

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

In the Matter of Roy-L Utilities)	
Request for an Increase in Water System)	File No. WR-2013-0543
Operation Revenue)	
)	
)	
In the Matter of Roy-L Utilities)	
Request for an Increase in Sewer System)	File No. SR-2013-0544
Operation Revenue)	

**MOTION TO DENY REQUEST OR IN THE ALTERNATIVE REQUEST FOR
EXPEDITED TREATMENT**

COMES NOW Staff of the Missouri Public Service Commission, by and through the undersigned counsel, respectfully requests the Missouri Public Service Commission to deny the Office of the Public Counsel's request for a local public hearing, or in the alternative expedite the scheduling of the local public hearing and the disposition of this case. In support of this motion, Staff states as follows:

Background

1. On June 26, 2013, Roy-L Utilities, Inc. ("Roy-L" or the "Company") filed requests for revenue increases for its water and sewer system operations pursuant to the Commission's Small Utility Rate Case Procedures¹.
2. In its request, the Company stated its primary purpose for requesting the revenue increases was to comply with DNR mandates and recommended system improvements.
3. For the past nine months, Staff has worked with the Roy-L's representatives to help them comply with the Commission's rules so that the prudently

incurred costs associated with making these improvements could be considered for revenue increases.

4. For a company of this size, securing private financing for system improvements of this magnitude is no easy task. As a result Staff requested a two month extension to the procedural schedule, which the Commission granted.

5. The Company was able to secure a loan to provide the necessary funding to make the DNR improvements, which the Commission approved in WF-2014-0211.

6. On April 1, 2014, Staff filed the Notice of Company/Staff Agreement Regarding Disposition of Small Company Rate Increase Request ("Disposition Agreement"), which requests that the Commission enter an Order adopting the terms agreed upon by the Company and Staff in the Disposition Agreement.

7. On April 7, 2014, OPC filed a request for Local Public Hearing and a request that the Commission suspend the effective date of the Company's revised tariff sheets, which are set to take effect on May 23, 2014.

The Request For Local Public Hearing Should Be Denied

8. The request for a local public hearing should be denied because it would create unnecessary and harmful delay to both rate payers and the Company, rate payers have received sufficient notice of the proposed rate increases, and OPC has had ample time to file such a request if its concerns were legitimate.

9. A local public hearing under the present circumstances would create unnecessary and harmful delay to both rate payers and the Company. As previously

¹ 4 CSR 240-3.050.

stated, Roy-L secured financing for the construction of the DNR system improvements through a private loan, which the Commission approved.² The terms of that loan require Roy-L to make its first loan payment in July of 2014. The loan is secured by the assets of the water and sewer systems including the new improvements, which have been completed. If the proposed rates fail to go into effect prior to July of 2014 Roy-L risks defaulting on their loan. Having the Company default on their loan would jeopardize the safe and adequate service that the rate payers of Roy-L depend on. Additionally, failing to make loan payments on time will also increase cost to the Company, which will affect their ability to provide their rate payers with safe and adequate service

10. A local public hearing under the present circumstances is unnecessary because rate payers have had sufficient notice of the proposed rate increases and time to comment. As part of the Small Utility Rate Case Procedures, Roy-L sent out its Initial Customer Notice on August, 12, 2013³. In that time Staff has received four public comments out of a customer base of sixty-one. The Company is also required to mail out to their rate payers a notice of the agreed upon rates stated in the Disposition Agreement, which in this case are lower than the Company's proposed rates in its Request. This notice must also include information on how rate payers can file public comments on the increases.⁴ A local public hearing is unnecessary because rate payers have had and will have sufficient notice and time to comment on the proposed rate increases.

² Order Granting Motion For Expedited Treatment And Financing Application, WF-2014-0211, 3/5/2014.

³ 4 CSR 240-3.050(7)

⁴ 4 CSR 240-3.050(14).

11. The request for a local public hearing should not be granted in this case because OPC has been informed of the requested revenue increase and involved in the investigatory process, and if they had legitimate concerns should have requested a local public hearing sooner. In its request the only reasons OPC states in support of its request for a local public hearing are the significant increase in the Company's sewer charge and that some rate payers will be converted from non-metered customers to metered customers. While these are significant changes, the customer notice and ability to file public comment provides sufficient notice to rate payers and sufficient opportunity to file comments on the proposed rates in the Disposition Agreement. If these were legitimate concerns, OPC has had ample time to file a request for a local public hearing that would not create unnecessary harm and delay to rate payers and the Company.

**In The Alternative Expedite the Scheduling Of The Local Public Hearing And
Disposition Of This Case**

12. In the event the Commission does grant OPC's request for a local public hearing, Staff requests the Commission expedite the scheduling of the local public hearing and disposition of this case. As previously stated, the terms of the Company's loan to finance the construction of the DNR improvements requires Roy-L to make its first payment in July of 2014. Not having the proposed rates effective prior to July could cause the Company to default on their loan or at the very least cause the Company to incur additional fees. Both of these situations would cause harm to rate payers because it would impair the Roy-L's ability to provide them with safe and adequate service, which the rate payers depend on. In order for the Company to have a full billing cycle with the

new rates in place before their first loan payment is due, Staff requests the Commission expedite the scheduling of the local public hearing and disposition of this case.

WHEREFORE Staff, respectfully requests that the Commission deny OPC's request for a local public hearing, or in the alternative, expedite the scheduling of the local public hearing and disposition of this case.

Respectfully submitted,

/s/ Alexander Antal

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served to all counsel of record by hand delivery, electronic mail or First Class United States Mail this 8th day of April, 2014.

/s/ Alexander Antal