

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

In the Matter of the Water Rate)
Increase Request of)
Hillcrest Utility Operating)
Company, Inc.)
)
Consolidated with,)
)
In the Matter of the Sewer Rate)
Increase Request of)
Hillcrest Utility Operating)
Company, Inc.)

Case No. WR-2016-0064

**JOINT LIST OF ISSUES, LIST AND ORDER OF WITNESSES,
ORDER OF OPENING STATEMENTS AND
ORDER OF CROSS-EXAMINATION**

COMES NOW the Staff of the Missouri Public Service Commission, Office of the Public Counsel and Hillcrest Utility Operating Company, by and through counsel, and in this matter hereby submits the following *List of Issues, List and Order of Witnesses, Order of Opening Statements and Order of Cross-Examination*:

LIST OF ISSUES

1. Payroll

What level of experience should be used to set the labor expense associated with each employee? Should the Employment Cost Index inflation rates be applied in setting such amounts? What is the appropriate number of annual work hours to include in calculating salaries for each employee? What is the appropriate hourly rate for each employee? What are the appropriate job titles to use in MERIC to compare and determine labor expense associated with Mr. Josiah Cox and Mr. Jack Chalfant?

2. **Property Taxes**

What is the appropriate amount of property taxes to include in the Hillcrest revenue requirements? Should estimated property tax amounts be included in rates?

3. **Auditing and Income Tax Preparation Fees**

What is the appropriate amount of Hillcrest's auditing and tax preparation (accounting) costs to include in Hillcrest's cost of service? What is the appropriate allocated level of auditing and tax preparation (accounting) costs for Central States Water Resources to include in Hillcrest's cost of service? Should accounting costs incurred and paid in 2016 by Hillcrest be included in Hillcrest's cost of service?

4. **Rate of Return**

What is the appropriate capital structure for purpose of setting Hillcrest's allowed rate of return? What is the appropriate allowed ROE to apply to the equity in the ratemaking capital structure? What is the appropriate allowed debt rate to apply to the debt in the ratemaking capital structure?

5. **Rate Design**

How many classes should Hillcrest's customers be divided into for the purpose of designing rates for both water and sewer? What are the proper allocation percentages to be used to allocate expenses between the customer charge and volumetric rate? Should a rate increase be implemented all at once or phased-in over time?

6. **Corporate Allocation**

What is the appropriate corporate allocation percentage to apply to corporate costs?

Order of Opening Statements

Company

Staff of the Missouri Public Service Commission (Staff)

Office of the Public Counsel (OPC)

List and Order of Witnesses

8:30 a.m. Preliminary Matters

9:00 a.m. Opening Statements

10:00 a.m. Cross-Examination of Witnesses

Company Witness:

Josiah Cox

Staff Witnesses:

Kim Bolin

Jarrod Robertson

Shana Griffin

Paul Harrison

Ashley Sarver

OPC Witnesses:

Keri Roth

James Russo

Order of Cross-Examination

Company's Witnesses	OPC Witnesses	Staff Witnesses
OPC	Company	OPC
Staff	Staff	Company

WHEREFORE, Staff prays on behalf of all of the parties herein that the Commission will accept this *List of Issues, List and Order of Witnesses, Order of Opening Statements and Order of Cross-Examination*; and grant such other and further relief as the Commission considers just in the circumstances.

/s/ Dean L. Cooper

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ATTORNEY FOR STAFF OF THE
MISSOURI PUBLIC SERVICE
COMMISSION

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 13th day of May, 2016, to all counsel of record.

/s/ Whitney Payne