

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

In the Matter of EMC of St. Charles)
County, LLC for a Certificate of)
Convenience and Necessity Authorizing)
it to Participate in the Ownership,)
Operation, Maintenance, Removal,)
Replacement, Control and Management)
of a Sewer System in St. Charles)
County, Missouri.)

Case No. SA-2007-0373

EMC’S REPLY TO PUBLIC COUNSEL RESPONSE

COMES NOW EMC of St. Charles County, LLC (EMC of St. Charles) and, states as follows to the Missouri Public Service Commission (Commission) in reply to the Public Counsel’s Response to Staff Recommendation:

1. The Staff has filed its recommendation in this matter suggesting that EMC of St. Charles be granted a certificate, subject to certain conditions. EMC of St. Charles has previously filed a pleading stating that it has no objection to the conditions identified in the Staff Recommendation and asks that the Commission consider this matter at its earliest opportunity.

2. The Office of the Public Counsel (Public Counsel) filed its Response to Staff Recommendation on November 9, 2007. Public Counsel identified certain “concerns” in that pleading. However, it did not object to a grant of a certificate or request a hearing.

3. Public Counsel identified two of its concerns as an “unknown, confidential contract” and “unknown control of developer.” As explained in EMC of St. Charles’ response to the Staff Recommendation, the contract that is referenced by both of these concerns has been in existence since March 14, 2007, was provided to Staff on August 14, 2007, and has since been provided to the Public Counsel. Staff filed this contract with the Commission on November 14, 2007. The contract is known and available to all parties. The Staff Recommendation suggests

that the Commission's order recognize that nothing in that order shall bind the Commission as to any ratemaking treatment in a future rate proceeding in regard to the contract. EMC agrees with such a provision.

4. Public Counsel identified another concern as "unknown affiliate contracts." The root of this concern was a Staff condition that a "written signed agreement" "be executed between EMC and any affiliate that provides service or charges costs to the utility." This provision of the Staff Recommendation is separate from the Staff condition related to the operating agreement between EMC of St. Charles and its parent, Environmental Management Corporation (EMC). The form of agreement between EMC of St. Charles and EMC was referenced by the Staff Recommendation and had been reviewed by the Staff. There are no plans for any other affiliates to provide services to EMC of St. Charles, nor any indication that other affiliates will provide services to EMC of St. Charles.

5. Public Counsel additionally stated a concern regarding the start-up nature of this operation. EMC of St. Charles does not know how to avoid risks associated with a start-up operation. However, EMC of St. Charles would point out that the Staff has filed its cost of service analysis using what was described as a "conservative buildout schedule." Further, EMC is a Missouri corporation, in good standing, that has over twenty-five years of experience in managing water and wastewater systems. Application, para. 3. EMC, in turn, is part of the BOC Group, a global solutions provider serving over 2 million customers in over 50 countries throughout the world. (See <http://www.emcinc.com/>).

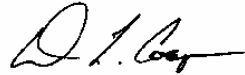
6. Because there is no objection to the Staff Recommendation or request for hearing, EMC of St. Charles asks that the Commission issue its order granting EMC of St. Charles the requested certificate of convenience and necessity. This application was initially filed on April

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 20th day of November, 2007, to:

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Dean L. Cooper