

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

In the Matter of the Request by Suburban Water)
and Sewer Company for an Increase in Annual)
Water System Operating Revenues.)
Case No. WR-2009-0197

**OFFICE OF THE PUBLIC COUNSEL'S REQUEST
FOR DISCUSSION MEDIATION**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Request for Discussion Mediation states as follows:

1. On November 17, 2008, Suburban Water and Sewer Company (Suburban) initiated a small company revenue increase request for its water services in Boone County, Missouri.
2. On February 17, 2009, the Staff of the Missouri Public Service Commission (Staff) provided an overview of Staff's initial audit/investigation to Suburban and Public Counsel.
3. On March 17, 2009, Staff provided a settlement proposal packet to Suburban and Public Counsel.
4. After reviewing Staff's initial audit/investigation overview and the proposed settlement, Public Counsel finds that it has a differing opinion from Staff regarding the proper application of regulatory ratemaking theory and practice on the following issues:
 - A. The calculation of depreciation expense on fully depreciated plant;
 - B. Treatment of accumulated depreciation reserve for plant that is retired but not fully depreciated; and
 - C. The appropriateness of transferring over-accrued depreciation expense from one plant account to another plant account.

5. 4 CSR 240-3.050(11) states: “At any time prior to the filing of the disposition agreement, the assigned regulatory law judge may be called upon to meet with the participants and mediate discussions to assist them in reaching at least a partial agreement.”

6. Public Counsel states that mediation of the differing opinions of Staff and Public Counsel is appropriate, in that this process could potentially provide a timely resolution to Public Counsel’s concerns regarding the proposed settlement and may not require Suburban to incur any additional rate case expense as would be required in a formal evidentiary hearing.

WHEREFORE, Public Counsel respectfully submits its request for discussion mediation regarding Public Counsel’s concerns.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

By:_____

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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 23rd day of March 2009:

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