the period July 1, 2005, through December 31, 2006.

Further affiant sayeth not.


Kofi A. Boateng, CPA

Subscribed and sworn to before me this 9th day of July, 2007.



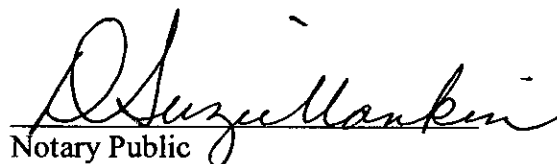

Notary Public

Exhibit D