

Dean Cooper

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Sent: Wednesday, October 22, 2014 2:38 PM
To: Thompson, Kevin; Dean Cooper
Cc: Russo, Jim
Subject: Central Rivers
Attachments: Central Rivers Issues.docx

Here is the issues document I passed out at the meeting today.

Christina

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Central Rivers Issues

- (1) Refunding previously collected connection fees in excess of the tariffed amount
 - a. How much was collected above tariff rate of \$4,500 for 3 bedroom & smaller homes?
 - b. How much was collected above tariff rate of \$4,800 for 4 bedroom & larger homes?
 - c. How much was collected per “actual cost” tariff rate for non-residential & multi-family?
 - i. How was “actual cost” calculated for each?
 - d. Should excess amounts be refunded to customers?
 - i. If so, by what date should refunds be completed?
 - ii. If so, should excess amounts be refunded with interest?
 - e. Is there an effect on rate base, plant balances, CIAC, depreciation/depreciation reserve, capital structure or return on equity that needs to be accounted for?

- (2) Amount of the connection fee to be included in the tariff going forward
 - a. What is the market rate?
 - i. Amount for 3 bedroom & smaller homes?
 - ii. Amount for 4 bedroom & larger homes?
 - iii. Amount for multi-family?
 - iv. Amount for non-residential?
 - b. If any are “actual cost”, how is that to be documented so costs can be proven to be just and reasonable?

- (3) Should parties other than the Company’s affiliated construction company be allowed to install the STEP and STEG systems
 - a. Is Company’s affiliated construction company qualified to install these systems?
 - b. Who else is qualified to install these systems?
 - i. How is “qualified” defined?
 - c. If others should be allowed to install the systems
 - i. Should anyone qualified be allowed to install or should company maintain a list of approved installers?
 - ii. How should language in tariff for connection charges be modified?
 - iii. Who is responsible for maintenance of a non-company installed system?

(4) Rate case expense

- a. Should contract operations salary amounts be allowed in rate case expense?
 - i. What are the contract operations salary amounts?
 - 1. What personnel are being claimed?
 - 2. What activities did each personnel perform?
 - 3. How much time is being claimed for each personnel?
 - 4. What is the per hour cost for each personnel?
 - 5. Why were these salaries not included in revenue requirement as salary expense or contract operator expense?
 - a. Should they be included in salary expense or contract operator expense instead?
 - i. If so, what is the affect on cost of service and revenue requirement?
 - b. What other entities will be included in rate case expense?
 - i. Attorney(s)
 - ii. Rate case expert(s)
 - c. What is a reasonable time frame for inclusion of rate case expense?

(5) Non-STEP CIAC calculations

- a. Should amounts be updated to reflect the update period in this case?
 - i. If so, what is the affect on rate base, cost of service and revenue requirement?

(6) Customer deposit refunds

- a. By what date should refunds be completed?
 - i. Is there an effect on rate base, cost of service and revenue requirement that needs to be accounted for?