

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

In the Matter of Small Company Rate Increase of       )  
Timber Creek Sewer Company                               )       File No. SR-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 actual 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.<sup>1</sup>

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

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Missouri Public Service Commission  
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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 3<sup>rd</sup> day of February, 2011.

/s/ Jaime N. Ott

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<sup>1</sup> This adjustment can be 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 vwh

Date	Vendor and/or Service	\$ per Co. position	Staff's normalized \$	Reason/Explanation
5/6/2010	Platte County Citizen	\$221	\$221	Window envelopes for customer mailings
5/10/2010	Goin' Postal	\$27	\$27	Color copies for Home Owner Assoc. meetings
6/3/2010	Goin' Postal	\$367	\$367	Mail processing for 1st customer notification
6/4/2010	USPS	\$473	\$473	Postage for 1st customer notification
6/11/2010	Goin' Postal	\$926	\$926	Copies of customer records for PSC auditors
6/25/2010	Staples	\$98	\$98	Two boxes of copy paper
8/19/2010	Law Offices of Jason Davey	\$730	\$730	Legal opinion re: Overtime and the FSLA
9/15/2010	Willis Sherry (Mileage)	\$156	\$156	To Jefferson City and return (312 miles @ \$.50 per mi)
9/15/2010	Willis Sherry (Lunch for 2)	\$28	\$14	Staff includes lunch for 1 (not for 2)
11/1/2010	Goin' Postal	\$255	\$255	Mail processing for evidentiary hearing
11/1/2010	USPS	\$595	\$595	Postage for evidentiary hearing
11/2/2010	Karlin & Company	\$193	\$193	Accounting research for utility maintenance reserve
11/30/2010	Finnegan, Conrad & Peterson, L.C.	\$3,100	\$3,100	September and October (15.5 hours @ \$200 per hr)
12/17/2010	Finnegan, Conrad & Peterson, L.C.	\$6,495	\$6,495	November (32.3 hours @ \$200 per hr and \$35 mileage)
1/5/2011	Derek Sherry / Mileage (Self)	\$191	\$191	To Jefferson City and return (382 miles @ \$.50 per mi)
1/5/2011	Derek Sherry / Lodging	\$61	\$61	One night at Econo Lodge (\$55 room and \$5.90 taxes)
1/5/2011	Derek Sherry / Meal and parking	\$9	\$9	\$3.34 meal (McDonald's) and \$6 parking (City garage)
1/19/2011	Finnegan, Conrad & Peterson, L.C.	\$8,820	\$8,820	December charges (44.1 hours @ \$200 per hour)
2/3/2011	Finnegan, Conrad & Peterson, L.C.	\$7,900	\$7,900	January (36.4 hours @ \$200 per hr and \$316 expenses)
		<u>\$30,644</u>	<u>\$30,630</u>	
				Normalized over three years <b>ADJ. E-196</b> <b>\$10,210</b>



**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.

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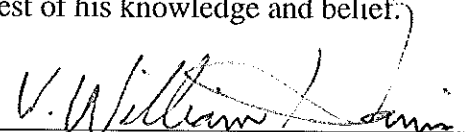
Case No. SR-2010-0320

AFFIDAVIT OF V. WILLIAM HARRIS

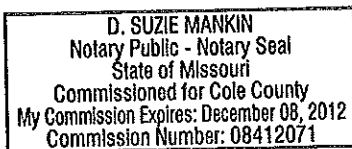
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COUNTY OF COLE        )

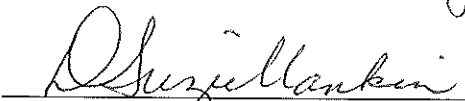
ss.

V. William Harris, of lawful age, on his oath 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 Evidentiary 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 best of his knowledge and belief.

  
V. William Harris

Subscribed and sworn to before me this 3<sup>rd</sup> day of February, 2011.



  
Notary Public

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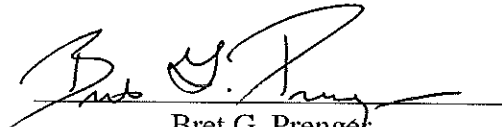
Case No. SR-2010-0320

**AFFIDAVIT OF BRET G. PRENGER**

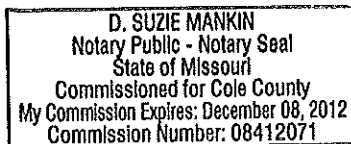
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COUNTY OF COLE     )

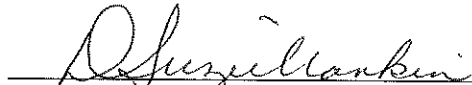
ss.

Bret G. Prenger, of lawful age, on his oath 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 updated to include actual, reasonable, appropriate, and prudent rate case expenses through January 31, 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 3<sup>rd</sup> day of February, 2011.



  
Notary Public