

**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 Number Four)
for an order authorizing the Sale, Transfer and Assignment) **File No. WM-2015-0231**
Water Assets to Camden County Public Water Supply)
District Number Four and in connection therewith certain)
other related transactions.)

**STAFF'S MOTION FOR PREHEARING CONFERENCE
AND RENEWED MOTION FOR LOCAL PUBLIC HEARING**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and hereby moves the Commission for an Order setting this matter for a prehearing conference pursuant to 4 CSR 240-2.090(4) within the next 60 days, and renews its prior motion establishing a date, time, and location for a local public hearing. For its Motions Staff provides the following in support.

1. Staff requested and has received additional information from the Applicant regarding several aspects of the transaction to address Staff's concerns related to the price being paid by the Applicant for the system, the interrelatedness of the directors, officers, and advisors of the Applicant and the system, as well as future rate impacts to all customers involved. Despite receiving more information, there are still many critical questions unanswered related to the above issues, especially the acquisition premium being paid by the Applicant and the impact to future rates, that have not been adequately addressed. Some of the responses provided by the Applicant showed an even greater interrelatedness between the two parties than previously known to Staff. More information needs to be obtained and Staff is in the process of requesting further discovery related to these newly disclosed issues. Many of these issues are issues that could be addressed

through further discovery and a prehearing conference between the parties. 4 CSR 240-2.090(4) states that “any party may petition the commission to hold a prehearing conference at any time prior to the hearing.” Staff is formally requesting a prehearing conference on this matter be set within the next 60 days pursuant to Commission rules.

2. Staff renews its request for a local public hearing to be held in this matter. In its May 7, 2015 filing, the Applicant states at page 6 of that filing, “that District customers were notified of the proposed transaction.” While Staff has concerns that the notice provided to District customers did not include the purchase price or possible rates as a result of the acquisition of Ozark Shores, what is lacking is notice to the customers of Ozark Shores itself. Furthermore a local public hearing will allow an opportunity for direct notice to the customers of Ozark Shores and allow those interested an opportunity to ask questions about the transaction as well as to provide testimony about impact to the public related to this proposed transfer.

3. Both the prehearing conference and the local public hearing are essential in enabling the Commission to perform its fact finding duties pursuant to 4 CSR 240-3.605. Under this rule the Commission is charged with evaluating whether or not an asset sale or transfer is not detrimental to the public interest. The Applicant has provided no concrete evidence of harm to it that warrants expedited treatment of this matter. In its May 7, 2015 filing on page 9 the Applicant states “Delay **may** entail acquisition debt at a higher interest rate which would have a direct impact upon future rates charged....” (emphasis added).

4. Applicant also incorrectly shifts the burden of proof to Staff by stating at page 3 of its May 7, 2015 filing “As Staff seems to recognize in the recommendation, its investigation is directed at determining whether the proposed transaction would be

detrimental to the public interest, **a burden the Staff must shoulder.**" (emphasis added). The burden is on the Applicant, and remains with them, as they have the burden when the application is filed pursuant to 4 CSR 240-3.605 (1)(D) to set forth why the transaction is not detrimental to the public interest.¹

WHEREFORE, Staff respectfully requests that the Commission issue an order setting this matter for prehearing conference within the next 60 days and establishing a date, time, and location for a Local Public Hearing to be held as soon as practical.

Respectfully submitted,

/s/ Cydney D. Mayfield

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served, either electronically or by First Class United States Mail, postage prepaid, to all counsel of record this 15th day of May, 2015.

/s/ Cydney D. Mayfield

¹ See Love 1979 Partners et. al. v. Public Service Comm'n, 715 S.W. 2d 482, 489 (Mo. Banc 1979).