

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

In the Matter of Lakeland Heights Water)
Company, Inc. Small Company Rate Increase.) **File No. WR-2009-0227**

**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 November 26, 2008, Lakeland Heights Water Company, Inc. (Lakeland) initiated a small company rate increase proceeding with the Missouri Public Service Commission (Commission) requesting an increase in its annual water system operating revenues of \$10,200.
2. On April 27, 2009, the Staff of the Missouri Public Service Commission (Staff) filed a Notice of Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request (Staff/Company Disposition) indicating an agreement between Staff and Lakeland for an annualized water operating revenue increase of \$9,191 annually (approximately 77.51%). Public Counsel did not join in the agreement because it believes that the Staff/Company Disposition overstates the revenue requirement of Lakeland.

REQUEST FOR LOCAL PUBLIC HEARING

3. 4 CSR 240-3.050(15) requires Public Counsel to file a pleading stating its position regarding the Staff/Company Disposition and the related tariff revision, or requesting that the Commission hold a local public hearing or an evidentiary hearing, and providing the reasons for its position or request.

4. 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 Staff/Company Disposition is quite significant and the customers should have the opportunity to voice their comments regarding this proposed increase to the Commission at a local public hearing.

5. Additionally, Staff's EMSD Report (Staff/Company Disposition, Attachment G) indicates several deficiencies which customers should be allowed to comment on. For example, Staff's EMSD Report states that Lakeland is currently charging or indicating on its bill that it will charge customers for fees that are either not provided in their tariffs or are authorized at rates other than what the utility is charging its customers. Public Counsel believes it is crucial that the Commission allow the opportunity for comment regarding any of these unauthorized charges customers may have been required to pay. Similarly, Public Counsel also believes it is necessary to allow the customers to comment on the Staff's EMSD Report statement that Lakeland is not refunding deposits with appropriate interest as required by Commission Rules 4 CSR 240-13.040(1)(C), 4 CSR 240-13.040(4)(B)(D) and the Company tariffs.

6. Therefore, pursuant to 4 CSR 240-3.050(15), Public Counsel requests 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.

ALTERNATIVE REQUEST FOR EVIDENTIARY HEARING

8. 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 this matter.

9. 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 this matter for the purpose of determining the revenue requirement of Lakeland.

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 this matter.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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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 29th day of May 2009:

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