

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

In the Matter of the Application for a Rate Increase)
For Raccoon Creek Utility Operating Co. Inc.) File No. SR-2016-0202

**RESPONSE OF THE OFFICE OF THE PUBLIC COUNSEL TO PARTIAL DISPOSITION
AGREEMENT, REQUEST FOR EVIDENTIARY HEARING, AND REQUEST FOR LOCAL
PUBLIC HEARING**

COMES NOW the Office of the Public Counsel ("OPC") and for its response to the *Partial Disposition Agreement* filed by the Public Service Commission Staff ("Staff") on August 30, 2016 states as follows:

1. On February 2, 2016, Raccoon Creek Utility Operating Company Inc. ("Raccoon Creek") initiated a small company rate increase proceedings with the Missouri Public Service Commission ("Commission") requesting a total sewer revenue increase of \$529,557 for its sewer regulated utilities. On August 30, 2016, the Staff and Raccoon Creek reached a *Partial Disposition Agreement* as to a few minor service related issues, leaving open for resolution by the Commission, the majority of the rate increase request.

2. After a review of the filed *Partial Disposition Agreement*, OPC agrees with the following resolutions found on page 2-3 of the *Small Company Revenue Increase Disposition Agreement* :

- a. OPC agrees with paragraph 1 regarding the test year dates used to determine the revenue requirement for Raccoon Creek.
- b. OPC agrees with paragraph 2 on depreciation rates.
- c. OPC agrees with paragraph 3(a) related to customer refunds.
- d. OPC agrees with paragraph 4 on the utilization of timesheets.
- e. OPC agrees with paragraph 6 and its three subparts.

f. OPC agrees with paragraphs 7-9.

3. OPC in reviewing the *Partial Disposition Agreement*, OPC does not agree with the following resolutions found on page 3 of the *Small Company Revenue Increase Disposition Agreement*:

- a. OPC does not agree with paragraph 5 or its subpart. OPC feels that this resolution is duplicative, and less detailed than the requirement found in paragraph 4.
- b. OPC does not agree with paragraph 10. OPC did not provide its approval to Staff of the information contained the *Partial Disposition Agreement* prior to the filing by Staff and therefore cannot agree that the facts and information contained therein are true and accurate.
- c. OPC does not agree with paragraph 11. OPC did not provide its approval to Staff of the information contained the *Partial Disposition Agreement* prior to the filing by Staff and therefore does not agree that the agreement satisfactorily resolves all issues as identified by OPC.

4. After a review of the *Partial Disposition Agreement*, there are a significant number of unresolved issues including, but not limited to: revenue requirement, cost of capital, rate of return, finder's fees, prudence of plant placed into service, net rate base, capital structure, rate design and the allocation factor used for corporate allocations.

5. OPC cannot join in the *Partial Disposition Agreement* as filed by Staff and Raccoon Creek, but does agree there is a need for an evidentiary hearing as well as a local public hearing. Therefore, pursuant to 4 CSR 240-3.050(20), OPC hereby requests an evidentiary hearing on the following issues to include, but not limited to: a) Revenue Requirement; b) Cost

of Capital; c) Rate of Return; d) Finder's Fees; e) Prudence of Plant Placed in Service; f) Net Rate Base; g) Rate Design; h) Capital Structure; and g) Corporate Allocation Factor. Pursuant to 4 CSR 240.3-050(15), OPC also makes its formal request for a local public hearing in the above referenced matter.

6. With regard to the *Updated Small Rate Case Timeline and Proposed Dates for Local Public Hearing and Evidentiary Hearing* filed by Staff on September 1, 2016, OPC does not object to the proposed dates for the local public hearing or the proposed dates for the evidentiary hearing itself, as presented in that filing.

WHEREFORE, OPC respectfully requests the Commission schedule an evidentiary hearing in this matter and schedule a local public hearing consistent with the dates proposed by Staff.

**Respectfully submitted,
OFFICE OF THE PUBLIC COUNSEL**

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 6th day of September 2016:

/s/ Cydney Mayfield