

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

In the Matter of the Application)	
of Ozark Shores Water Company,)	
North Suburban Public Utility)	
Company and Camden County)	
Public Water Supply District)	File No. WM-2015-0231
Number Four for an Order)	
Authorizing the Sale, Transfer)	
and Assignment Water Assets to)	
Camden County Public Water)	
Supply District Number Four)	
and in Connection therewith Certain)	
Other Related Transactions.)	

**MISSOURI ATTORNEY GENERAL'S
APPLICATION TO INTERVENE OUT OF TIME**

The Missouri Attorney General's Office respectfully requests that the Commission issue an order allowing it to intervene out of time in the above captioned matter pursuant to Public Service Commission Regulation 4 C.S.R. 240-2.075, and in support states as follows:

1. On March 25, 2015, Ozark Shores Water Company ("Ozark Shores"), the North Suburban Public Utility Company, and the Camden County Public Water Supply District No. 4 ("PWSD"), filed a Joint Application with the Commission seeking authority to transfer Ozark Shore's water system assets to PWSD for \$5,252,781.
2. On April 8, 2015, the Commission issued its Order directing notice, setting deadline for applications to intervene and directing staff to file

a status update. The Order provided that applications to intervene should be submitted by no later than April 27th, 2015. The Attorney General's Office was not a specified party for the notice of this order.

3. On or about May 5, 2015, the Staff of the Missouri Public Service Commission filed its Recommendation to Deny Transfer of Assets and Request for Local Public Hearing, where it first made the Commission aware that there may be conflicts of interest in the approval by certain board members of the PWSD. This was based in part on materials and information obtained during the discovery process in the above matter.

4. On May 18th, 2015, the Attorney General was first made aware of the proposed sale, and further learned that there may be a conflict of interest for certain members of the PWSD, who may hold a pecuniary interest in the outcome of the sale of Ozark Shores Water Company's assets. This concern was magnified by the apparent premium the PWSD was paying for the assets of the Ozark Shores. The Attorney General also learned that the sale of Ozark Shores was being financed by \$5.5 million dollars of bonds.

5. The Attorney General is charged under Sec. 27.060, RSMo. with the duty to "institute, in the name and on the behalf of the state, all civil suits and other proceedings at law or in equity requisite or necessary to protect the rights and interests of the state, and enforce any and all rights, interests or claims against any and all persons, firms or corporations..." One

of the key responsibilities for the Attorney General is to institute actions to prevent any person from “usurp[ing], intrud[ing] into, or unlawfully hold[ing] or execut[ing] any office or franchise.” Sec. 531.010, RSMo. This responsibility extends to preventing the unlawful execution by board members of Public Water Districts that incorporated and organized under Chapter 247.

6. The Attorney General’s interest is distinct from the Staff of the Commission. First, the Attorney General seeks to prevent any office holder or public franchisee from unlawfully executing his or her office, even if that violation does not create any direct consequences to general utility rates. Second, the Attorney General is interested in ensuring that the office of the PWSD is not executed in such a way as to adversely affect taxpayers of Camden County. Third, the Attorney General has a law enforcement interest in ensuring that sound municipal bonds are offered for sale within the State. Municipal bonds issued to purchase artificially inflated assets, as may be the case here, may increase the risk of default for such investment instruments and thereby damage investors.

7. Allowing the Missouri Attorney General to intervene before the commission will also preserve overall judicial and administrative resources. Although the Attorney General is authorized to institute suit against members of the PWSD in the circuit court under his “quo warranto”

authority, allowing the concerns of the Attorney General to be considered before the Commission will avoid a multiplicity of actions regarding the same underlying factual matters related to the transaction.

8. For the preceding reasons and others, allowing the Missouri Attorney General to intervene would serve the public interest.

9. Communications, correspondence, orders and decision in this matter should be addressed to:

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WHEREFORE, the Missouri Attorney General respectfully asks that his Motion to Intervene Out of Time be granted.

Respectfully submitted,

CHRIS KOSTER
Attorney General

/s/ *Brian T. Bear*

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CERTIFICATE OF SERVICE

I certify that a true and correct copy of the preceding motion was served electronically to all counsel of record this 20th Day of May 2015.

/s/ *Brian T. Bear*
Brian T. Bear