BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Lincoln County Sewer & Water, LLC for Approval of a Rate Increase

File No. SR-2013-0321

MOTION TO ESTABLISH RATE CASE EXPENSE AND FOR EXPEDITED TREATMENT

COMES NOW Lincoln County Sewer & Water, LLC (LCSW), and, in accordance with Missouri Public Service Commission (Commission) Rule 4 CSR 240-2.080(14), moves the Commission to establish the amount of rate case expense so that LCSW may file tariff sheets in accordance with the Report and Order issued in this case and asks the Commission to do so in an expedited manner:

1. On April 2, 2014, the Commission issued its Report and Order. In that Order, the Commission ordered LCSW to file tariffs consistent with the Report and Order.

2. In every rate case, the subject company must work with Staff (and the other parties) to calculate the revenue requirement based on the Commission's order, to include the addition of rate case expense, so that the Staff can make its EMS runs. Thereafter, actual rates can be designed for inclusion in proposed tariff sheets.

3. In this case, LCSW has been unable to obtain Staff's position on total rate case expense and, to LCSW's knowledge, no Staff EMS runs have been made.¹ Accordingly, LCSW is unable to calculate tariff rates or to file proposed tariff sheets.

¹ There will actually be four such EMS runs required in this case – one each for Rockport sewer, Rockport water, Bennington sewer, and Bennington water.

4. By this motion, LCSW seeks the Commission's order establishing an amount of rate case expense to use in the setting of rates, so that the process of working toward the filing of tariff sheets in compliance with the Commission's Report and Order can proceed.

5. As the Commission may recall, LCSW filed the rate case requests that form the basis for this case on December 4, 2012. LCSW tried to process the case without hiring a lawyer. (Tr. 332) After the Company determined it would be unable to reach an agreement with Staff, it engaged the undersigned counsel and a consultant, LCSW witness Dale Johansen, in an attempt to reach a result that recognized the investment made in the LCSW systems and the expenses and work that is required to provide water and sewer service to the LCSW customers.

6. The Commission has previously recognized that many of a company's rate case expenses are not incurred until the hearing and will continue to accumulate even after the Commission issues its report and order. (*In the Matter of the Request for an Increase in Sewer Operating Revenues of Emerald Pointe Utility Company*, File No. SR-2013-0016 et. al, Revised Report and Order (September 24, 2013) ("Many of the company's rate case expenses were not incurred until the hearing and will continue to accumulate even after the Commission issues its report and order. It is appropriate to update rate case expenses through a date closer to when new rates will go into effect."). Thus, calculation of these expenses must necessarily take place after the conclusion of the evidentiary hearing.

7. LCSW has incurred the following rate case expense associated with this matter:

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<u>TYPE</u>	AMOUNT
Johansen Consulting Services – Copies of Invoices are attached as <u>Appendix A</u> (Proprietary)	\$10,106.00
Brydon, Swearengen & England P.C. – Copies of Invoices are attached as <u>Appendix B</u> (Proprietary)	\$26,330.00
McIlroy and Millan – Copies of Invoices are attached as <u>Appendix C</u> (Proprietary)	\$4,147.50
Company time specifically spent meeting with Staff and Public Counsel, appearing at Commission proceedings and responding to discovery and other matters associated with the rate case (\$23,670), plus expenses related to same (\$1,524) – See description at <u>Appendix D</u>	\$25,194.00
Total Rate Case Expense	\$65,777.50

8. It is the Company's understanding that the authorized rate case expense will be <u>divided by three</u> (to reflect recovery over three years, as proposed by the Company and Staff), such that <u>one-third of the rate case expense will be reflected in the total Company revenue requirement</u>.

MOTION FOR EXPEDITED TREATMENT

9. LCSW filed the rate case requests that form the basis for this case on

December 4, 2012. The Commission conducted an evidentiary hearing on November 5,

2013. Briefs were filed by the parties on November 26, 2013. The utility plant

investment that caused LCSW to make this rate case filing has been in service for

approximately twenty (20) months. The Commission's Report and Order has authorized

a rate increase for LCSW. Granting this Motion will avoid further delay in regard to the

rate relief which the Commission has found to be justified. As such, expedited

Commission action will be consistent with the public interest as established by the General Assembly and Commission order.

10. This motion has been filed as possible after it became apparent that the matter could not otherwise be addressed.

WHEREFORE, for the foregoing reasons, LCSW respectfully requests the

Commission to grant LCSW's Motion for Expedited Treatment and, thereafter, establish

rate case expense for the purpose of setting rates in this matter.

Respectfully submitted,

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Dean L. Cooper Mo Bar No 36592 BRYDON, SWEARENGEN & ENGLAND P.C. 312 East Capitol Avenue P.O. Box 456 Jefferson City, MO 65102 (573) 635-7166 (Telephone) (573) 635-3847 (Fax) dcooper@brydonlaw.com

Attorney for Lincoln County Sewer & Water, LLC

Certificate of Service

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 8th day of May, 2014, to:

Kevin Thompson Missouri Public Service Commission <u>kevin.thompson@psc.mo.gov</u>

Christina Baker Office of the Public Counsel <u>christina.baker@ded.mo.gov</u>

Q1.Com

AFFIDAVIT

State of Missouri

County of Linual

I, Dennis Kallash, having been duly sworn upon my oath, state that I am the Manager of Lincoln County Sewer & Water, LLC (LCSW), that I am duly authorized to make this affidavit on behalf of LCSW, and that the matters and things stated in the foregoing application and appendices thereto are true and correct of the best of my information, knowledge and belief.

Subscribed and sworn before me this

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day of May, 2014.

Notary Public

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V. MIRANDA LINDSEY Notary Public - Notary Seal STATE OF MISSOURI Lincoln County My Commission Expires: Feb. 25, 2018 Commission # 14585845