

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

In the Matter of the Application of Lake Region )	
Water & Sewer Company for a Certificate of )	
Convenience and Necessity authorizing it to )	
construct, install, own, operate, control, manage )	<b><u>Case No. WA-2005-0463, et al.</u></b>
and maintain a water and sewer system for the )	
public located in an unincorporated area in )	
Camden County, Missouri. )	

**SUGGESTIONS IN SUPPORT OF AMENDED STIPULATION AND AGREEMENT**

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its Suggestions in Support of Amended Stipulation and Agreement ("Suggestions") states the following to the Missouri Public Service Commission ("Commission").

1. On October 6, 2006, Lake Region Water & Sewer Company ("LRWS" or "Company") and the Staff filed their Amended Stipulation and Agreement ("Stipulation") in the instant case.

2. As is noted in Paragraph 8 of the Stipulation, the Staff agrees that: (a) there is a need for the proposed water and sewer service in the area proposed to be certificated; (b) LRWS is qualified to provide the proposed services; and (c) LRWS has the financial ability to provide the proposed services.

3. The provisions of Paragraph 9 of the Stipulation, whereby the Company agrees to conduct an engineering study of the facility improvements that will likely be needed in the long-term and to place its operations of its sewage treatment facilities under the guidance of a fulltime operator with at least a "B" Missouri Wastewater Operator's Certificate, are of particular importance to the Staff. Said provisions satisfactorily resolve the Staff's concerns regarding

these matters. Absent the Company's agreements regarding these two matters, the Staff would not have been in a position to recommend approval of the requested certificates of convenience and necessity.

4. As is referenced in Paragraph 10 of the Stipulation, through footnote 3, the Stipulation does not contemplate approval of the developer agreements that were included with the Company's Application, which is consistent with the Staff's positions regarding those agreements. However, it is the Staff's understanding that an agreement regarding an amended/consolidated agreement between the developers involved in the subject pipeline projects and LRWS has now been reached. The Staff has been directly involved in the negotiations regarding the development of that amended/consolidated agreement, particularly in the development of the contribution-in-aid-of-construction ("CIAC") charge that will be reflected in that agreement and eventually applied to the new service area.

5. Assuming that the above-referenced amended/consolidated agreement between the Company and the involved developers is executed as expected, the Staff believes the Company will be able to file the tariff revisions contemplated by Paragraph 10 of the Stipulation well within the time provided for such a filing. With the Staff's recommendation regarding this anticipated tariff filing, the Staff will provide information regarding the calculation of the CIAC charge that will be included in that tariff filing.

6. In the event the above-referenced amended/consolidated agreement between the Company and the involved developers is not executed as expected, or is not executed in a timely manner, the Staff does not object to the Company's existing tariffed CIAC charge being applied to the new service area, as is also discussed in Paragraph 10 of the Stipulation.

7. Paragraphs 11 and 12 of the Stipulation contain provisions regarding various on-going regulatory requirements with which LRWS must comply, and the Company's acknowledgement that the Commission's granting of the requested certificates of convenience and necessity is conditioned upon the Company's compliance with those requirements.

8. Paragraph 16 of the Stipulation contains provisions whereby the Staff may discuss the provisions of the Stipulation with the Commission at any Agenda session at which the Stipulation is noticed to be considered by the Commission; provided that the Staff will provide the Company with as much advance notice as possible of any request from the Commission for an explanation of the provisions of the Stipulation at any such Agenda session.

**WHEREFORE**, the Staff respectfully submits these Suggestions for the Commission's consideration in this case.

Respectfully Submitted,

**/s/ Robert S. Berlin**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of these Suggestions have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 11th day of October 2006.

**/s/ Robert S. Berlin**