

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

**In the Matter of Lake Region Water & Sewer     )     File No.   SR-2010-0110  
Company's Application to Implement a General )     Tariff No. YS-2010-0250  
Rate Increase in Water & Sewer Service     )**

**In the Matter of Lake Region Water & Sewer     )     File No.   WR-2010-0111  
Company's Application to Implement a General )     Tariff No. YW-2010-0251  
Rate Increase in Water & Sewer Service     )**

**STAFF RESPONSE TO REQUEST FROM AGENDA ON APRIL 7, 2010**

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and in response to Commissioner Davis' request made during agenda on April 7, 2010 for a list of regulated water and sewer companies with provisions regarding availability charges states the following:

1. Ozark Shores Water Company, which owns the water system located on Horseshoe Bend that was formerly owned by Four Seasons Lakesites Water & Sewer Co. currently has availability charges. These availability charges for water have existed and have been assessed by the regulated water utility since the inception of Four Season Lakesites in approximately 1973. Within the context of past Commission rate cases, specifically WR-92-59 and WR-99-183, the money collected through these charges has always been included with these regulated utilities' revenue but has not been included within the tariff, despite a provision in the subdivision restrictive covenants that states the charges should be in the tariff.

2. Lake Region Water & Sewer Co., which is the current name of the company originally known as Four Seasons Lakesites Water & Sewer Co., providing water and sewer service to Shawnee Bend, as well as sewer service on Horseshoe Bend, has availability fees associated with both its water and sewer systems on Shawnee Bend. These availability fees were

also created by the terms of subdivision restrictive covenants since approximately 1994 and are to be paid to the regulated utility, although Lake Region asserts it has relinquished its rights to collect the availability fees.

3. I. H. Utilities, Inc., a regulated water utility located near Cuba, MO, had availability charges that were assigned to the utility through a lot seller-buyer document since 1963. These charges were included in the utility's tariff after 1977 and the money collected was included in utility revenue until I.H. recently agreed to cease charging for availability at all and removed the charges from its tariff. This was done in the context of Case No. WR-2010-0048.

4. Peaceful Valley Service Company, a regulated water and sewer utility near Owensville, MO, has had availability charges for water included in the tariff since approximately 1985. The money collected from these availability charges has been treated as utility revenue in the context of Commission rate cases. In a recent rate case resulting in a rate reduction, Case No. WR-2009-0145, the Company agreed to reduce the availability fees by the same percentage as its rates.

5. Staff believes, to the best of its knowledge, these are all of the regulated water and sewer utilities that have charged or currently charge availability charges or fees. Staff notes that this is only a list of regulated water and sewer companies. Staff has not investigated the realm of availability fees as they exist within an untold number of subdivision deeds of restriction or other development documents in county recorder of deeds' offices across the state, and thereby may cause those entities to rise to the level of a water or sewer corporation as defined in statute.

Respectfully submitted,

/s/ Rachel M. Lewis

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**Certificate of Service**

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 27<sup>th</sup> day of April, 2010.

/s/ Rachel M. Lewis