

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

In the Matter of the Application of Peaceful Valley )  
Service Company Request for Increase in Sewer ) **File No. SR-2014-0153**  
Operating Revenues. )

In the Matter of the Application of Peaceful Valley )  
Service Company Request for Increase in Water ) **File No. WR-2014-0154**  
Operating Revenues. )

**THE OFFICE OF THE PUBLIC COUNSEL'S REQUEST  
FOR LOCAL PUBLIC HEARING**

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

1. On November 20, 2013, Peaceful Valley Service Company (Peaceful Valley) initiated the above stated small company rate increase proceedings with the Missouri Public Service Commission (Commission) requesting a \$93,840 (139%) increase in its annual sewer system operating revenues. Peaceful Valley requested no increase in its annual water system operating revenues.
2. On April 21, 2014, the Staff of the Missouri Public Service Commission (Staff) filed in each case a *Notice of Company/Staff Agreement Regarding Disposition of Small Company Rate Increase Request* (Company/Staff Agreements) indicating agreement between Staff and Peaceful Valley for an increase of \$5,125 (21%) in operating revenues for the sewer system and a decrease of \$646 (1.71%) in operating revenues for the water system. Public Counsel did not join in the agreements.

3. Revised tariff sheets reflecting the proposed rates agreed to in the Company/Staff Agreements were filed by Peaceful Valley on April 24, 2014, bearing an effective date of June 15, 2014.

4. Public Counsel continues to have several concerns with the calculated costs of service for Peaceful Valley as presented in the Company/Staff Agreements. For example, Public Counsel has concerns that the Company/Staff Agreements unreasonably contemplate continued depreciation for fully depreciated plant. Public Counsel also has concerns with the inclusion of the July 1, 2013 PSC Assessment level of \$2,841 for sewer when it is known that Peaceful Valley's PSC Assessment for sewer is expected to decrease by a significant and material amount on July 1, 2014. As the Company/Staff Agreements state, the amount of the July 1, 2014 PSC Assessments will be known in June 2014 - the very month the proposed tariffs are to go into effect and long before the 9-Month Deadline in this case of August 20, 2014. The proposal that Peaceful Valley make monthly specialized recordkeeping adjustments in an attempt to track the difference between the money collected and the actual PSC Assessment amount is unduly burdensome on Peaceful Valley and in no way guarantees that any over payment by customers will be returned to those customers. It is Public Counsel's hope that a resolution to all of Public Counsel's concerns can be found.

5. As the Company/Staff Agreements were executed by only Peaceful Valley and Staff, 4 CSR 240-3.050(15) requires Public Counsel to file a pleading stating its position regarding the Company/Staff Agreements and the related tariff revisions, or requesting a local public hearing or an evidentiary hearing no later than five (5) working days after the end of the comment period for the written customer notice contemplated in 4 CSR 240-3.050(14).

6. Affording customers the opportunity to speak to the Commission at a hearing is a critical part of the ratemaking process. Customers should have the opportunity to voice their concerns regarding a proposed increase to the Commission at a local public hearing. Also, holding a local public hearing will also provide customers the opportunity to ask questions of Peaceful Valley regarding the company's requests.

7. Public Counsel does not object to the Commission scheduling the hearing promptly, as long as customers are given sufficient notice.

8. Section 393.150 RSMo provides that the Commission may suspend tariff sheets for a maximum period of 120 days plus six months. Therefore, Public Counsel requests that the Commission suspend the proposed revised tariff sheets for a sufficient period to allow adequate time for a local public hearing and subsequent case disposition as appropriate.

9. As stated above, 4 CSR 240-3.050(14) requires a written notice of the proposed tariff revisions no later than five (5) working days after the utility makes its tariff filing. To prevent the unnecessary duplicative costs of mailing a customer notice and a separate notice of local public hearing at a later date, Public Counsel is making its request for a local public hearing promptly and without delay. It is Public Counsel's hope that a combined notice will be sent to the customers of Peaceful Valley which notifies the customers of the proposed increase and provides information regarding an upcoming local public hearing where comments on the proposed increase may be provided directly to the Commission.

10. Consequently, in order to allow for the mailing of a combined proposed tariff notice and local public hearing notice, Public Counsel requests a waiver of the requirement that the written notice of the proposed tariff revisions be mailed no later than five (5) working days after the utility makes its tariff filing as contemplated in 4 CSR 240-3.050(14).

11. Therefore, in compliance with 4 CSR 240.3-050(15), Public Counsel requests that the Commission schedule a local public hearing in this matter. Public Counsel also requests that the Commission suspend the proposed revised tariff sheets for a sufficient period to allow adequate time for a local public hearing and subsequent case disposition as appropriate. Additionally, Public Counsel requests a waiver of the requirement that the written notice of the proposed tariff revisions be mailed no later than five (5) working days after the utility makes its tariff filing as contemplated in 4 CSR 240-3.050(14).

**WHEREFORE,** Public Counsel respectfully submits its request.

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 24<sup>th</sup> day of April 2014:

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**/s/ Christina L. Baker**

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