BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Small Company Rate Increase of)	File No. SR-2010-0320
Timber Creek Sewer Company)	THE NO. 5K-2010-0320

STAFF'S LATE-FILED EXHIBIT

COMES NOW, the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its *Late-Filed Exhibit* related to rate case expense, states the following:

- 1. On October 7, 2010, Staff filed a Request to Open a Contested Case, notifying the Missouri Public Service Commission (Commission) that "this matter was not completely resolved through the small rate case procedure disposition agreement, Staff requests that the Commission address the remaining issues in a contested case and resolve this matter through a general rate case process."
- 2. On October 8, 2010, Mr. Jeremiah D. Finnegan, of Finnegan, Conrad and Peterson, entered his appearance on behalf of Timber Creek Sewer Company (Timber Creek or Company).
- 3. On October 18, 2010, Timber Creek, the Office of the Public Counsel (Public Counsel), and Staff filed a *Joint Proposed Procedural Schedule* which identified the issues unresolved through the *Unanimous Partial Disposition Agreement* filed on October 7, 2010, as follows:
 - a. Timber Creek Staff Compensation/Timesheets/Overtime;
 - b. Rate Case Expenses;
 - c. Alternative Energy Gas Well Cost Recovery;
 - d. PSC Assessment; and
 - e. Contingency/Emergency Repair Fund.

- 4. On November 23, 2010, Staff filed its Direct Testimony in this matter. Staff witness, V. William Harris, sponsored Income Statement adjustment E-196, related to normalized rate case expense. At that point in time, Timber Creek had not incurred any rate case expense. (Exhibit 13, Harris Direct, p. 3, lines 17-18). Mr. Harris used Timber Creek's rate case expenses from the previous rate case, Case No. SR-2008-0080, and normalized the data. (Exhibit 13, Harris Direct, p. 5, lines 1-4). Mr. Harris also indicated that additional rate case expense may be incurred due to the evidentiary hearing, and Staff may include any reasonable incurred rate case expense later in the case. (Exhibit 13, Harris Direct, p. 6, lines 2-5).
- 5. On December 28, 2010, Mr. Harris submitted Surrebuttal Testimony to the Commission, which further indicated that Staff normalized rate case expense based on expenses incurred from Timber Creek's last rate case, SR-2008-0080. (Exhibit 15, Harris Surrebuttal, p. 2, lines 12-14). Mr. Harris also stated that "Staff will work with Timber Creek and Public Counsel to establish an on-going normalized level of rate case expense based on the <u>actual</u> costs the Company incurs in this case." (Exhibit 15, Harris Surrebuttal, p. 2, lines 17-19) (emphasis added).
- 6. During the evidentiary hearing on January 5, 2011, Mr. Harris further indicated that he was going to establish a normalized level of rate case expense based on actual cost Timber Creek incurred in this current matter. (Transcript, Vol. 3, p. 184, lines 4-7).
- 7. Since the evidentiary hearing, Timber Creek has provided Staff with rate case expense invoices which Staff believes are reasonable and prudent. Attached hereto,

as Attachment A, Mr. Harris has updated his workpapers, which reflect Income Statement adjustment E-196.

8. Staff is also submitting an updated Reconciliation to reflect Staff's update rate case expense adjustment.

WHEREFORE, Staff requests that the Commission accept this Late-Filed Exhibit.

Respectfully submitted,

/s/ Jaime N. Ott
Jaime N. Ott
Associate Staff Counsel
Missouri Bar No. 60949

Attorney for the Staff of the Missouri Public Service Commission P. O. Box 360
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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 3rd day of February, 2011.

/s/ Jaime N. Ott	
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¹ This adjustment can been located in staff Accounting Schedule 8, as E-196.

TIMBER CREEK SEWER COMPANY Case No. SR-2010-0320

Normalized Rate Case Expense based on actual expense through January 31, 2011

2/3/11 vwfn

	\$ Reason/Explanation	Window envelopes for customer mailings	Color copies for Home Owner Assoc. meetings	Mail processing for 1st customer notification	Postage for 1st customer notification	Copies of customer records for PSC auditors	Two boxes of copy paper	Legal opinion re: Overtime and the FSLA	To Jefferson City and return (312 miles @ \$.50 per mi)	Staff includes lunch for 1 (not for 2)	Mail processing for evidentiary hearing	Postage for evidentiary hearing	Accounting research for utility maintenance reserve	September and October (15.5 hours @ \$200 per hr)	November (32.3 hours @ \$200 per hr and \$35 mileage)	To Jefferson City and return (382 miles @ \$.50 per mi)	One night at Econo Lodge (\$55 room and \$5.90 taxes)	\$3.34 meal (McDonald's) and \$6 parking (City garage)	December charges (44.1 hours @ \$200 per hour)	January (36.4 hours @ \$200 per hr and \$316 expenses)
Staffs	position normalized \$	\$221	\$27	2367	\$473	\$926	\$98	\$730	\$156	\$14	\$255	\$595	\$193	\$3,100	\$6,495	\$191	\$61	8	\$8,820	\$7,900
\$ per Co.	position	\$221	\$27	\$367	\$473	\$926	86\$	\$730	\$156	\$28	\$255	\$595	\$193	\$3,100	\$6,495	\$191	\$61	6 \$	\$8,820	\$7,900
	Vendor and/or Service	Platte County Citizen	Goin' Postal	Goin' Postal	USPS	Goin' Postal	Staples	Law Offices of Jason Davey	Willis Sherry (Mileage)	Willis Sherry (Lunch for 2)	Goin' Postal	USPS	Karlin & Company	Finnegan, Conrad & Peterson, L.C.	Finnegan, Conrad & Peterson, L.C.	Derek Sherry / Mileage (Self)	Derek Sherry / Lodging	Derek Sherry / Meal and parking	Finnegan, Conrad & Peterson, L.C.	Finnegan, Conrad & Peterson, L.C.
	Date	5/6/2010	5/10/2010	6/3/2010	6/4/2010	6/11/2010	6/25/2010	8/19/2010	9/15/2010	9/15/2010	11/1/2010	11/1/2010	11/2/2010	11/30/2010	12/17/2010	1/5/2011	1/5/2011	1/5/2011	1/19/2011	2/3/2011

\$30,644 \$30,630 Normalized over three years ADJ. E-196 \$

Imber Creek Sewer Company Reconcilation Issue Sale Sale Safe			-						_
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							- Calabora de la cala		
				Parties					
Differ Staff									
Start	Differences with					Differences			Company's
	Staff and Public					with Staff and	Company	+	Revenue
	Counsel	Public Counsel		Staff		Company	Sanes		Requirement
Revenue Requirement 53-	\$34,138.00	\$0.00		\$34,138	*See Footnote	\$48,594	\$82,732		\$82,732 ***
Natural Gas Well Drilling	\$0.00	\$0.00		\$0.00		\$10,849.00	\$10,849.00		
Contineency Euro	OU US	0000		50		60 166 00	* 00 326 00	*Dor Voor	
	200	2000		2000		סייסבדייה ה		19 Years	
							1,526 customers x	×	
							6 dollars per year per	r per	
							customer (\$.50 x 12 months)	(12 months)	
							(Fund with additional	ional	
							5.50 charge per month	month	
							to ratepayers for 1.5 years)	T years)	
Rate Case Expense S7	57,313.00	\$ 2,897 per year		\$10,210 per year	year	\$9,181.00	\$19,391 per year		\$19,391.00
		over 3 years		over 3 years			over 3 years		
Pavroll		Total	\$8,691.00	Total	\$30,630.00		Total	\$58,173.00	
General Manager		\$52,768.00		\$76,862.00			\$94,529.00	72,400	
Othce Manager		\$32,650.00		\$41,559.00			\$43,263.00	40349	
Operations Manager		259,258,00		\$81,020.00			5/8,660.00	/8660	
System Operator		245,867.00		**************************************	omitime.		249,290.00	40380	
27	\$54,898.00		\$190,543.00 **		\$245,441.00	\$20,301.00	8	\$265,742.00	\$33,353.00
Overtime \$7	\$7,000.00	Include NO Overtime	ime	\$7,000 for the Plant	ne Plant	\$3,033.35	Plant and Collection	tion	\$10,033.00
		as the Company didn't	idn't	and Collection System	on System		System Operator		
		pay an amount during	ıring	Operator and NO	ON P			\$7,234.83	
		test year		Overtime for	Overtime for Office Manager		Office Manager		
							pocursol	\$2,604.45	
								\$194.07	
Time Reporting		IN Favor		IN Favor			NOT IN Favor		
							unless Overtime		
							is taken into consideration	sideration	
OPC Revenue Requirement (53	(\$35,073.00)								
* Footnote: All costs identified in the Staff column are reflected in the Staff Revenue Requirement of \$31,620	nn are reflected ir	n the Staff Revenue Re	quirement of \$31,	620					

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Timber Creek Sewer Company Request for a Rate Increase.) Case No. SR-2010-0320)
AFFIDAVIT OF	V. WILLIAM HARRIS
STATE OF MISSOURI)	
OUNTY OF COLE) ss.	
V. William Harris, of lawful age, on his o	path states: that he participated in the preparation of
Staff Adjustment E-196 updated to reflect	actual Rate Case expenditures associated with the
Timber Creek Sewer Company's Evidentiar	ry Hearing held on January 5, 2011 and to include
actual, reasonable, appropriate, and prudent	rate case expenses through January 31, 2011; and
that such matters are true and correct to the be	V. William Harris
D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commission Expires: December 08, 2012 Commission Number: 08412071	day of Flowary, 2011. Surellanken Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Timber Creek Sewer Company Request for a Rate Increase.) Case No. SR-2010-0320
AFFIDAVIT OF	BRET G. PRENGER
STATE OF MISSOURI)	·
COUNTY OF COLE) ss.	
Bret G. Prenger, of lawful age, on his oath	n states: that he has participated in the preparation
of Staff's Reconciliation which was updated	based upon V. William Harris' update to reflect
actual Rate Case expenditures associated with	the Timber Creek Sewer Company's Evidentiary
Hearing held on January 5, 2011 and update	ed to include actual, reasonable, appropriate, and
prudent rate case expenses through January 3.	1, 2011; and that such matters are true and correct
to the best of his knowledge and belief.	
	Bret G. Prenger
Subscribed and sworn to before me this	day of <u>February</u> , 2011.
D. SUZIE MANKIN Notary Public - Notary Seal State of Missouri Commissioned for Cole County My Commission Expires: December 08, 2012 Commission Number: 08412071	Descellanken Notary Public