

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

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

In the Matter of Lake Region Water & Sewer)	<u>File No. WR-2010-0111</u>
Company's Application to Implement a General)	Tariff No. YW-2010-0251
Rate Increase in Water & Sewer Service)	

**STAFF'S RESPONSE TO POSITION REGARDING TEST YEAR
AND TRUE-UP PERIOD**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and in response to the Commission's October 8 *Suspension Order and Notice* submits its position regarding the test year and true-up period to be established in this case.

1. On October 7, 2009, Lake Region Water & Sewer Company (Lake Region or Company) filed a tariff designed to implement a general rate increase for water and sewer services provided in its Missouri service area.

2. On October 8, 2009, the Commission issued its *Suspension Order and Notice*, suspending Lake Region's proposed tariffs until September 6, 2010 and ordered Staff to file a pleading regarding true-up and indicating whether Staff concurs in Lake Region's recommended test year (the twelve month period ending December 31, 2008) or recommends an alternative. .

3. Staff concurs in Lake Region's proposed twelve month test-year period ending on December 31, 2008, updated for known and measurable changes through Sept 30, 2009. The update period will allow any events that have a significant and material revenue requirement impact to be considered in this case.

4. Although Lake Region has not proposed a true-up period in this case it informed Staff of construction plans to have new plant in service by March 1, 2010. Staff recommends a

true-up date of March 31, 2010, to reflect significant and material revenue requirement impacts and not other factors.

WHEREFORE, Staff respectfully submits its position regarding the test year and true up period to be established by the Commission 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 16th day of November, 2009.

/s/ Jaime N. Ott