BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Request for an)	
Increase in Sewer Operating Revenues of)	File No. SR-2013-0016
Emerald Pointe Utility Company)	Tracking No. YS-2014-0036
In the Matter of the Request for an)	
Increase in Water Operating Revenues of)	File No. WR-2013-0017
Emerald Pointe Utility Company)	Tracking No. YW-2014-0035

EMERALD POINTE REPSONSE TO OPC OBJECTION TO MOTION FOR EXPEDITED TREATMENT

COMES NOW Emerald Pointe Utility Company (Emerald Pointe or Company), by and through its undersigned counsel, and, in response to The Office of the Public Counsel's Objection to Motion for Expedited Treatment of Tariff Sheets Filed in Compliance with Commission Report and Order, respectfully states as follows to the Missouri Public Service Commission (Commission):

- 1. On July 24, 2013, Emerald Pointe filed its compliance tariffs and a Motion for Expedited Treatment (Motion) in response to the Commission's *Report and Order* herein. In the body of its Motion, Emerald Pointe requested that its "compliance tariffs be approved for service rendered on and after August 1, 2013, or as soon as the Commission has had the opportunity to confirm that the tariff sheets comply with the *Report and Order*." Emerald Pointe requested this treatment for both its sewer increase and its water decrease.
- 2. On July 25, 2013, the Commission issued its Order Directing Staff to File Expedited Recommendation and Establishing Time for Other Parties to Offer Recommendations. Therein, the Commission directed Staff to file its recommendation concerning the compliance tariffs by July 30, 2013. It further provided that any other

party wishing to file a recommendation in regard to the tariff sheets also do so by July 30, 2013.

- 3. Thereafter, also on July 25, 2013, the Office of the Public Counsel (OPC) filed its Objection to Motion for Expedited Treatment of Tariff Sheets Filed in Compliance with Commission Report and Order (OPC Objection). OPC's Objection stated various objections to the Motion.
- 4. The OPC Objection seems to acknowledge that the compliance tariff sheets, with the exception of the rates, were a part of the Disposition Agreements previously filed in the referenced cases. However, OPC states that "it cannot be assumed that Public Counsel has previously agreed to the tariff sheet contents." (OPC Obj., para. 7) In response, Emerald Pointe would point out that there was no issue raised by the OPC at hearing or in its brief concerning the form or content of the proposed tariff sheets.
- 5. Further, in regard to the rates, the parties, to include OPC, previously agreed to a Stipulation and Agreement pertaining to rate design. Thus, the rate design process was unaffected by the *Report and Order*. That Stipulation and Agreement was approved by Commission Order issued on May 1, 2013. Further, the Commission's Report and Order resulted in only one revenue requirement item change (rate case expense) from the Staff revenue requirement that is in issue in this case. Thus, the rate calculation is not a complex endeavor.
- 5. OPC indicates that the request "is purely for the benefit of Emerald Pointe not the customers" (OPC Obj., p. 4) and that a grant of the motion would have a

"negative effect on Emerald Pointe's sewer customers, although clearly a benefit to Emerald Pointe" (OPC Obj., para 11).

- 6. As the evidence in this case shows, the primary driving force for this case was Emerald Pointe's completion of an approximately \$1 million sewer pipeline. The pipeline resulted in a significant increase in the Company's sewer system rate base and a significant new expense for the treatment of the sewage through a wholesale contract with Hollister. It was a necessary and desirable improvement as it allowed for the elimination of an older sewer treatment facility that needed to be replaced and expanded and eliminated the flow of treatment plant effluent into Table Rock Lake. That project was completed and placed in service over six months ago. The Company has incurred the costs associated with the project for at least that long and continues to incur costs going forward.
- 7. The Commission's *Report and Order* has found Emerald Pointe's existing rates to no longer be just and reasonable and determined what just and reasonable rates should be on a going-forward basis. Those just and reasonable rates are absolutely necessary for the existence of a sound public utility and the provision of safe and adequate service. Accordingly, the implementation of such rates is in the public interest and cannot be said to have a negative effect on Emerald Pointe's customers or the public in general.
- 8. Emerald Pointe's compliance tariffs should be approved as soon as the Commission has had the opportunity to confirm that the tariff sheets comply with the Report and Order, effective on such date as will provide a reasonable time frame for any applications for rehearing.

WHEREFORE, Emerald Pointe respectfully requests the Commission overrule the OPC Objection and issue such orders as it should believe to be reasonable and just.

Respectfully submitted,

Dean L. Cooper

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ATTORNEYS FOR EMERALD POINTE UTILITY COMPANY

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been sent by electronic mail this 30th day of July, 2013, to:

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