

**THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS**

Before Commissioners:                   Mark Sievers, Chairman  
  Ward Loyd  
  Thomas E. Wright

In the Matter of the Application of Howison                    )  
Heights, Inc., for Approval of Certain                        )       Docket No. 12-HHIW-382-RTS  
Changes in its Charges for Water Service.                    )

**PREHEARING OFFICER ORDER SETTING PREHEARING CONFERENCE**

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. The Commission has designated Melissa Doeblin, Advisory Counsel, to act as Prehearing Officer in this proceeding. Order Designating Prehearing Officer and Granting Intervention to the Citizens' Utility Ratepayer Board, January 4, 2012, paragraph 4. Having reviewed the files and records, and being duly advised in the premises, the Prehearing Officer makes the following findings:

1.       On November 22, 2011, Tim Howison, d/b/a Howison Heights Inc., (Howison), filed an Application with the Commission seeking approval to make certain changes in its rates for water service. Howison stated that it is a corporation duly incorporated under the laws of the State of Kansas, and has its principal place of business at 1212 Meyer Drive, Salina, Kansas 67401. Application, November 22, 2011, paragraph 1 (Application, ¶ 1). Howison stated that it holds necessary certificates of convenience and authority for the operation of a water utility business and currently serves 62 retail customers in Saline County, Kansas. Application, ¶ 2. Howison requested an increase in revenue requirement of \$41,652 in annual revenues, or a 101% increase based upon operations for 12 months ending December 31, 2010. Application, ¶ 5.
2.       The Commission issued an Order suspending the matter for 180 days, until May 20, 2012, pursuant to K.S.A. 66-117(c). The Commission reserved the right to enter further

order or orders to suspend the Application for the full 240 days from the date the Application was made. Suspension Order, December 19, 2011, paragraph 4.

3. The Commission has granted intervention to the Citizens' Utility Ratepayer Board (CURB) in this docket. Order Designating Prehearing Officer and Granting Intervention to the Citizens' Utility Ratepayer Board, January 4, 2012.

4. The Commission issued an order granting the request of Commission Staff and CURB to allow this Application to proceed under the requirements of K.A.R. 82-1-231b, which allows a water public utility that is classified as a Class B utility to proceed with its Application if its annual operating revenues are less than \$750,000. Order Granting Joint Motions and Authorizing Rate Case Filing to Proceed under K.A.R. 82-1-231b, January 18, 2012, paragraph 8 (January 18 Order, ¶ 8). The Commission also found that good cause had been shown for the Commission to waive the procedural requirements of K.A.R. 82-1-231b(b)(2)(A) (written notice of intent to file) and K.A.R. 82-1-231b(b)(2)(C) (public meeting held before Application filed), and thus waived those requirements. January 18 Order, ¶ 9. The Commission also approved of a procedural schedule as proposed by the parties. January 18 Order, ¶¶ 5, 10.

5. Staff and CURB each filed their recommendations regarding the Howison rate case before February 10, 2012. Notice of Filing of Staff's Report and Recommendation, February 8, 2012; Notice of Filing of CURB's Report and Recommendation, February 9, 2012. The Prehearing Officer reported on the recommendations to the Commission at an Open Meeting on February 15, 2012. Commissioners expressed concerns relating to this docket.

6. The Prehearing Officer finds that a Prehearing Conference should be held to provide the parties an opportunity to discuss issues concerning recommendations and an interim Order. The Prehearing Officer contacted Howison, Staff and CURB, who were all agreeable to a

Prehearing Conference being held on Thursday, February 23, 2012, beginning at 1:30 p.m. The Prehearing Officer sets a Prehearing Conference for Thursday, February 23, 2012, beginning at 1:30 p.m., in the Third Floor Hearing Room of the Commission's offices, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027. Parties should be prepared to discuss discovery procedures and any other prehearing issues that will promote the orderly and prompt conduct of this proceeding. K.S.A. 77-517; K.A.R. 82-1-222. Any party who fails to attend or participate in the Prehearing Conference, hearing or other stage of this proceeding may be held in default under the KAPA. K.S.A. 77-516(c)(8); K.S.A. 77-520. At the prehearing conference, this proceeding, without further notice, may be converted into a conference hearing or a summary proceeding for disposition of the matter as provided by the KAPA. K.S.A. 77-516(c)(7).

7. The attorneys designated to appear on behalf of the agency in this proceeding are Bob Fox, telephone number 785-271-3118, email address [b.fox@kcc.ks.gov](mailto:b.fox@kcc.ks.gov); and Matt Spurgin, telephone number 785-271-3279, email address [m.spurgin@kcc.ks.gov](mailto:m.spurgin@kcc.ks.gov), 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027. K.S.A. 2010 Supp. 77-518(c)(2); K.S.A. 77-516(c)(2).

**WHEREFORE, THE PREHEARING OFFICER FINDS AND CONCLUDES AS FOLLOWS:**

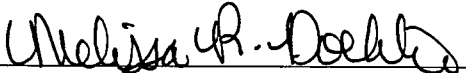
A. The Prehearing Officer directs parties to attend the Prehearing Conference on Thursday, February 23, 2012, beginning at 1:30 p.m., in the Third Floor Hearing Room of the Commission's offices, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027, as described above.

B. This is a procedural order and constitutes nonfinal agency action. K.S.A. 77-607(b)(2). Parties have 15 days, plus three days if service of this Order is by mail, from the date

of service of this Order in which to petition the Commission for reconsideration. K.S.A. 66-118b; K.S.A. 2010 Supp. 77-529(a)(1).

C. The Commission retains jurisdiction over the subject matter and parties for the purpose of entering such further order or orders as it may deem necessary.

Dated: February 20, 2012

  
Melissa R. Doebelin  
Prehearing Officer

mrd

ORDER MAILED FEB 20 2012

PLEASE FORWARD THE ATTACHED DOCUMENT (S) ISSUED IN THE ABOVE-REFERENCED DOCKET TO THE FOLLOWING:

NAME AND ADDRESS	NO. CERT. COPIES	NO. PLAIN COPIES
NIKI CHRISTOPHER, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 <b>***Hand Delivered***</b>		
C. STEVEN RARRICK, ATTORNEY CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 <b>***Hand Delivered***</b>		
DELLA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 <b>***Hand Delivered***</b>		
SHONDA SMITH CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 <b>***Hand Delivered***</b>		
DAVID SPRINGE, CONSUMER COUNSEL CITIZENS' UTILITY RATEPAYER BOARD 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604 <b>***Hand Delivered***</b>		
TIMOTHY B. HOWISON, PRESIDENT HOWISON HEIGHTS, INC. 1212 MEYER DR SALINA, KS 67401-5274		
HOLLY FISHER, ATTORNEY KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604-4027 <b>***Hand Delivered***</b>		
MATTHEW SPURGIN, LITIGATION COUNSEL KANSAS CORPORATION COMMISSION 1500 SW ARROWHEAD ROAD TOPEKA, KS 66604-4027 <b>***Hand Delivered***</b>		

ORDER MAILED FEB 20 2012

The Docket Room hereby certified that on this \_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, it caused a true and correct copy of the attached ORDER to be deposited in the United States Mail, postage prepaid, and addressed to the above persons.