BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Midland Water) Company Requesting a Rate Increase) Case No. WR-2012-0031

STAFF RECOMMENDATION FOR APPROVAL OF TARIFFS

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and recommends that the Missouri Public Service Commission ("the Commission") approve tariff PSC MO No. 2 submitted in Case No. WR-2012-0031 and bearing Tariff Tracking No. YW-2012-0303. In support of this recommendation, Staff states:

1. On July 26, 2011, the Commission received a Rate Increase Request Letter from Midland Water Company ("Midland" or "Company") asking the Commission to allow an increase of its annual operating revenues pursuant to Commission Rule 4 CSR 240-3.050.

2. On December 28, 2011, Midland filed tariff PSC MO No. 2 in Tracking No. YW-2012-0303 in compliance with the terms of the Unanimous Agreement Regarding Disposition of Small Water Company Revenue Increase Request ("the Unanimous Agreement").

3. The Commission has the authority to approve the proposed tariff PSC MO No. 2 pursuant to Section 393.140(11), RSMo (2000).

4. James M. Russo, Rate and Tariff Examination Supervisor in the Water & Sewer Department of the Missouri Public Service Commission, participated in the review of tariff PSC MO No. 2 filed in Tracking No. YW-2012-0303, and states that to the best of his knowledge, information and belief, the tariff as set forth in paragraph 2 is true and correct and complies with the terms of *the Unanimous Agreement* filed in this case. See *Affidavit of James M. Russo*, attached here as Appendix A and incorporated by reference. **WHEREFORE**, Staff recommends that the Commission issue an order approving the *Unanimous Agreement* filed in Case No. WR-2012-0031 and tariff PSC MO No. 2 pending in Tariff Tracking No. YW-2012-0303, to become effective January 27, 2012.

Respectfully Submitted,

STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION

/s/ John D. Borgmeyer

John D. Borgmeyer Legal Counsel Missouri Bar No. 61992

Attorney for the Staff of the Missouri Public Service Commission P.O. Box 360 Jefferson City, Missouri 65102 Telephone: (573) 751-5472 Fax: (573) 751-9285 Email: john.borgmeyer@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 9th day of January, 2012.

/s/ John D. Borgmeyer

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

AFFIDAVIT OF JAMES M. RUSSO

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In the Matter of Midland Water **Company Requesting a Rate Increase**

Case No. WR-2012-0031

STATE OF MISSOURI)) SS **COUNTY OF COLE**)

COMES NOW James M. Russo, being of lawful age, and on his oath states the following: (1) that he is the Rate and Tariff Examination Supervisor in the Water & Sewer Department of the Missouri Public Service Commission; (2) that he participated in the review of tariff PSC MO No. 2, Tariff Tracking No. YW-2012-0303; and (3) that to the best of his knowledge, information and belief, the tariff as set forth in paragraph 2 is true and correct and complies with the terms of the Unanimous Agreement filed in this case.

James M. Russo Rate/& Tariff Examination Supervisor Water and Sewer Department

Subscribed and sworn to before me this 9th day of January, 2012.

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LAURA HOLSMAN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: June 21, 2015 Commission Number: 11203914