

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of S. K. & M. Water and)	<u>Case No. WR-2007-0460</u>
Sewer Company's Rate Increase)	Tariff No. YW-2007-0864
Request)	

In the Matter of S. K. & M. Water and)	<u>Case No. SR-2007-0461</u>
Sewer Company's Rate Increase)	Tariff No. YS-2007-0865
Request)	

PROPOSED LIST OF ISSUES,
ORDER OF WITNESSES,
ORDER OF CROSS-EXAMINATION,
AND ORDER OF OPENING STATEMENTS

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), on its own behalf and on behalf of S. K. & M. Water and Sewer Company ("S. K. & M." or "Company"), and the Office of the Public Counsel ("OPC"), and submits the following Proposed List of Issues, Order of Witnesses, Order of Cross-Examination, and Order of Opening Statements for the evidentiary hearing to be held in this case on August 14, 2007.

On July 3, 2007, the Commission issued its Order Suspending Tariff, Establishing Procedural Schedule and Setting Evidentiary Hearing, in which it ordered the parties to agree upon and the Staff to file: a list of issues to be heard; the witnesses to appear on the day of the hearing and the order in which they shall be called; and the order for cross-examination of each witness. The Commission directed the Staff to file its pleading by July 26, 2007.

The parties have conferred and have unanimously agreed upon the statement of the issues in this case, as set forth in Section I, below, and have also agreed upon the order of witnesses, the order of cross-examination, and the order of opening statements, as set forth in Sections II, III, and IV, below, respectively.

I. LIST OF ISSUES

The parties have unanimously agreed upon the following list of issues that the Commission needs to resolve in order to make its decision in this case:

A. What amount should be included in the determination of cost of service for the salary of the primary operator of the facilities and the associated payroll tax?

B. Should any amount be included in the determination of cost of service for negative reconnection fees and for other revenues? If so, what amount should be included?

C. What amount should be included in the determination of cost of service for outside services for attorney fees paid to Kim Moore?

D. Should the amount included in the determination of cost of service for automobile insurance be adjusted by eliminating the insurance associated with a non-utility vehicle? If so, how much should the adjustment be?

E. Should the amount that is included in the determination of cost of service for interest expense be adjusted for interest synchronization associated with the weighted cost of debt? If so, how much should the adjustment be?

F. What depreciation rates should be allowed for water account no. 392 and sewer account no. 363?

G. Should debt associated with the 1997 backhoe be considered in the determination of the Company's capital structure?

H. Should the plant and depreciation reserve accounts be adjusted to reflect the removal of the 1997 backhoe from service?

I. Should the Company be ordered to return customer deposits? If so, which deposits should be return, and what is the amount due for such returns?

J. Should the Company be allowed to recover the costs it incurs for prosecuting this rate increase request and, if so, in what amount?

K. What amount should be included in the cost of service for sludge hauling expense?

II. LIST OF WITNESSES

Set forth below is the anticipated order of appearance of witnesses, along with an estimate as to the time each will testify. The parties desire to expedite the hearing and therefore agree to make all of the witnesses available to testify immediately following the conclusion of the testimony by the preceding witness.

A. Company Witness

Angela Swan (Tuesday morning)

B. Staff Witnesses

Jim Russo (Tuesday morning)
Amanda McMellen (Tuesday morning)
Paula Mapeka (Tuesday morning)
Guy Gilbert (Tuesday morning)
Kay Niemeier (Tuesday afternoon)
Dale Johansen (Tuesday afternoon)

C. OPC Witness

Ted Robertson (Tuesday afternoon)

III. ORDER OF CROSS-EXAMINATION

The order of cross-examination shall be as follows:

A. Company Witness

1. Staff
2. OPC

- B. Staff Witnesses**
1. Company
 2. OPC
- C. OPC Witness**
1. Staff
 2. Company

IV. ORDER OF OPENING STATEMENTS

The order of opening statements shall be as follows:

- A. Company**
- B. Staff**
- C. OPC**

WHEREFORE, based on the foregoing, the Staff, on its own behalf, and on behalf of S. K. & M. Water and Sewer Company and the Office of the Public Counsel submits this Proposed List of Issues, Order of Witnesses, Order of Cross-Examination and Order of Opening Statements to the Commission for its consideration.

Respectfully submitted,

/s/ Keith R. Krueger
Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

Attorney for the Staff of the
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102
(573) 751-4140 (Telephone)
(573) 751-9285 (Fax)
keith.krueger@psc.mo.gov (e-mail)

/s/ Robert S. Berlin
Robert S. Berlin
Senior Counsel
Missouri Bar No. 51709

Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102
(573) 526-7779 (Telephone)
(573) 751-9285 (Fax)
bob.berlin@psc.mo.gov (e-mail)

Certificate of Service

I hereby certify that copies of the foregoing have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 26th day of April 2007.

/s/ Robert S. Berlin