

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

In the Matter of Lake Region Water & Sewer	)	
Company's Application to Implement a General	)	<u><b>File No. SR-2010-0110</b></u>
Rate Increase in Water & Sewer Service.	)	

In the Matter of Lake Region Water & Sewer	)	
Company's Application to Implement a General	)	<u><b>File No. WR-2010-0111</b></u>
Rate Increase in Water & Sewer Service.	)	

**THE OFFICE OF THE PUBLIC COUNSEL'S OBJECTION  
TO JOINT REQUEST FOR EXTENTION**

COMES NOW the Office of the Public Counsel and for its Objection to Joint Request for Extension states as follows:

1. On October 7, 2009, Lake Region Water & Sewer Company (Lake Region) initiated a general rate increase request with the Missouri Public Service Commission (Commission) for its water and sewer utility service.

1. On February 22, 2010, Lake Region, the Staff of the Missouri Public Service Commission (Staff), and Four Seasons Racquet and Country Club Condominium Owners Association, Inc. (Racquet Club or Club) filed a Partial Nonunanimous Stipulation Respecting Adjustments To Sewer Charges Applicable To Intervenor Four Seasons Racquet And Country Club Condominium Owners Association, Inc. (Stipulation). The Stipulation was approved by the Commission on April 14, 2010.

2. The Stipulation stated that Lake Region agreed to install, at its own cost and expense, flow meters at points on the Racquet Club's collection system in order for Lake Region to separately measure the: 1) total water flow from the Country Club Hotel (Hotel) system; and 2) total flow from the Racquet Club system that enters Lake Region's wastewater treatment plant.

3. The Stipulation provided that the flow meters were to be installed by May 31, 2010. However, a request for an extension until August 31, 2010 was made on May 27, 2010. The Commission granted this request on June 1, 2010.

4. On August 24, 2010, a Joint Application for Extension was filed requesting an extension of the August 31, 2010 deadline stating that Lake Region and the Racquet Club will report to the Commission when the flow meter installations are completed, or report to the Commission as to the progress of the flow meter installations by June 1, 2011, whichever first occurs.

5. The Stipulation stated:

10. Treatment of Adjusted Revenue. Staff agrees that for purposes relevant in this case the rate revenue derived from Lake Region's charges for service to the Club and the Hotel shall reflect an amount based upon metered water usage rather than the flow meter. Once the flow meters are operating to the satisfaction of Lake Region, the Racquet Club and Hotel, the flow meter reading used to determine the monthly billings of the Racquet Club and Hotel will be used for the rates revenues in future rate cases.

6. According to Staff Witness Martin Hummel, there is a very high probability that the bills for the Racquet Club and the Hotel will be much higher once the billing is based on the flow meter reading.<sup>1</sup> Therefore, until the actual wastewater flow of the Racquet Club and the Hotel are determined, the other customers of Lake Region are most likely subsidizing the wastewater flow of the Racquet Club and the Hotel.

7. The Joint Application for Extension provides no concrete timeframe for the installation of the flow meter, only a promise to report to the Commission by June 1, 2011. The Joint Application also gives no indication of what will happen if Lake Region or Staff continues to "have concerns as to the type of flow meter installations required, and the efficacy of the flow meter installations."

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<sup>1</sup> Direct Testimony of Martin Hummel

8. It is imperative that the actual wastewater flow be determined for the Racquet Club and the Hotel in order to prevent possible long-term subsidization by other customers. Therefore, Public Counsel objects to the Joint Application for Extension. Public Counsel requests that the Commission order a specific deadline for determining the actual wastewater flow of the Racquet Club and the Hotel so that this information can be used for determining the rates revenue in the general rate increase request Lake Region has been ordered to file within three years of the effective date of the Report and Order in this case.<sup>2</sup>

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

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

**/s/ Christina L. Baker**

By: \_\_\_\_\_

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<sup>2</sup> Report & Order, pg. 122

### CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 25<sup>th</sup> day of August 2010:

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