

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

In the Matter of the Application)
Of a Rate Increase For)
Indian Hills Utility Operating)
Company, Inc.)
Case No. WR-2017-0259

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

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), and on behalf of Indian Hills Utility Operating Company, Inc. (“Indian Hills” or “Company”), the Office of the Public Counsel (“OPC”), and respectfully states as follows to the Missouri Public Service Commission (“Commission”):

LIST OF ISSUES

- I. Payroll**
 - a. What are the appropriate job titles to be used in MERIC to compare and determine labor expense associated with Mr. Josiah Cox and Mr. Todd Thomas?
 - b. What are the appropriate MERIC salary wages?
 - c. Should the Employment Cost Index inflation rate be applied in setting such amounts?
 - d. What allocation factor (actual or assumed) should be used to determine payroll?
 - e. What level of experience should be used to set the labor expense associated with each employee?

- II. Auditing and Tax Preparation Fees**
 - a. What is the appropriate amount of Indian Hill’s auditing and tax preparation (accounting) costs to include in Indian Hill’s cost of service?
 - b. Should accounting costs paid outside the test year be included in Indian Hill’s cost of service?

- III. Management Consulting Fees**
 - a. Should a management consulting fee be included in the cost of service for Indian Hills?

- IV. Bank Fees**
 - a. What is the appropriate level of bank fees to include in the cost of service for Indian Hills?

- V. Rate Case Expense**
- a. What is the appropriate rate case expense to include in the cost of service for Indian Hills?
- VI. Treatment of Leak Repair Costs**
- a. What are the appropriate accounts to book leak repair?
 - b. What is the appropriate level of leak repair to include in the cost of service?
- VII. Extension of Electric Service**
- a. Should the Company be able to capitalize the electric line extension?
 - b. If so, what are the appropriate accounts to book the extension of electric line service?
- VIII. Rate Design**
- a. How should rates be developed based on the cost of service approved in this case?
 - b. Should a seasonal rate design be adopted in this case, and if so, what should be the structure of the seasonal and non-seasonal rates?
- IX. Rate of Return**
- a. What capital structure should be used for determining rate of return?
 - b. What cost of debt should be used for determining rate of return?
 - c. What return on common equity should be used for determining rate of return?

Hearing Schedule

The parties intend to maintain this hearing schedule and acknowledge that it may be necessary to hold hearings after 5 p.m. To the extent possible given many participants' travel requirements, issues will be handled upon the conclusion of the preceding issue.

Monday November 27 9:00 AM

- Preliminary Matters
- Opening Statements
- Policy
 - Natelle Dietrich (Staff)

- Payroll
 - Phil Macias (Company)
 - Todd Thomas (Company)
 - Ashley Sarver (Staff)
 - Keri Roth (OPC)
- Auditing and Tax Preparation Fees
 - Phil Macias (Company)
 - Josiah Cox (Company)
 - Ashley Sarver (Staff)
 - Keri Roth (OPC)
- Management Consulting Fees
 - Josiah Cox (Company)
 - Jennifer Grisham (Staff)
 - Keri Roth (OPC)
- Bank Fees
 - Phil Macias (Company)
 - Ashley Sarver (Staff)
 - Keri Roth (OPC)
- Rate Case Expense
 - Josiah Cox (Company)
 - Jennifer Grisham (Staff)
 - Keri Roth (OPC)
- Treatment of Leak Repair Expense

- Phil Macias (Company)
- Todd Thomas (Company)
- David Spratt (Staff)
- Stephen Moilanen, P.E. (Staff)
- Jennifer Grisham (Staff)
- John Robinett (OPC)
- Keri Roth (OPC)
- Extension of Electrical Service
 - Phil Macias (Company)
 - Todd Thomas (Company)
 - Jennifer Grisham (Staff)
 - John Robinett (OPC)

Tuesday November 28 8:30 AM

- Cost of Capital¹
 - Dylan D'Ascendis (Company)
 - Michael Thaman (Company)
 - Josiah Cox (Company)
 - Greg Meyer (OPC)
- Rate Design
 - Josiah Cox (Company)
 - Curt Gateley (Staff)
 - Dr. Geoff Marke (OPC)

¹ Will start with Cost of Capital on Tuesday.

Thursday November 30 9:00 AM

- Matt Barnes (Staff)
- Michael Gorman (OPC)²

ORDER OF CROSS-EXAMINATION

| <u>WITNESS</u> | <u>Company</u> | <u>STAFF</u> | <u>OPC</u> |
|-----------------------|-----------------------|---------------------|-------------------|
| | Staff | Company | Staff |
| | OPC | OPC | Company |

ORDER OF OPENING

- Company
- Staff
- OPC

WHEREFORE, Staff, and on behalf of Indian Hills and OPC, submits this proposed procedural schedule and requests the Commission's approval thereof.

Respectfully submitted,

/s/ Nicole Mers

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² Scheduling of Michael Gorman's appearance is still under consideration, and a motion will be presented if a party seeks a different date.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail or by U.S. Mail, postage prepaid, on November 21, 2017, to all counsel of record.

/s/Nicole Mers