

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

In the Matter of a Rate Increase Request of)
House Springs Sewer Company.) **File No. SR-2012-0399**

**THE OFFICE OF THE PUBLIC COUNSEL'S REQUEST
FOR LOCAL PUBLIC HEARING**

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

1. On May 30, 2012, House Springs Sewer Company, Inc. (House Springs) initiated a small company rate increase proceeding with the Missouri Public Service Commission (Commission) requesting an increase of \$125,000 (approximately 25%) in its total annual sewer service operating revenues.
2. On October 29, 2012, the Staff of the Missouri Public Service Commission (Staff) filed a *Notice of Company/Staff Agreement Regarding Disposition of Small Company Rate Increase Request* (Company/Staff Agreement) indicating agreement between Staff and House Springs for a proposed sewer rate increase of \$143,929 (approximately 29.73%). Public Counsel did not join in the agreement.
3. Revised tariff sheets reflecting the proposed rates agreed to in the Company/Staff Agreement were filed by House Springs on November 1, 2012, bearing an effective date of December 17, 2012.

4. Public Counsel did not join in the agreement because it has concerns with the calculated revenue requirement of House Springs and believes the Company/Staff Agreement recommends an unreasonable return on equity for this company.

5. As the Company/Staff Agreement was executed by only House Springs and Staff, 4 CSR 240-3.050(15) requires Public Counsel to file a pleading stating its position regarding the Company/Staff Agreement and the related 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).

6. Affording customers the opportunity to speak to the Commission at a hearing is a critical part of the ratemaking process. The amount of increase proposed in the Company/Staff Agreement is quite significant for the customer and much higher than what House Springs originally requested. 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.

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

8. Section 393.150 RSMo provides that the Commission may suspend tariff sheets for a maximum period of 120 days plus six months. Scheduling and providing notice of a local public hearing in this case would require additional time beyond the December 17th effective date of the proposed tariff revisions. Therefore, Public Counsel requests that the Commission suspend the

proposed revised tariff sheets for a sufficient period to allow adequate time for a local public hearing and subsequent case disposition as appropriate.

9. As stated above, 4 CSR 240-3.050(14) requires a written notice of the proposed tariff revisions no later than five (5) working days after the utility makes its tariff filing. To prevent the unnecessary duplicative costs of mailing a customer notice and a separate notice of local public hearing at a later date, Public Counsel is making its request for a local public hearing promptly and without delay. It is Public Counsel's hope that a combined notice will be sent to the customers of House Springs which notifies the customers of the proposed increase and provides information regarding an upcoming local public hearing where comments on the proposed increase may be provided directly to the Commission.

10. Consequently, in order to allow for the mailing of a combined proposed tariff notice and local public hearing notice, Public Counsel requests a waiver of the requirement that the written notice of the proposed tariff revisions be mailed no later than five (5) working days after the utility makes its tariff filing as contemplated in 4 CSR 240-3.050(14).

11. Therefore, in compliance with 4 CSR 240.3-050(15), Public Counsel requests that the Commission schedule a local public hearing in this matter. Public Counsel also requests that the Commission suspend the proposed revised tariff sheets for a sufficient period to allow adequate time for a local public hearing and subsequent case disposition as appropriate. Additionally, Public Counsel requests a waiver of the requirement that the written notice of the proposed tariff revisions be mailed no later than five (5) working days after the utility makes its tariff filing as contemplated in 4 CSR 240-3.050(14).

WHEREFORE, Public Counsel respectfully submits its request.

Respectfully submitted,

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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 1st day of November 2012:

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