

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

In the Matter of the Application of Mid Mo)
Sanitation, LLC for a Small Company Rate) Case No. SR-2010-0095
Increase.)

THE OFFICE OF THE PUBLIC COUNSEL’S POSITION STATEMENT

COMES NOW the Office of the Public Counsel (Public Counsel) and states its position on the issues in this case as follows:

1. What is the appropriate level of salary for the management, accounting and billing/collections for the sewer utility to be included in Mid Mo’s revenue requirement?

The Notice of Company/Staff Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request (Company/Staff Agreement) provides a management salary for Mr. William Bright at \$3,000/year which approximates \$42/hour and an accounting and billing/collections salary for Ms. Kristina Bright at \$4,800/year which approximates \$39/hour. Public Counsel believes that the costs being charged are excessive and unnecessary given the market rate of salaries for activities of this type and the small size of the utility. Therefore, it is Public Counsel’s position that the Commission should authorize more reasonable salaries for Mr. William Bright of \$1,831/year for management services and for Ms. Kristina Bright of \$1,982/year for accounting and billing/collections services.

2. How should Mid Mo’s plant be reflected in rate base?

The Company/Staff Agreement includes a return on plant that was contributed to Mr. William Bright. It is Public Counsel’s position that, as Mr. Bright has no investment in this

contributed plant, it is a violation of rate making principals to provide a return on that contributed plant.

3. Should an amortization of the contributed plant be included as an offset to depreciation?

Yes. The Company/Staff Agreement fails to include an amortization of the contributed plant as an offset to depreciation. It is Public Counsel's position that the failure to include amortization for contributed plant is a violation of rate making principals.

4. Should the amount of PSC Annual Assessment included in rates reflect the current amount assessed to Mid Mo?

Yes. The Company/Staff Agreement includes a yearly amount of \$2,526 for the PSC Assessment which reflects the amount previously owed by Mid Mo for 2010. However, the amount Mid Mo was assessed on July 1, 2010 is only \$1,199. Therefore, the amount of the PSC Assessment owed by Mid Mo has been reduced by approximately \$1,327. It is unreasonable to expect customers to pay significantly higher rates based on an out-of-date PSC Assessment amount on a going-forward basis. Therefore, it is Public Counsel's position that the amount of PSC Annual Assessment included in rates should reflect the most current assessment of \$1,199.

5. Should rate case expenses be included?

No. Mid Mo and the Staff of the Missouri Public Service Commission (Staff) were made aware of Public Counsel's issues in this case long before the April 9, 2010 filing of the Company/Staff Agreement. However, Mid Mo and Staff chose to ignore Public Counsel's concerns of unreasonable salaries and violations of rate making principals. Customers should not be forced to pay rate case expense when, if Public Counsel's concerns had been addressed in a timely manner by Mid Mo and Staff, there would be no need for an evidentiary hearing in this

case. Therefore, it is Public Counsel's position that because Mid Mo and Staff unreasonably failed to address Public Counsel's issues in this case, no rate case expense should be allowed by the Commission.

WHEREFORE, Public Counsel respectfully submits its Position Statement on the issues in this case.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

By:_____

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 13th day of July 2010:

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