

**BEFORE THE
MISSOURI PUBLIC SERVICE COMMISSION**

In the Matter of Lake Region Water and)	
Sewer Company's Application to)	Case No. SR-2010-0110
Implement a General Rate Increase)	
In Water and Sewer Service)	

In the Matter of Lake Region Water and)	
Sewer Company's Application to)	Case No. WR-2010-0111
Implement a General Rate Increase)	
In Water and Sewer Service)	

**Four Seasons Racquet and Country Club Condominium
Property Owners Association, Inc.'s
Reply to OPC's Objection to Joint Request for Extension**

Intervenor Four Seasons Racquet and Country Club Condominium Property Owners Association, Inc. ("Intervenor") hereby submits the following Reply to OPC's Objection to the August 24, 2010 Joint Request for an Extension of Time for the installation of flow meters called for by the Stipulation.

1. The Joint Request for Extension does not provide only for a report to the Commission by June 1, 2010. It provides that the parties will report to the Commission when the flow meter installations are completed, or an installation progress report by June 1, 2011, whichever first occurs. In addition the parties agreed to meet quarterly, beginning September 15, 2010, in order to monitor progress.

2. OPC's stated concern that other customers will be subsidizing Intervenor and the Country Club Hotel ("Hotel") is not substantiated, and does not reflect the actuality of the current situation.

3. The Stipulation in paragraph 10 provides that, until the flow meters are operational, for purposes of ratemaking the revenues from Intervenor and Hotel would be based upon metered water readings. As most, if not all, other sewer customers' usage is based on water readings, this provision in and of itself creates no subsidization concerns.

4. There can only be subsidization of Intervenor by other customers if there is proportionately more groundwater infiltration at Intervenor's facilities than at those of other customers. The parties do not have sufficient information to substantiate a conclusion that any particular customer has proportionately more infiltration than any other customer.

5. Lake Region is responsible to bill all customers in an accurate and non-discriminatory manner. Lake Region converted Intervenor's sewer usage determinations from water meter readings to flow meter readings. When it did so, LR placed a single flow meter at a location that captured the usage of both Intervenor and Hotel. The flow meter captured any ground water infiltration occurring at the facilities of the Hotel, or at those of Intervenor. Intervenor was billed based on flow meter readings. Hotel was billed based on water meter readings. Intervenor's bill included any infiltration occurring at the Hotel. Hotel's bill did not include any infiltration. Intervenor had spent tens of thousands of dollars mitigating infiltration. Hotel had not. Prior to the Stipulation, Intervenor had been placed in a position of subsidizing any Hotel infiltration.

6. Intervenor cannot conclude that it actually subsidized Hotel, because there are no flow meter readings separating Intervenor's usage from that of Hotel to

substantiate such a conclusion. Likewise, neither OPC nor Staff can now conclude that Intervenor's usage will be higher when flow meter installation is completed.

7. The very purpose of the stipulation is to prevent subsidization between Intervenor and Hotel. Staff and Lake Region championed the use of flow meters as being the most accurate usage recorder. It turns out that the multiple flow meter installation required to achieve accurate usage billings is more complicated, and takes more time, than originally contemplated by Staff and Lake Region.

8. Once a flow meter is installed, it takes a sufficient amount of time to measure its performance during both wet and dry weather conditions. The parties have to wait for precipitation events. That process has to be undergone first for the existing flow meter, then again for the subsequent flow meters. The parties now recognize that this process will take longer than contemplated at the time of the original Stipulation. This is the reason for the extension request.

9. The purpose of the Stipulation is to avoid the subsidization concern expressed by OPC. The purpose of the extension request is to obtain sufficient time in which to perform the installations necessary to avoid subsidization. The goal of the Stipulation and of the extension request is the same. It will simply take more time than originally thought to pursue that goal.

WHEREFORE, on the basis of the foregoing Intervenor Four Seasons Racquet and Country Club Condominium Property Owners Association, Inc. respectfully requests that the Commission grant the extension requested.

/s/ Craig S. Johnson

Craig S. Johnson
MoBar # 28179
Berry Wilson, LLC
304 East High Street
Suite 100
P.O. Box 1606
Jefferson City, MO 65102
(573) 638-7272
(573) 638-2693 fax

Attorney for Intervenor

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this pleading was electronically mailed to the following attorneys of record in this proceeding this 26th day of August, 2010:

Mark Comley	comleym@ncrpc.com
Jaime Ott	Jaime.Ott@psc.mo.gov
Christina Baker	christina.baker@ded.mo.gov
Lisa Langeneckert	llangeneckert@sandbergphoenix.com

/s/ Craig S. Johnson

Craig S. Johnson