

Westhues, Casey

From: Westhues, Casey
Sent: Tuesday, August 09, 2011 10:49 AM
To: 'jrsummers@lakeozarks.com'
Subject: Lake Region Water & Sewer Company, Inc. 2010 Missouri PSC Annual Report Deficiency

Thank you for submitting your 2009 Annual Report to the Missouri Public Service Commission. As a result of my review, I have identified the following items that need to be corrected:

1. Page 4 line 8 "Water Plant Held for Future Use" and line 19 "Other Assets" need an explanation.
2. Page 5 line 21 "Other Liabilities" needs an explanation.
3. Page 10 the year is missing at the top of the page.
4. Page W-1 line 12 "Rent Expense" and line 21 "Other Expenses" need explanations. Also line 20 "Interest Expense" does not match up to the amount reported on page 10.
5. Page W-2 line 23 "Other Revenue" needs an explanation.
6. Page W-3 line 16 "Tax Expense-Federal Income Taxes" has a negative amount reported. Could you please explain why the Federal Income Tax Expense was reported as a negative?
7. Page W-6 account 325.2 shows depreciation when there is no corresponding amount on page W-5 account 325.2 to calculate depreciation on. It looks like you may just be off a line and the amount on page W-6 needs to be moved up to account 325.1.
8. Page S-1 line 11 "Rent Expense" needs an explanation. Line 20 "Interest Expense" does not match the interest expense on page 10 where the amount is pulled from.
9. Page S-2 line 20 "Other Revenue" needs an explanation.
10. Page S-3 line 8 "Repairs of Sewer Plant-Other" needs an explanation. Also, line 18 "Tax Expense-Federal Income Taxes" has a negative amount reported. Please explain.
11. Page S-5 account 351 indicates there is depreciation, but there is no amount reported in the balance column on page S-4 account 351 on which to calculate depreciation.

A response for this/these item(s) is required in order to show your report as complete and remove it from deficiency status.

You **must resubmit** the annual report with the appropriate changes and the reference number below for it to be properly entered into the system.

Your prompt attention to resolving this matter is appreciated. The Commission's rule 4 CSR 240-3.540 (4) states that a utility company which receives a notice of deficiency for the information provided in the annual report shall respond to that notice within **20 days**, or the utility company is subject to a **penalty of \$100** for each day that it is late in filing its response to the deficiency.

The completed document/revision should be submitted electronically under EFIS (accessible from the Commission's Web page <http://www.psc.mo.gov/>) or mailed to:

Data Center
Missouri Public Service Commission
200 Madison Street, Suite 100, Jefferson City, MO 65101
(P.O. Box 360, Jefferson City, MO 65102-0360)

When contacting the Commission concerning your report, please reference the following identification number: **BMAR-2011-0046 and BMAR-2011-0047**.

Should you have any questions or need assistance in this process, please contact me.

A COMPANY RESPONSE TO THE ABOVE DEFICIENCY(CIES) IS REQUIRED.

Sincerely,

Casey Westhues

Utility Regulatory Auditor

Phone: 573-751-8519

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