

Exhibit No.:
Issue: True-Up Revenue Requirement
Witness: Kimberly K. Bolin.
Sponsoring Party: MoPSC Staff
Type of Exhibit: True-Up Rebuttal Testimony
Case No.: WR-2013-0461
Date Testimony Prepared: March 11, 2014

MISSOURI PUBLIC SERVICE COMMISSION

**REGULATORY REVIEW DIVISION
UTILITY SERVICES - AUDITING**

TRUE-UP REBUTTAL TESTIMONY

OF

KIMBERLY K. BOLIN

LAKE REGION WATER & SEWER COMPANY

CASE NO. WR-2013-0461

Jefferson City, Missouri
March 2014

1 **TRUE-UP REBUTTAL TESTIMONY**

2 **OF**

3 **KIMBERLY K. BOLIN**

4 **LAKE REGION WATER & SEWER COMPANY**

5 **CASE NO. WR-2013-0461**

6 Q. Please state your name and business address.

7 A. Kimberly K. Bolin, 200 Madison Street, Suite 440, Jefferson City, MO 65102.

8 Q. By whom are you employed and in what capacity?

9 A. I am employed by the Missouri Public Service Commission (“Commission”)
10 as a Utility Regulatory Auditor V.

11 Q. Are you the same Kimberly K. Bolin who has filed direct testimony, portions
12 of the Commission Staff’s (“Staff”) Cost of Service Report, surrebuttal testimony, and true-up
13 direct testimony in this case?

14 A. Yes.

15 Q. What is the purpose of your true-up rebuttal testimony?

16 A. The purpose of my true-up rebuttal testimony is to provide corrections to
17 Staff’s true-up direct revenue requirement calculations for Lake Region Water and Sewer
18 Company’s (“Lake Region” or “Company”) service areas.

19 **CORRECTIONS TO TRUE-UP DIRECT FILING**

20 Q. Is Staff aware of corrections that need to be made Staff’s true-up direct
21 revenue requirement calculations for Lake Region’s service areas?

1 A. Yes. After the true-up direct filing on March 6, 2014, Staff became aware of
2 corrections that needed to be made to the true-up direct revenue requirements for Lake
3 Region's service areas.

4 Q. What are the corrections?

5 A. The first correction is to rate case expense. Staff did not include in rate case
6 expense \$73 related to mileage reimbursement for Company witness John Summers in its
7 true-up direct revenue requirement calculation. Staff has now included this additional amount.

8 Q. What are the other corrections?

9 A. The further corrections are related to the plant in service balances. The first
10 correction to the plant in service balance is that Staff has now properly recorded three new
11 services to Horseshoe Bend Sewer and one new service to Shawnee Bend Sewer. Initially,
12 Staff had recorded four sewer services to the Horseshoe Bend Sewer service area (Account
13 353.1 Services to Customers). One of the sewer services was actually for the Shawnee Bend
14 Sewer service area.

15 The next correction to the plant in service balance relates to additions and retirements
16 made during the test year. The Company had originally recorded these additions as expenses
17 instead of plant. In Staff's original direct filing filed November 15, 2013, Staff removed these
18 additions from expense and added them to plant in service. Since that filing the Company has
19 removed the plant from expense and properly recorded the plant additions as plant in service
20 as part of the Company's end of the fiscal year accounting entries. Staff mistakenly included
21 the additions and retirements again in its true-up direct revenue requirement.

22 Q. Which plant and corresponding reserve accounts for each service areas did
23 Staff correct to fix this mistake?

True-Up Rebuttal Testimony of
Kimberly K. Bolin

1 A. For the Shawnee Bend Sewer service area Staff made corrections to Account
2 353.2 – Services to Customers and Account 372.2 – Treatment and Disposal Equipment. For
3 the Shawnee Bend Water service area Staff made corrections to Account 346 – Meters.

4 Q. What corrections did Staff make to the Contributions in Aid of Construction
5 balance (CIAC)?

6 A. Initially, Staff did not include CIAC that was associated with new customers
7 added during the true-up period. Staff has now included the CIAC for the new customers in
8 the revenue requirements for all of Lake Region’s service areas.

9 Q. What are the results of Staff’s true-up audit with the corrections previously
10 mentioned in this testimony?

11 A. The following table identifies the results of Staff’s true-up audit with
12 corrections:

Lake Region Operating Entity	Annual Revenue Requirement Staff ROE 13.89%	Rate Base at December 31, 2013
Horseshoe Bend Sewer	\$40,766	\$1,308,124
Shawnee Bend Sewer	\$(174,973)	\$114,821
Shawnee Bend Water	\$(74,905)	\$1,057,873

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14 Q. Does this conclude your true-up rebuttal testimony?

15 A. Yes.

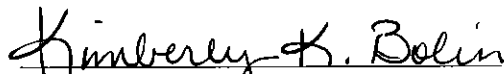
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Lake Region Water & Sewer)
Company's Application to Implement a) Case No. WR-2013-0461
General Rate Increase in Water & Sewer)
Service)

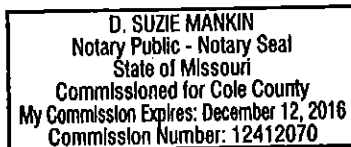
AFFIDAVIT OF KIMBERLY K. BOLIN

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Kimberly K. Bolin, of lawful age, on her oath states: that she has participated in the preparation of the foregoing True-Up Rebuttal Testimony in question and answer form, consisting of 3 pages to be presented in the above case; that the answers in the foregoing True-Up Rebuttal Testimony were given by her; that she has knowledge of the matters set forth in such answers; and that such matters are true and correct to the best of her knowledge and belief.


Kimberly K. Bolin

Subscribed and sworn to before me this 11th day of March, 2014.




Notary Public