

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

In the matter of Aqua Missouri, Inc.'s)	
Request for an Increase in Rates for)	
Water Service Pursuant to the)	Case No. WR-2008-0266
Commission's Small Company Rate)	
Increase Procedure.)	

In the matter of Aqua Missouri, Inc.'s)	
Request for an Increase in Rates for)	
Water Service Pursuant to the)	Case No. SR-2008-0267
Commission's Small Company Rate)	
Increase Procedure.)	

In the matter of Aqua Missouri, Inc.'s)	
Request for an Increase in Rates for)	
Water Service Pursuant to the)	Case No. SR-2008-0268
Commission's Small Company Rate)	
Increase Procedure.)	

In the matter of Aqua Missouri, Inc.'s)	
Request for an Increase in Rates for)	
Water Service Pursuant to the)	Case No. WR-2008-0269
Commission's Small Company Rate)	
Increase Procedure.)	

**OFFICE OF THE PUBLIC COUNSEL'S REQUEST FOR
STAFF INVESTIGATION AND LOCAL PUBLIC HEARING**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Request for Staff Investigation and Local Public Hearing states as follows:

1. On December 7, 2007, Aqua Missouri, Inc. (Aqua) filed the above stated small rate case proceedings requesting increases in its water and sewer rates. Notice of this rate increase request was sent to Aqua's customers on December 20, 2007.
2. On July 21, 2008, the Missouri Public Service Commission (Commission) issued an order setting procedural deadlines to put these proceedings in line with the Commission's new

small company rate case procedure regulation, 4 CSR 240-3.050, which became effective on May 30, 2008. The order required Public Counsel to file a statement of its position regarding the agreement between Aqua and the Staff of the Missouri Public Service Commission (Staff) and the related tariff revisions, or a request for any additional local public hearings or an evidentiary hearing and the reason for its request no later than July 23, 2008. The order also notified the parties that if an additional local public hearing becomes necessary, August 6, 2008 is reserved for such a hearing.

3. On March 26, 2008, the Commission issued its Order Setting Public Comment Hearings in these cases. A second notice was sent to Aqua customers and local public hearings were held in Reeds Spring, Shell Knob and Republic during the week of May 12, 2008, Sedalia and Jefferson City during the week of May 26, 2008 and Warsaw on June 9, 2008.

4. During the Jefferson City local public hearing, testimony was given regarding several residences which receive service from Aqua, but were not being billed by Aqua for that service. (Tr. Vol. 6, pg. 59-72)

5. On July 14, 2008, a formal complaint was filed by the residents of Vanloo Estates against Aqua and assigned Case Number SC-2009-0024. The complaint alleges that in April 2008, some of the residents in Vanloo Estates received packets on their doors stating they needed to sign up for sewer service with Aqua and that many of these residents have received large bills from Aqua attempting to collect back payment for services rendered. The complaint also alleges that these residents have resided in Vanloo Estates for up to two years, had never received a bill from Aqua during that time and were not informed that the sewer system belonged to Aqua.

6. Public Counsel has many concerns with the agreement between Aqua and Staff and the related tariff revisions, not the least of which is that in order to determine the necessity of

a rate increase, it is essential that there be a correct customer count of those receiving service from Aqua. The testimony given at the local public hearings and the formal complaint by the residents of Vanloo Estates indicates that a correct customer count is not available from Aqua's billing records. Therefore, Public Counsel requests that the Commission issue an order for Staff to perform an in-depth investigation to verify the exact customer count for Aqua.

7. Due to the fact that rate increases of such large magnitudes are under consideration, Public Counsel believes it is imperative that all customers of Aqua should be provided with timely notice of the proposed rate increases and have the opportunity to speak to the Commission at a hearing. The testimony given at the local public hearings and the formal complaint by the residents of Vanloo Estates indicates there are customers of Aqua who have not received timely notice of the proposed rate increase or the local public hearings. Therefore, Public Counsel requests a local public hearing be held to allow the residents of Vanloo Estates, and any others which Staff's investigation determines did not receive timely notice of the proposed increase due to the fact that they were unbilled customers of Aqua, an opportunity to give comments to the Commission as was provided for other Aqua customers.

8. While Public Counsel does not concede that Aqua's small company rate increase requests fall under the new small company rate case procedure regulation, 4 CSR 240-3.050, which became effective after Aqua's filing of its requests, Public Counsel understands the need for these requests to be acted upon by the Commission in a timely fashion. Public Counsel does not object to the Commission scheduling the local public hearing as soon as practicable, but Public Counsel is concerned that scheduling the local public hearing on August 6, 2008, will not give sufficient time for Staff to verify an exact customer count for Aqua and for those Aqua

customers who did not receive timely notice of the proposed increase or previous local public hearings to be given sufficient notice.

WHEREFORE, Public Counsel respectfully requests that the Commission order a Staff investigation and schedule a local public hearing.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

By:_____

Christina L. Baker (#58303)

Senior Public Counsel

P O Box 2230

Jefferson City, MO 65102

(573) 751-5565

(573) 751-5562 FAX

christina.baker@ded.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 22nd day of July 2008:

Office General Counsel
Missouri Public Service Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City, MO 65102
GenCounsel@psc.mo.gov

Keith Krueger
Office General Counsel
Missouri Public Service Commission
200 Madison Street, Suite 800
P.O. Box 360
Jefferson City MO 65102
keith.kruger@psc.mo.gov

Marc Ellinger
Aqua Missouri
308 East High Street, Ste 301
Jefferson City, MO 65101
mellinger@blitzbardgett.com

/s/ **Christina L. Baker**
