

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

In the Matter of the Request for an)
Increase in Sewer Operating Revenues of)
Emerald Pointe Utility Company.) **File No. SR-2013-0016**

In the Matter of the Request for an)
Increase in Water Operating Revenues of)
Emerald Pointe Utility Company.) **File No. WR-2013-0017**

**THE OFFICE OF THE PUBLIC COUNSEL’S OBJECTION AND EVIDENTIARY
HEARING REQUEST AND REQUEST FOR LOCAL PUBLIC HEARING**

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

1. On July 16, 2012, Emerald Pointe Utility Company (Emerald Pointe) initiated small company rate increase proceedings with the Missouri Public Service Commission (Commission) requesting an increase of \$186,000 in its total annual sewer service operating revenues and an increase of \$13,000 in its total annual water service operating revenues.
2. On March 14, 2013, the Staff of the Missouri Public Service Commission (Staff) filed a Notice of Company/Staff Partial Agreement Regarding Disposition of Revenue Increase Request and Request for Hearing in each of the above stated cases. The attached Partial Disposition Agreements between Staff and Emerald Pointe reflect an agreed-upon annualized operating revenue increase for sewer in the amount of \$226,577 (283.32% increase) and an agreed-upon annualized operating revenue decrease for water in the amount of \$51,928 (35.87% decrease). Staff requested that the remaining issues be resolved through the contested case procedure. Public Counsel did not join in the Partial Disposition Agreements.

Objection and Evidentiary Hearing Request

3. In the Notice of Company/Staff Partial Agreement Regarding Disposition of Revenue Increase Request and Request for Hearing filed in each of the above stated cases, Staff informed the Commission that the issues left unresolved between Staff and Emerald Pointe include: a) refunding of sewer commodity charge, b) refunding of late fees and reconnection fees, c) the amount of customer deposits for refund, and possibly d) legal fees, rate case expense, rate design, and the methodology in determining the City of Hollister sewer treatment expense item. Staff requested that the remaining issues be resolved through the contested case procedure.

4. Public Counsel has reviewed the Partial Disposition Agreements and now states that it does not agree with the agreed-upon annualized operating revenue increase for sewer in the amount of \$226,577 or the agreed-upon annualized operating revenue decrease for water in the amount of \$51,928. Public Counsel also disagrees with several of the agreements between Staff and Emerald Pointe as reflected in the Partial Disposition Agreements. Therefore, Public Counsel objects to the Partial Disposition Agreements filed in the above stated cases and requests an evidentiary hearing per 4 CSR 240-3.050 (17).

5. 4 CSR 240-3.050 (20) states that if Public Counsel requests an evidentiary hearing, the request shall include a specified list of issues that the Public Counsel believes should be the subject of the hearing. Public Counsel now states that all of the issues Staff noted above are unresolved and should be addressed in an evidentiary hearing. Public Counsel also has additional concerns regarding the following issues which it believes should also be the subject of an evidentiary hearing:

- Appropriate total plant calculation including plant reserve adjustments and contribution in aid of construction (CIAC) determinations;

- Appropriate capital structure and return on equity;
- Appropriate amount of refund of sewer commodity charge, late fees and reconnection fees; and
- Appropriate refund procedure for sewer commodity charge, late fees, reconnection fees and customer deposits.

6. Therefore, pursuant to the requirements in 4 CSR 240-3.050 (17) and (20), Public Counsel now requests that an evidentiary hearing be held on these issues.

Request for Local Public Hearing

7. Affording customers the opportunity to speak to the Commission at a hearing is a critical part of the ratemaking process. The agreed-upon annualized operating revenue increase for sewer is quite significant for the customer and much higher than what Emerald Pointe originally requested. Also the recommended return on equity is very high given the current economic times and greatly affects the customer's view of the proposed increase as well as the perception of the affordability of the proposed rates. Customers should have the opportunity to voice their comments and concerns regarding this proposed increase to the Commission at a local public hearing.

8. Therefore, Public Counsel also requests a local public hearing per 4 CSR 240-3.050 (17).

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

WHEREFORE, Public Counsel respectfully submits its objection and evidentiary hearing request and request for a local public hearing.

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 18th day of March 2013:

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