

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

In the Matter of Lake Region Water and Sewer)	
Company's Application to Implement a General)	<u>Case No. SR-2013-0459</u>
Increase in Water and Sewer Service)	

In the Matter of Lake Region Water and Sewer)	
Company's Application to Implement a General)	<u>Case No. WR-2013-0461</u>
Increase in Water and Sewer Service)	

**JOINT LIST OF ISSUES, ORDER OF WITNESSES, ORDER OF CROSS-
EXAMINATION, AND ORDER OF OPENING STATEMENTS**

COME NOW the Staff of the Missouri Public Service Commission (Staff), Lake Region Water & Sewer Company (Lake Region), and the Office of the Public Counsel (Public Counsel), by and through counsel, and hereby submit to the Missouri Public Service Commission (Commission) this *Joint List of Issues, Order of Witnesses, Order of Cross-Examination, and Order of Opening Statements*:

1. On August 29, 2013, the Commission issued an *Order Setting Procedural Schedule and Establishing Test Year and Other Procedural Requirements*, by which the parties were required to file jointly a list of issues, witness, order of cross-examination and order of opening statements.

2. Pursuant to Commission Rule 4 CSR 240-2.080(19), "Any list of issues ordered by the commission must set out each question presented for decision. Each question presented should be clear and concise."

3. While efforts have been made to agree on concise statements of the issues remaining in this case for the Commission to decide, the parties have been unable to agree fully on those statements. However, in an effort to comply with the

Commission's Order and with Rule 2.080, the parties offer the below list of Issues, with the understanding that the statements of issues in that list are not necessarily agreed to by all parties as the best characterization of the issues. Therefore, some parties may state the issue differently in their pleadings and briefs. Further, parties may state they consider an issue listed to not be a contested issue or a proper issue for Commission consideration. Specifically, Lake Region, as footnoted, objects to inclusion of the issues pertaining to availability fees. Further, the Commission should not construe the list of issues here to impair any party's ability to argue about any of the listed issues or related matters, or to restrict the scope of any party's response to arguments made by other parties.

Issues and Witnesses

1. Availability Fees¹

- a. Should availability fees collected from owners of undeveloped lots in Lake Region's service territory be classified as Lake Region revenue or applied against rate base?

Summers – Lake Region
Bolin – Staff
Merciel – Staff
Robertson – OPC

2. Capital Structure

- a. Should the capital structure for Lake Region be based on its actual capital structure or a hypothetical capital structure?
- b. If the capital structure for Lake Region should be based on its actual capital structure, what is Lake Region's actual capital structure?
- c. If the capital structure for Lake Region should be based on a hypothetical capital structure, what is a balanced and reasonable capital structure for Lake Region?

¹ Lake Region objects to the inclusion of this issue on the grounds it has asserted in previous submissions or filings with the Commission.

Summers – Lake Region
Gorman – Lake Region
Atkinson – Staff
Robertson – OPC

3. Return on Equity

- a. What is the appropriate return on equity for Lake Region?

Summers – Lake Region
Gorman – Lake Region
Atkinson – Staff
Robertson – OPC

4. Depreciation Reserve/Depreciation Expense Relating to the Shawnee Bend Lagoon Retirement

- a. Should depreciation expense included in current rates and accumulated in depreciation reserve, relating to the retirement of land for the Shawnee Bend lagoon, be removed from depreciation reserve balances?

Rice – Staff
Roth– OPC

5. Depreciation Reserve/Depreciation Expense for Omitted Plant in Prior Case

- a. For plant additions and retirements that were unintentionally omitted in a prior case, what is the appropriate date on which depreciation expense calculation should commence?
- b. For plant additions and retirements that were unintentionally omitted in a prior case, what is the appropriate depreciation reserve balance as of the end of the test year?

Rice – Staff
Sarver – Staff
Addo – OPC

6. Consulting Fee

- a. Should the consulting fee paid to Lake Region's General Manager, John Summers, be included in the calculation of rates for Lake Region?

Stump – Lake Region
Foster – Staff

7. Legal Fees

- a. Should the legal fees incurred during the test year for *Shawnee Bend Development Company, LLC v. Lake Region Water & Sewer* be included in the calculation of rates for Lake Region?
- b. If so, what is the appropriate mechanism for recovery of these costs?

Summers – Lake Region
Foster – Staff
Roth – OPC

8. Sludge Hauling

- a. What is the appropriate amount of sludge hauling expense to include in the calculation of rates for Lake Region?

Foster – Staff
Roth – OPC

9. Rental Equipment

- a. What is the appropriate level of rental expense to include for the equipment Lake Region currently rents from Camden County Public Water Supply District 4?

Summers – Lake Region
Roth – OPC
Carle – Staff

Order of Cross-Examination

Company Witnesses:	Staff Witnesses:	Public Counsel Witnesses:
Staff	OPC	Staff
OPC	Company	Company

Order of Opening Statements

Lake Region
Staff
Public Counsel

WHEREFORE, Staff, Lake Region, and Public Counsel hereto tender this *Joint List of Issues, Order of Witnesses, Order of Cross-Examination, and Order of Opening Statements.*

Respectfully submitted,

/s/ Amy E. Moore

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed with first-class postage, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 7th day of January, 2014.

/s/ Amy E. Moore