

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

In the Matter of Lake Region Water & Sewer)	
Company's Application to Implement a General)	<u>File No. SR-2010-0110</u>
Rate Increase in Water & Sewer Service.)	

In the Matter of Lake Region Water & Sewer)	
Company's Application to Implement a General)	<u>File No. WR-2010-0111</u>
Rate Increase in Water & Sewer Service.)	

**THE OFFICE OF THE PUBLIC COUNSEL'S RESPONSE TO
STAFF'S UPDATE TO RATE CASE EXPENSE**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Response to Staff's Update to Rate Case Expense states as follows:

1. On July 9, 2010, Staff filed its update to rate case expense.
2. Staff's updated recommendation for rate case expense makes no adjustment for costs that should be disallowed for recovery in the cost of service. Public Counsel continues to believe that it is inappropriate for Staff to continue to include unreasonable rate case expense.
3. Staff's updated recommendation only includes rate case expense through March 31, 2010. Public Counsel continues to believe that as this rate case is an exception to the normal rate case procedure, including reasonable rate case expense beyond the March 31, 2010 date is appropriate.
4. Therefore, Public Counsel continues to support the inclusion of rate case expense as proposed in its June 24, 2010 True-Up Brief.

WHEREFORE, Public Counsel respectfully submits its response.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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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 15th day of July 2010:

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