

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

In the Matter of the Rate Increase Requests of the)
Hillcrest Utility Operating Company, Inc) File No. WR-2016-0064

**RESPONSE OF THE OFFICE OF THE PUBLIC COUNSEL TO PARTIAL DISPOSITION
AGREEMENT AND REQUEST FOR EVIDENTIARY HEARING**

COMES NOW the Office of the Public Counsel (“OPC”) and for its response to the *Partial Disposition Agreement and Request for Evidentiary Hearing* filed on March 25, 2016 states as follows:

1. On September 14, 2015, Hillcrest Utility Operating Company Inc., (“Hillcrest”) initiated small company rate increase proceedings with the Missouri Public Service Commission (“Commission”) requesting a total water and sewer revenue increase of \$452,679 for its water and sewer regulated utilities. On October 21, 2015, the Commission consolidated the separate water and sewer rate requests of Hillcrest’s into WR-2016-0064.

2. On March 9, 2016, a local public hearing was held in Cape Girardeau, MO wherein many of the 242 water customers and 240 sewer customers of the utility appeared to testify.

3. After a number of extensions, Staff of the Public Service Commission (“Staff”) and Hillcrest filed a *Partial Disposition Agreement and Request for Evidentiary Hearing*. In Staff’s pleading attached to the *Partial Disposition Agreement and Request for Evidentiary Hearing*, Staff indicates there are a number of unresolved issues including: a) Payroll; b) Property Taxes; c) Auditing and Income Tax Preparation Fees; and d) Rate of Return. As a result of these unresolved issues, Staff is requesting an evidentiary hearing in accordance with standard contested case procedures, per 4 CSR 240-3.050(21).

4. OPC cannot join or agree to the *Partial Disposition Agreement* as filed by Staff and Hillcrest, but does agree there is a need for an evidentiary hearing. Therefore, pursuant to 4 CSR 240-3.050(20), OPC hereby requests an evidentiary hearing on the following issues to include, but not limited to: a) Rate Design; b) Customer Equivalents and Factors; c) Billing Comparisons; d) Payroll; e) Property Taxes; f) Auditing and Income Tax Preparation Fees; and g) Rate of Return.

5. With regard to the Joint Proposed Procedural Schedule filed as Appendix C to the *Partial Disposition Agreement and Request for Evidentiary Hearing*, OPC would request the date for Direct Testimony of All Parties be moved to April 15, 2016 but is in agreement with the remaining Proposed Procedural Schedule as set forth in Appendix C. OPC requests the Commission adopt the Proposed Procedural Schedule with the requested change above regarding direct testimony reflected therein.

WHEREFORE, OPC respectfully requests the Commission schedule an evidentiary hearing in this matter as well as adopt the Joint Proposed Procedural Schedule as set forth in Appendix C to the *Partial Disposition Agreement and Request for Evidentiary Hearing* but changing the date of Direct Testimony of All Parties to April 15, 2016.

**Respectfully submitted,
OFFICE OF THE PUBLIC COUNSEL**

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