

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

In the Matter of the Highway H Utilities,     )  
Inc.'s Small Sewer Company Rate Increase    )  
Request.   )

Case No. SR-2009-0392

In the Matter of the Highway H Utilities,     )  
Inc.'s Small Water Company Rate Increase    )  
Request.   )

Case No. WR-2009-0393

**THE OFFICE OF THE PUBLIC COUNSEL'S REQUEST FOR LOCAL  
PUBLIC HEARING, OR IN THE ALTERNATIVE, REQUEST FOR  
EVIDENTIARY HEARING**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Request for Local Public Hearing, or in the alternative, Request for Evidentiary Hearing states as follows:

1. On April 30, 2009, Highway H Utilities, Inc. (Highway H) initiated small company rate increase proceedings with the Missouri Public Service Commission (Commission) requesting an increase in its sewer rates of \$34,000 (78%) per year and an increase in its water rates of \$66,000 (56%) per year.
2. On September 23, 2009, the Staff of the Missouri Public Service Commission (Staff) filed a Notice of Staff/Company Agreement Regarding Disposition of Small Sewer Company Revenue Increase Request and a Notice of Staff Company Agreement Regarding Disposition of Small Water Company Revenue Increase Request (Staff/Company Agreements) indicating agreements between Staff and Highway H for a sewer rate increase of \$17,592 annually (approximately 36.11%) and a water rate increase of \$19,254 annually (approximately 16.83%). Public Counsel did not join in the agreements because it believes that the Staff/Company Agreements overstate the revenue requirement of Highway H.

3. Revised tariff sheets reflecting the proposed rates agreed to in the Staff/Company Agreements were filed by Highway H on September 28, 2009. These proposed tariff sheets contain an effective date of November 16, 2009.

4. As the Staff/Company Agreements were executed by only Highway H and Staff, 4 CSR 240.3-050(15) requires Public Counsel to file a pleading stating its positions regarding the Staff/Company Agreements and the related proposed tariff revisions, or requesting a local public hearing or an evidentiary hearing no later than five (5) working days after the end of the comment period for the written customer notice contemplated in 4 CSR 240-3.050(14).

5. Affording customers the opportunity to speak Commission at a hearing is a critical part of the ratemaking process. The amounts of the increases proposed in the Staff/Company Agreements are quite significant and the customers should have the opportunity to voice their concerns regarding these proposed increases to the Commission at a local public hearing.

6. Additionally, Public Counsel has concerns regarding the Staff/Company Agreements' inclusion of plant that may have been previously paid for by the customers through the purchase price of lots. Public Counsel believes the customers should have the opportunity to comment on the possible inclusion of contributed plant in the proposed rates.

7. Therefore, pursuant to 4 CSR 240-3.050(15), Public Counsel requests a local public hearing.

8. Public Counsel does not object to the Commission scheduling the hearing promptly, as long as customers are given sufficient notice.

#### ALTERNATIVE REQUEST FOR EVIDENTIARY HEARING

9. 4 CSR 240-3.050 does not specify what actions are available to Public Counsel should its request for a local public hearing be denied by the Commission. Consequently, out of an

abundance of caution, Public Counsel now states that it does not wish to waive its right to an evidentiary hearing in these matters.

10. Therefore, in the alternative, if the Commission determines that it should deny Public Counsel's request for a local public hearing, Public Counsel requests an evidentiary hearing be held in these matters for the purpose of determining the revenue requirement of Highway H. Public Counsel's specific issues of concern include the amount of contributed plant, salary expenses, rent expenses, meter reading expenses and waste management services fees.

**WHEREFORE**, Public Counsel respectfully requests that the Commission schedule a local public hearing. In the alternative, if the Commission determines that it should deny Public Counsel's request for a local public hearing, Public Counsel respectfully requests that the Commission grant its request for an evidentiary hearing in these matters.

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 29<sup>th</sup> day of October 2009:

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**/s/ Christina L. Baker**

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