

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of Lake Region Water & Sewer ) File No. SR-2010-0110  
Company's Application to Implement a General ) Tariff No. YS-2010-0250  
Rate Increase in Water & Sewer Service )

In the Matter of Lake Region Water & Sewer ) File No. WR-2010-0111  
Company's Application to Implement a General ) Tariff No. YW-2010-0251  
Rate Increase in Water & Sewer Service )

**STAFF'S UPDATE TO RATE CASE EXPENSE**

COMES NOW the Staff of the Missouri Public Service Commission (Staff) and for its response to the Missouri Public Service Commission's (Commission) June 24, 2010 Order directing Staff to submit an updated recommendation to Lake Region Water & Sewer Company's (Lake Region) rate case expense, states as follows:

1. In Staff's true-up direct testimony (See Staff Exhibit 17), Staff's recommendation for rate case expense was \$22,498 to be divided among the three utility systems, and to be amortized over a three-year period.
2. Staff has reviewed documents, including invoices, that Lake Region provided Staff relating to rate case expense through May 31, 2010. Staff verified that the costs associated with a rate case expense of \$42,997 are supported by those documents. . However, Staff is only recommending an adjustment to Lake Region's rate case expense for cost incurred through the true-up period, ending March 31, 2010. Staff's new rate case expense recommendation is \$26,273 to be divided amongst the three utility systems and to be amortized over a three-year period.
3. As a general practice, Staff does not adjust rate case expense beyond the true-up period. Staff acknowledges that this matter is unique, in that an additional evidentiary

hearing was held post true-up, resulting in an increase to Lake Region's rate case expense.

However, Staff believes the appropriate cut-off for rate case expenses is March 31, 2010.

**WHEREFORE**, attached hereto, Staff respectfully submits its revised rate case expense recommendation responding to the Commission's June 24 2010 Order directing Staff to update its recommendation for Lake Region's rate case expense.

Respectfully submitted,

/s/ Jaime N. Ott

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### **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 9<sup>th</sup> day of July 2010.

/s/ Jaime N. Ott