

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

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

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

**ORDER REGARDING JULY 16, 2010 RECONCILIATION AND BASELINE  
REVENUE REQUIREMENT**

Issue Date: July 26, 2010

Effective Date: July 26, 2010

On July 16, 2010, the Commission's Staff filed an updated reconciliation. On July 21, 2010, the Regulatory Law Judge held a conference with the parties' counsel and other representatives from Lake Region and Staff to clarify revenue requirement scenarios that the Commission had directed Lake Region and Staff to prepare. During that conference, the reconciliation was discussed.

The starting-point revenue requirement presented in the reconciliation included Staff's recommendations concerning the issues of executive management fees and rate case expense. No other adjustments for any other issues were included. After discussion with the parties, the baseline revenue requirement for Lake Region, excluding all disputed issues that remain to be decided by the Commission, was summarized in the following table:

Utility Division	Horseshoe Bend Sewer	Shawnee Bend Sewer	Shawnee Bend Water	TOTAL
Revenue Requirement Inclusive of Staff's Recommendations for Management Fees and Rate Case Expense	44,971	112,746	22,671	180,388
Staff's Management Fees Recommendation	(13,309)	(7,477)	(7,115)	(27,901)
Staff's Recommendation on Rate Case Expense	(2,919)	(2,919)	(2,919)	(8,757)
Baseline Revenue Requirement Exclusive of Staff's Recommendations	28,743	102,350	12,637	143,730

Any party disagreeing with the baseline revenue requirement in the above table, or believing corrections are required for accuracy will be given a formal opportunity to reply.

**THE COMMISSION ORDERS THAT:**

1. Any party disagreeing with baseline revenue requirement delineated as a result of Staff's July 16, 2010 Updated Reconciliation as clarified at the July 21, 2010 conference, depicted in the table in the body of this order, shall file a response to this order no later than August 2, 2010. Any response filed shall state, with particularity, the reason for disagreeing with baseline revenue requirement identified by the parties.

2. This order shall become effective immediately upon issuance.

**BY THE COMMISSION**



Steven C. Reed  
Secretary

( S E A L )

Harold Stearley, Senior Regulatory Law Judge,  
by delegation of authority pursuant to  
Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,  
on this 26<sup>th</sup> day of July, 2010.