

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	)	

**RECONCILIATION**

COME NOW the Staff of the Missouri Public Service Commission (Staff) and states:

1. Attached as Appendix A is a reconciliation of the direct cases – after corrections, after the filing of surrebuttal, and after a unanimous stipulation of undisputed facts – of (1) Staff, (2) Office of Public Counsel, and (3) Lake Region Water & Sewer Company.

WHEREFORE the Staff submits the attached reconciliation of the direct cases.

Respectfully submitted,

/s/ Jaime N. Ott  
Jaime N. Ott (MBN 60949)  
Assistant General Counsel  
Attorney for the Staff of the  
Missouri Public Service Commission  
P. O. Box 360  
Jefferson City, MO 65102  
(573) 751-7510 (Telephone)  
(573) 751-9285 (Fax)  
[jaime.ott@psc.mo.gov](mailto:jaime.ott@psc.mo.gov)

# 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 19th day of March, 2010.

/s/ Jaime N. Ott\_\_\_\_\_

**Lake Region Water & Sewer Company**  
**Case Nos. WR-2010-0110 & SR-2010-0111**

**Reconciliation**

	<b><u>Shawnee Bend Water</u></b>	<b><u>Shawnee Bend Sewer</u></b>	<b><u>Horseshoe Bend Sewer(A)</u></b>
Revenue Requirement at time of Hearings	\$20,549	\$108,076	\$18,125

ISSUES:

**1a. Availability Charges (Fees) <sup>1</sup>**

Company	--\$0--	--\$0--	--\$0--
Staff	(144,000)	(216,000)	--0--
Public Counsel	(150,000)	(225,000)	--0--

(A) No Availability Charges  
for Horseshoe Bend Sewer

The above amounts of Availability Charges for Staff and Public Counsel would result in a reduction to the above revenue requirement amounts depending on which position the Commission adopts for this issue.

If the Commission adopts the Company's position no reduction to the above revenue requirements is necessary.

b. In the alternative, if the Commission does not treat Availability Charges in the Lake Region rate structure, Staff is proposing to treat Lake Utility Availability as a separate entity assigning certain costs to it through a re-allocation of these costs that have initially been assigned to Lake Region in the above revenue requirements at hearing. As presented in Staff surrebuttal [Featherstone- page 19] there is a \$17,493 reduction in executive management compensation and payroll costs broken out as:

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<sup>1</sup> Lake Region does not agree that availability charges constitute a relevant issue in this proceeding for any purpose and objects to any reconciliation including estimates of those charges as part of the case. Lake Region further objects to the alternative set out in the surrebuttal testimony of Mr. Featherstone. The alternative expressed in subparagraph b. is entirely new matter which does not rebut any witness's rebuttal and is therefore improper under 4 CSR 2.130(7)(D).

Operating System	Payroll Allocation	Amount of cost reduction assigned to each operating system
Shawnee Bend Water	25.5%	(\$4,461)
Shawnee Bend Sewer	26.8%	(4,688)
Horseshoe Bend Sewer	<u>47.7%</u>	<u>(8,344)</u>
Total Cost Reduction	100.0%	(\$17,493)

The above amounts would be a reduction to each of the three Lake Region operating systems if the Commission excludes Availability Charges in the rate structure but adopts Staff's alternative position.

## 2. Executive Management Compensation/ Management Fees

	Shawnee Bend Water	Shawnee Bend Sewer	Horseshoe Bend Sewer	Total
Company	\$25,422	\$26,718	\$47,555	\$99,695
Staff	7,115	7,477	13,309	27,901
Public Counsel	200	200	200	600

The amount of executive management compensation for Staff is reflected in the starting revenue requirement at hearings above.

If the Commission adopts the Company position the difference between Staff and Company would be added to the above starting revenue requirement at time of hearings.

If the Commission adopts Public Counsel's position the difference between Staff and Public Counsel would be subtracted from the above starting revenue requirement at time of hearings.