

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

In the Matter of the Application of Lincoln)
County Sewer & Water, LLC for Approval)
Of a Rate Increase)

File No. SR-2013-0321

UNANIMOUS STATEMENT OF CLARIFICATION

COMES NOW the Office of the Public Counsel (Public Counsel) and on behalf of Lincoln County Sewer & Water, LLC (Lincoln County), the Staff of the Missouri Public Service Commission (Staff), and itself, presents this Unanimous Statement of Clarification:

1. During the March 5, 2014, Agenda Meeting of the Missouri Public Service Commission (Commission), discussion was held on the issues in this case. The discussion indicated to the parties that clarification may be helpful to the Commission on some of the issues to this case.

a. **AMR Issue:**

Costs related to meter reading are addressed in the vehicle mileage issue and as a part of the salary issue.

However, if the AMRs are not included as a part of the cost of service, the Commission has before it a separate issue to determine what amount of meter reading costs should be included in rates.

b. **Rate Case Expense Issue:**

Normalization is the calculation of a reasonable level of expense which is then allowed to be recovered annually by the company. Once set, normalization proceeds without regard to the original cost such that in future rate cases what was recovered (or not recovered) in the past is irrelevant.

Amortization is the gradual payoff of an expense item over a specific number of years. Thus, unrecovered amounts are addressed in future rate cases.

c. Late Fees Issue:

The issue before the Commission is how to account for late fees in the calculation of miscellaneous revenues. This issue is not about the individual late fee amount to be charged.

d. Salary Issue:

The Commission will need to determine a total annual amount for the salaries of both Dennis and Toni Kallash so that these amounts can be used in determination of the revenue requirement.

This can be achieved through a finding by the Commission of a reasonable yearly salary amount or through a Commission finding of both a reasonable hourly rate and a reasonable number of hours per year.

WHEREFORE, Public Counsel respectfully submits this unanimous statement of clarification on certain issues in this case.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

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 14th day of March 2014:

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