

Exhibit No.:	
Issue:	Minimum Filing Requirements
Witness:	John R. Summers
Sponsoring Party:	Lake Region Water & Sewer Company
Case Nos.:	SR-2013-0459 and WR-2013-0461

LAKE REGION WATER & SEWER COMPANY

Case Nos. SR-2013-0459 and WR-2013-0461

DIRECT TESTIMONY

OF

JOHN R. SUMMERS

Four Seasons, Missouri
July, 2013

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

In the Matter of Lake Region Water)
& Sewer Company for Authority)
to File Tariffs Increasing Rates for)
Water and Sewer Provided to)
Customers in the Company's)
Missouri Service Area)

Case No. WR-2013-0461

Case No. SR-2013-0459

AFFIDAVIT OF JOHN R. SUMMERS

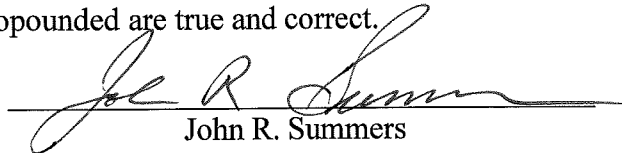
STATE OF MISSOURI)
) ss
VILLAGE OF FOUR SEASONS)

John R. Summers, being first sworn on his oath, states:

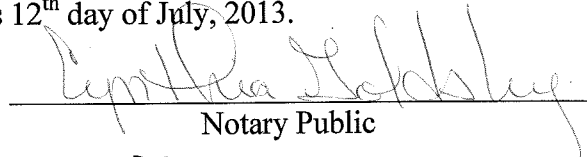
1. My name is John R. Summers. I work in The Village of Four Seasons, Missouri, and I am employed by Public Water Supply District Number Four of Camden County as General Manager.

2. Attached hereto and made a part hereof for all purposes is my Direct Testimony on behalf of Lake Region Water & Sewer Company consisting of 6 pages, and Schedule JRS 1, all of which have been prepared in written form for introduction into evidence in the above referenced dockets.

3. I here by swear and affirm that my answers contained in the attached testimony to the questions therein propounded are true and correct.

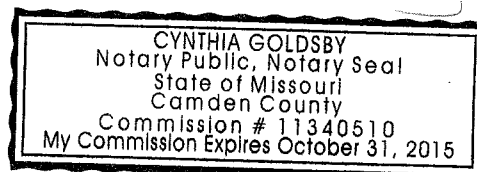

John R. Summers

Subscribed and sworn before me this 12th day of July, 2013.


Notary Public

My commission expires:

10/31/15



1 DIRECT TESTIMONY

2 OF

3 JOHN R. SUMMERS

4 CASE NOS. WR-2013-0461 and SR-2013-0459

5 **Q. Please state your full name and business address.**

6 A. My name is John R. Summers. My business address is 62 Bittersweet Road, Four
7 Seasons, MO 65049.

8
9 **Q. By whom and in what capacity are you employed?**

10 A. I am employed by Public Water Supply District Number Four of Camden County
11 as General Manager. I have held that position since September 2002. I am also in
12 a management position with Lake Region Water & Sewer Company ("Lake
13 Region") as I explain below.

14
15 **Q. Please describe your educational background and employment experience.**

16 A. I graduated from Missouri Valley College in 1978 with a Bachelor of Science
17 Degree in Accounting. I received a Master of Business Administration Degree
18 from Rockhurst University in 1987 while working full time for Missouri Public
19 Service Company. My relevant continuing education includes a Certification in
20 Principles of Public Utilities Operation and Management through the Public
21 Utilities Reports Guide in 1990 and continuing education units through the EEI
22 Electric Rate Fundamentals Course conducted by the Graduate School of
23 Business at Indiana University in 1987.

1

2 I began a 13 year career with Missouri Public Service Company, an electric, gas
3 and water utility, in 1978 beginning as a staff accountant and progressing to Vice
4 President – Administration. From 1987 to 1989 I served as Treasurer and Director
5 of Regulatory Affairs. Beginning in 1992 I spent the next 10 years in the
6 telecommunications industry operating in 47 states serving in various capacities
7 including Chief Financial Officer and Vice President - Operations.

8

9 Since 2002 I have been the General Manager of Public Water Supply District
10 Number Four of Camden County. In this capacity I have served as the de facto
11 General Manager for Ozark Shores Water Company and Lake Region Water &
12 Sewer Company in Missouri. I currently hold a Class D Wastewater Treatment
13 license and a DS I Water Distribution license issued by the Missouri Department
14 of Natural Resources.

15

16 **Q. What is the purpose of your testimony?**

17 **A.** The purpose of my testimony is to:

- 18 (a) Provide the Commission with an overview of Lake Region's operations;
19 (b) Provide the Commission with a summary of our rate request;
20 (c) Explain how granting the relief requested by Lake Region will enable the
21 Company to continue to deliver reliable service to its customers and
22 maintain its financial health; and
23 (d) Explain minor revisions to the company tariffs governing service charges.

1

2

OVERVIEW OF OPERATIONS

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Q. Please provide a description of the Company's operations.

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A. The company provides water service to approximately 652 customers and sewer service to approximately 629 customers in the area of the Lake of the Ozarks commonly known as Shawnee Bend. The supporting infrastructure for these customers includes two wells, an elevated water storage tank, sewage pumping stations and a wastewater treatment plant.

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The company also provides sewer service to approximately 243 customers in the area known as Horseshoe Bend. The Company operates and maintains four sewage pump stations and 7 wastewater treatment plants in this area.

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14

The majority of the company's customers are single family residential. However, approximately 41% of the company's revenues are derived from commercial and multifamily sewer customers located in the Horseshoe Bend area.

17

18

SUMMARY OF RATE INCREASE

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Q. Why is the Company seeking a rate increase?

20

A. The Company's existing water and sewer rates became effective September 6, 2010 based upon cases SR-2010-0110 and WR-2010-0111. As a result of these cases the Commission ordered the Company to file a new general rate increase request no later than three years following the effective date of the order. The rate

23

1 increases contained in the revised tariffs proposed in this case are designed to
2 recover the increased expenses and costs of improvements to, and operation and
3 maintenance of, the Company facilities.

4
5 **Q. Were the proposed revised tariffs that were filed as part of this case**
6 **prepared by you or under your supervision?**

7 A. Yes they were.

8
9 **Q. Please describe the overall effect of the proposed tariffs.**

10 A. The proposed tariffs are designed to generate an aggregate revenue increase of
11 approximately \$218,762, or 23%. The increase will affect all Company
12 customers. Those customers reside in the counties of Camden and Miller and the
13 community of The Village of Four Seasons. I have also attached to my testimony
14 JRS Schedule 1 which I have prepared to illustrate for the Commission more
15 general information regarding the filing of the type described in the Commission
16 rules at 4 CSR 240-3.030 (3)(B) 2-5.

17
18 The revenue numbers contained in JRS Schedule 1 are calendar year 2012 results
19 and will correspond to the amounts reported in the Company's Water and/or
20 Sewer Annual Report Small Company to the Missouri Public Service
21 Commission and the Company proposes to use a 2012 test year. Customer
22 numbers represent the number of customers at 2012 year end.

23

1 Water revenue in 2012 totaled \$218,250 and \$161,772 was generated by 584
2 customers utilizing the standard residential meter. Horseshoe Bend sewer
3 revenues totaled \$467,494 and 19 large customers accounted for \$399,660 of this
4 total. Sewer revenues on Shawnee Bend totaled \$283,428 with 618 residential
5 customers accounting for \$263,343 of the total.

6 **Q. Has the Company prepared or filed any press release relating to this filing?**

7 A. No, not at this time.

8 **Q. Why is this rate increase important for the Company?**

9 A. Without the rate increase the Company will have negative pressure on its finances
10 and this in turn will have adverse effects on its reliability and quality of service to
11 customers.

12 LATE PAYMENT CHARGES

13 **Q. In addition to revised tariffs to implement an increase in rates for water and**
14 **sewer service, is the Company proposing to revise other tariffs in this**
15 **proceeding?**

16 A. Yes, the company is seeking to revise its tariffs to impose a late payment charge
17 for delinquent payment of water and service charges. In addition, the company
18 proposes to increase the charge for reconnecting customers outside normal
19 business hours who have been disconnected for non-payment. The revisions
20 appear in P.S.C. MO No. 1--First Revised Sheet No. 7-A Replacing Original
21 Sheet No. 7-A and P.S.C. MO No. 2--Second Revised Sheet No. 8 Replacing
22 First Revised Sheet No. 8 both of which are part of this filing.

23

- 1 **Q.** **Does this conclude your direct testimony?**
- 2 **A.** **Yes.**

LAKE REGION WATER & SEWER COMPANY
GENERAL RATE FILING INFORMATION
JRS SCHEDULE 1

	No. Of Cust.	Revenue	Avg Bill	Proposed Revenue	Revenue Increase	Percentage Increase	Proposed Avg Bill
5/8" Meter	584	161,772	23.08	216,768	54,997	34%	30.93
3/4" Meter	-	-	-	-	-	-	-
1" Meter	22	10,136	38.39	13,582	3,446	34%	51.45
1 1/2" Meter	25	17,594	58.65	23,575	5,981	34%	78.58
2" Meter	17	15,643	76.68	20,961	5,318	34%	102.75
4" Meter	3	8,565	237.92	11,477	2,912	34%	318.80
6" Meter	1	4,540	378.33	6,083	1,543	34%	506.95
Total Water	652	218,250		292,447	74,197	34%	
HB Single Family Residential	224	67,834	25.24	88,568	20,734	31%	32.95
HB Multi Family/Commercial	19	399,660	1,752.89	521,818	122,158	31%	2,288.67
Total HB Sewer	243	467,494		610,386	142,892	31%	
SB Single Family Residential	618	263,343	35.51	264,897	1,554	1%	35.72
SB Multi Family/Commercial	11	20,086	152.16	20,204	119	1%	153.06
Total SB Sewer	629	283,428		285,101	1,673	1%	
Total Aggregate Revenue	1,524	969,172		1,187,933	218,762	23%	