

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        )  
Rate Increase in Water & Sewer Service            )

File No. SR-2010-0110  
Tariff No. YS-2010-0250

In the Matter of Lake Region Water & Sewer        )  
Company's Application to Implement a General        )  
Rate Increase in Water & Sewer Service            )

File No. WR-2010-0111  
Tariff No. YW-2010-0251

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**TRUE-UP BRIEF  
OF STAFF**

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/s/ Jaime N. Ott

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June 24, 2010

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI

In the Matter of Lake Region Water & Sewer	)	File No. SR-2010-0110
Company's Application to Implement a General	)	Tariff No. YS-2010-0250
Rate Increase in Water & Sewer Service	)	

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Company's Application to Implement a General	)	Tariff No. YW-2010-0251
Rate Increase in Water & Sewer Service	)	

**STAFF'S TRUE-UP BRIEF**

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff) by and through counsel, and respectfully provides the following to the Missouri Public Service Commission (Commission) as its True-Up Brief on the issue of rate case expense requesting that the Commission set the level of rate case expense for fees incurred by Lake Region Water and Sewer Company related to this rate case at \$22,498 amortized over three years.

On April 26, 2010 the Commission held a true-up hearing in Lake Region Water & Sewer Company's (Lake Region or Company) general rate case. The issue currently before the Commission is a determination of what is the appropriate level of rate case expense to be included in Lake Region's revenue requirement for setting Lake Region's water and sewer rates.

Lake Region proposes that rate case expense be \$26,449 amortized over three years.<sup>1</sup> Lake Region claims that, due to anticipated capital improvements and increasing operational expenses, the Company will likely file for an additional rate increase within three years.<sup>2</sup> The Office of Public Counsel (Public Council) proposes that \$15,585 in rate case expense to be

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<sup>1</sup> Lake Region Exhibit 12, p. 1, lines 16-18.

<sup>2</sup> Lake Region Exhibit 11, p. 2, lines 16-18.

amortized over five years.<sup>3</sup>

Staff proposes that Commission set the level of rate case expense for expenses incurred by Lake Region at \$22,498 to be amortized over three years. This amount should be allocated between the three operating systems as follows; Shawnee Bend Water \$2,500<sup>4</sup>, Shawnee Bend Sewer \$2,500<sup>5</sup> and Horseshoe Bend Sewer \$2,500<sup>6</sup>, and should be included in Lake Region's cost of service. Staff received copies of the invoices Lake Region received and processed for rate case expense through the true-up period ending March 31, 2010.<sup>7</sup> This amount reflects the true and accurate representation of actual rate case expenses incurred up to March 31, 2010. Staff urges the Commission to adopt its recommendation.

**WHEREFORE**, the Staff submits the foregoing as its True-Up Brief in this matter.

Respectfully submitted,

/s/ Jaime N. Ott

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### **Certificate of Service**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 24<sup>th</sup> day of June 2010.

/s/ Jaime N. Ott

<sup>3</sup> Public Counsel Exhibit 5, p. 2, lines 2-6.

<sup>4</sup> Staff Exhibit 18, Shawnee Bend Water Accounting Schedule 1, p. 1, line 40.

<sup>5</sup> Staff Exhibit 18, Shawnee Bend Sewer Accounting Schedule 1, p. 1, line 45.

<sup>6</sup> Staff Exhibit 18, Horseshoe Bend Sewer Accounting Schedule 1, p. 1, line 44.

<sup>7</sup> Staff Exhibit 17, p. 8, lines 8-9.