

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

In the Matter of Liberty Utilities (Missouri                    )            File No.     WR-2018-0170  
Water) LLC's Application for a Rate Increase.            )                                 SR-2018-0171

**SILVERLEAF RESORTS, INC. AND ORANGE LAKE COUNTRY CLUB, INC.'S  
STATEMENT OF POSITION**

Comes now, Silverleaf Resorts, Inc. and Orange Lake Country Club, Inc. (herein "Silverleaf"), by and through undersigned counsel, and files this Statement of Position. For its cause, Silverleaf provides the following:

1. Cost of Service – What is the appropriate cost of service for Liberty Utilities?

a. Return on equity – What is the appropriate return on equity for Liberty Utilities?

**POSITION:** Silverleaf supports a return on equity of between 8% - 9%. See Surrebuttal, Stannard, P. 4, ll 18-20, Refiled Rebuttal, Stannard, P. 9-10, ll. 17-3.

b. Capital structure – What is the appropriate capital structure for Liberty Utilities?

**POSITION:** Silverleaf recommends this ROE with a capital structure of 42.83% equity and 57.17% debt. Refiled Rebuttal, Stannard, P. 8, ll. 15-16.

c. Rate case expense – What is the appropriate amount of rate case expense and amortization period?

**POSITION:** Silverleaf recommends a five-year period for normalization of rate case expense.

2. Customer Service Issues – Has Liberty Utilities adequately responded to customer service issues?

**POSITION:** Silverleaf does not offer a specific position on this issue.

3. Rate Design – What is the proper rate design for the various Liberty Utilities water and sewer systems?

A. Phase-In of Rates – Should rates for Holiday Hills, Ozark Mountain, and Timber Creek service areas be phased-in over a period of five years? Should carrying costs be allowed to be recovered if rates are phased-in?

**POSITION:** Yes and no. Silverleaf believes that a phase-in is appropriate given the period between rate cases for Liberty Utilities.

b. Customer Charge – What is the appropriate customer charge?

**POSITION:** Silverleaf supports retaining the current, existing rate design and having any increase in revenues equally applied across the existing rate design.

c. Commodity Charge – What is the appropriate commodity charge?

**POSITION:** Silverleaf supports retaining the current existing rate design and having any increase in revenues equally applied across the existing rate design.

4. Silver Leaf / Orange Lake Exemption – Should Silverleaf / Orange Lake be exempted from consideration in a subsequent rate case?

**POSITION:** Yes.

Respectfully Submitted,

STINSON LEONARD STREET LLP

/s/Joshua Harden

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**Certificate of Service**

I hereby certify that a true and correct copy of the foregoing was served electronically on this 13th day of August, 2018, with notice of the same being sent to all counsel of record.

/s/ Joshua Harden