

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Thomas E. Wright, Chairman
 Joseph F. Harkins
 Ward Loyd

In the Matter of the Application of Suburban)
Water, Inc., d/b/a Suburban Water Company,)
for Approval of a Purchased Water Adjustment) Docket No. 10-SUBW-602-TAR
("PWA").)

In the Matter of the Application of Suburban)
Water, Inc., d/b/a Suburban Water Company,)
for Approval of an Automatic Meter Reading) Docket No. 10-SUBW-603-TAR
System Surcharge Tariff.)

**ORDER ADOPTING PREHEARING OFFICER'S REPORT AND
RECOMMENDATION AND GRANTING MOTION TO WITHDRAW APPLICATION**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed the files and being fully advised of all matters of record, the Commission finds and concludes as follows:

1. On March 26, 2010, Suburban Water, Inc., d/b/a Suburban Water Company (SWC), filed two Applications pursuant to K.S.A. 66-117 and K.S.A. 1,230, *et seq.*, asking the Commission to approve a Purchased Water Adjustment (PWA) in Docket No. 10-SUBW-602-TAR (10-602) and an Automatic Meter Reading System Surcharge Tariff (AMR) in Docket No. 10-SUBW-603-TAR (10-603). The Commission has jurisdiction over these Applications pursuant to K.S.A. 66-117 and K.S.A. 66-1, 231 to 66-1,233.

2. The Citizens' Utility Ratepayer Board (CURB) was granted permission to intervene in both dockets in an Order issued April 7, 2010. A Suspension Order was also issued in each docket on April 7, 2010, stating that, pursuant to K.S.A. 66-117, the operation of

Suburban Water's proposed tariffs are suspended and the effective dates deferred to November 14, 2010. In its Order issued April 16, 2010, the Commission scheduled a prehearing conference to discuss scheduling on May 5, 2010, and designated Martha J. Coffman, Advisory Counsel, to act as Prehearing Officer in this proceeding. April 16, 2010 Order, ¶ 5.

3. Following this prehearing conference, the Prehearing Officer submitted a Prehearing Officer's Report and Recommendation that, among other things, proposed the Commission adopt a procedural schedule agreed to by the parties, recommended the Commission conduct a public hearing on July 22, 2010, in Bonner Springs, Kansas, and urged approval of an agreement by the parties to be served electronically with testimony, briefs, and orders without requiring follow-up with a hard-copy. Parties recommended the Commission conduct an evidentiary hearing on September 8-9, 2010. No parties filed comments or objections to the Prehearing Officer's Report by the deadline of June 16, 2010.

4. On July 9, 2010, Suburban Water filed a Motion to Withdraw Application, asking the Commission to permit its withdrawal of its Application to approve a tariff for an automated meter reading system. Suburban Water noted Staff agreed to work with it to include this request in its next rate case and CURB did not object to withdrawing this Application in Docket 10-603.

5. Having reviewed the Prehearing Officer's Report and the recommendations contained therein, the Commission finds the proposed procedural schedule reached by the parties should be approved and adopted for this proceeding. In this Order, the Commission adopts all recommendations contained in the Prehearing Officer's Report. The Commission also grants Suburban Water's Motion to Withdraw Application.

FINDINGS AND CONCLUSIONS

6. Appearances at the Prehearing Conference on May 5, 2010, are set forth in the Prehearing Officer's Report, ¶ 4. At the Prehearing Conference, counsel for Suburban Water noted that the company did not prefile direct testimony with its Application in Docket 10-602 addressing the Purchased Water Agreement; Suburban Water proposed it file direct testimony by May 14, 2010, in that docket. However, following discussion among the parties after the Prehearing Conference, the company did not file testimony on May 14, 2010; instead, upon agreement of the parties, Suburban Water prefiled direct testimony in Docket 10-602 on Friday, June 4, 2010. Prehearing Officer's Report, ¶ 5. Other than this change, the schedule proposed by the parties was agreed to at the Prehearing Conference and its approval recommended by the Prehearing Officer. Prehearing Officer's Report, ¶ 9.

7. The Commission has reviewed the procedural schedule proposed by the parties and agrees with the Prehearing Officer that this schedule is reasonable and should be adopted. The Commission specifically approves the parties' agreement that the deadline for the Commission to file the Order in this matter is November 15, 2010, which is the first business day after the 240-day deadline expires on Sunday, November 14, 2010. Also, the Commission approves use of electronic service, without a follow-up hard copy as required by K.A.R. 82-1-216(a)(6), for testimony, briefs, and orders. The deadline for electronic service of documents will be 3:00 p.m. on the date of the deadline, and the deadline for providing hard copies to the Commission's Docket Room will be 5:00 p.m. the date of the deadline. The electronic service of testimony, briefs, and orders shall state that no follow-up hard copy will be provided.

8. The Commission approves and adopts the procedural schedule recommended in the Prehearing Officer's Report, as follows:

June 4, 2010	Company's Prefiled Direct Testimony in 10-602
July 22, 2010	Public Hearing at Bonner Springs Community Center
July 30, 2010	Staff & Intervenor Testimony Due
August 13, 2010	Company's Rebuttal Testimony Due
August 20, 2010	Discovery Ends
August 30, 2010	Pretrial Motions Due
September 1, 2010	Settlement Conference (among the parties), 10:00 a.m.
September 1, 2010	Prehearing Conference, 2:00 p.m.
September 3, 2010	Public Comment Period Ends, 5:00 p.m.
September 8-9, 2010	Evidential Hearing, 9:00 a.m.
September 24, 2010	Company Initial Brief Due
October 8, 2010	Staff & Intervenor Responsive Briefs Due
October 15, 2010	Company Reply Brief Due
November 15, 2010	Order Due

9. A public hearing shall be conducted at Bonner Springs Community Center, 200 E. Third Street, Bonner Springs, Kansas, on Thursday, July 22, 2010, beginning at 7:00 p.m. As explained in more detail in the Prehearing Officer's Report, ¶ 8, the notice of public hearing will be mailed directly to Suburban Water customers and notice will be published in the same newspapers as used during the company's last rate case. The Commission approves receipt of public comments by the Office of Public Affairs and Consumer Protection (PACP Office) until September 3, 2010. As set forth in the Prehearing Officer's Report, ¶ 14, the PACP Office shall summarize the public comments received in reports filed on July 22 and September 6, 2010.

10. This schedule includes a Prehearing Conference before the Prehearing Officer on September 1, 2010, beginning at 2:00 p.m., in the Third Floor Hearing Room of the Commission's Offices, 1500 SW Arrowhead Road, Topeka, KS 66604-4027. During this Prehearing Conference, parties will address any outstanding prehearing motions, discuss the procedure to be used during the evidentiary hearing, and consider any other matters that will promote the orderly and prompt conduct of this proceeding. K.S.A. 77-517; K.A.R. 82-1-222. Parties should be prepared to discuss any matters appropriately considered in a prehearing conference, including all items listed in the Kansas Administrative Procedure Act (KAPA) at K.S.A. 77-517(b). At the prehearing conference, this proceeding without further notice may be converted into a conference hearing or a summary proceeding for disposition of the matter as provided by KAPA. K.S.A. 77-516(c)(7). The Prehearing Officer will continue to be Martha J. Coffman, Advisory Counsel, 1500 SW Arrowhead Road, Topeka, KS 66604-4027, telephone 785-271-3105, email address m.coffman@kcc.ks.gov. K.S.A. 77-516; K.S.A. 2009 Supp. 77-551. In its discretion, the Commission may designate other Commission staff to serve as Prehearing Officer.

11. As also listed in the procedural schedule, the Commission shall conduct an evidentiary hearing that will begin on September 8, 2010, at 9:00 a.m., and will continue as needed through September 9, 2010, in the First Floor Hearing Room of the Commission's Offices, 1500 SW Arrowhead Road, Topeka, KS 66604-4027. Any party who fails to attend or participate in the hearing or in any other stage of this proceeding may be held in default under KAPA. K.S.A. 2009 Supp. 77-518(c)(8); K.S.A. 2009 Supp. 77-520.

12. In its Motion to Withdraw Application in 10-603, Suburban Water noted that Staff has expressed its preference for recovery of cost incurred for installing a new automatic meter

reading system to be included as part of a rate case application rather than separately through a tariff proceeding as in Docket 10-603. Staff has agreed to work with Suburban Water on a collaborative basis prior to filing of a rate case application and requested withdrawal of this Application. Motion, ¶ 3. In light of Staff's willingness to work on this matter, Suburban Water asked permission to withdraw its Application in Docket 10-603. Suburban Water noted it plans to meet with Staff and CURB before filing its next rate case to discuss issues related to installing a new meter reading system and other issues regarding the rate case filing. Motion, ¶ 4. Staff and CURB do not object to withdrawing this Application and deferring cost recovery of installing the new meter reading system to Suburban Water's next rate case. Motion, ¶ 5. Suburban Water noted that its request for a purchased water adjustment will go forward as scheduled in Docket 10-602, including the public hearing on July 22, 2010. Motion, ¶ 6.

13. The Commission finds Suburban Water's request to withdraw its Application in Docket 10-603 regarding recovery of costs for installing a new meter reading system is reasonable. The Commission grants Suburban Water's Motion to Withdraw its Application in Docket 10-603 and orders Docket 10-603 be closed.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

(A) The Commission hereby adopts the procedural schedule proposed by the parties and recommended by the Prehearing Officer, as set forth above in paragraph 8.

(B) The Commission orders that a public hearing be held on July 22, 2010, at 7:00 p.m., and that public comments be received by the PACP Office, as described above in ¶ 9.

(C) The Commission orders that a prehearing conference be conducted, with the Prehearing Officer presiding, on September 1, beginning at 2:00 p.m., in the 3rd Floor Hearing

Room of the Commission's Office, 1500 Arrowhead Road, Topeka, Kansas, as set forth above in ¶ 10.

(D) The Commission orders that an evidentiary hearing be conducted, with the Commission presiding, beginning on September 8, 2010, at 9:00 a.m., and continuing as needed on September 9, 2010, in the First Floor Hearing Room of the Commission's Office, 1500 Arrowhead Road, Topeka, KS, 66604, as discussed above in ¶ 11.

(E) The Commission approves the parties' agreement to use electronic service without hard copy follow-up of testimony, briefs, and orders, as discussed above in ¶ 7.

(F) The Commission grants Suburban Water's Motion to Withdraw Application and orders Docket No. 10-SUBW-603-TAR closed, as stated in ¶ 13.

(G) Parties have fifteen days, plus three days if service of this Order is by mail, from the date of mailing this Order in which to petition the Commission for reconsideration. K.S.A. 66-118b; K.S.A. 2009 Supp. 77-529(a)(1).

(H) The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Wright, Chmn; Harkins, Com.; Loyd, Com.

Dated: JUL 14 2010

ORDERED MAILED
ELECTRONICALLY

JUL 14 2010

 EXECUTIVE
DIRECTOR

Susan K. Duffy
Executive Director

mjc