

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

In the Matter of the Application of Highway H     )  
Utilities, Inc. for a Certificate of Convenience     )  
and Necessity Authorizing it to Construct, Install,     )  
Own, Operate, Control, Manage and Maintain, a     )  
Sewer System in Callaway County, Missouri.     )

**File No. WA-2009-0316**

**OFFICE OF THE PUBLIC COUNSEL’S AMENDED RESPONSE  
TO STAFF’S RECOMMENDATION**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Amended Response to Staff’s Recommendation states as follows:

1. On March 5, 2009, Highway H Utilities, Inc. (HHU or Company) filed an Application with the Missouri Public Service Commission (Commission) for a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain water and sewer systems for the public in an unincorporated area of Pulaski County, Missouri. The Application seeks a certificate to provide water and sewer services to an expanded area beyond that for which HHU was granted certificates of authority in File Nos. WA-2004-0588 and SA-2004-0589 on September 12, 2004. The Application was assigned File Numbers WA-2009-0316 and SA-2009-0317. On May 19, 2009, the Commission issued an order consolidating the two File Numbers and designating File Number WA-2009-0316 as the lead case.

2. On May 15, 2009, the Staff of the Public Service Commission (Staff) filed its Recommendation which recommended Commission issue an order that:

- (1) grants Highway H Utilities, Inc., a certificate for the provision of water and sewer service to the expanded portion of the Northern Heights subdivision as requested

in the Application, such a certificate to be effective on the same date as the effective date of the Company's new or revised tariff sheets to be submitted;

- (2) approves Highway H Utilities, Inc.'s existing water and sewer rates and service charges to be applicable to the new service area, noting that a rate case is pending in which the Staff expects new rates to be set for the cost of providing service within the existing and expanded services areas;
- (3) directs Highway H Utilities, Inc. to submit, within thirty (30) days after the date of the Commission's order granting a certificate, new and/or revised tariff sheets for its existing water and sewer tariff to include a map and written description of the expanded Northern Heights Subdivision service area, with the tariff sheets to bear an effective date that is at least thirty (30) days from the date the tariff sheets are submitted to the Commission;
- (4) approves the depreciation accrual rates as shown on Staff's Attachments A and B, to be applicable to all of Highway H Utilities, Inc.'s plant facilities;
- (5) requires Highway H Utilities, Inc. to submit to the Manager of the Water and Sewer Department copies of permits and approvals issued by DNR for the construction of wells, tanks, treatment facilities, or other utility plant contemplated by plans approved by DNR, within thirty (30) days after such approval;
- (6) requires that in the event any DNR permits necessary by for Highway H Utilities, Inc. are not obtained by the Company by August 1, 2009, and forwarded to the Manager of the Water and Sewer Department, the Company submit status reports to the Commission describing the good faith attempts in obtaining the necessary

permits from DNR, including but not limited to, the preparation and submission of information required by DNR for approval and issuance of such permits;

(7) makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the requested certificate, including future expenditures of Highway H Utilities, Inc., in any later proceeding; and

(8) directs Staff to file a recommendation on the tariff sheets filed by Highway H Utilities, Inc., that will be forthcoming thirty (30) days after the Commission's order granting certificate.

3. On May 21, 2009, Public Counsel filed its Response to Staff's Recommendation stating that, for the purposes of this case, Public Counsel has no opposition to Staff recommendations (1), (3), (4), (5), (7) and (8), as numbered above. Public Counsel also stated that, for the purposes of this case, while it is not opposed to Staff recommendations (2) and (6), as numbered above, Public Counsel believes that the rates should be interim subject to customer refund or credit and suggested that the Commission add timeframes for when the status reports are to begin, how often the status reports are to be submitted, and how long the status reports are to be submitted.

4. On June 1, 2009, Highway H filed its Reply to OPC Response and Staff filed its Staff Response.

5. After internal discussions, as well as discussions with the other parties, Public Counsel now wishes to state that Public Counsel is not opposed to Staff recommendation (2) as proposed above by Staff. Public Counsel notes that a rate case is currently pending for this utility and

believes that the customers will be sufficiently protected without a requirement that the rates proposed by Staff in this case be interim subject to customer refund or credit.

6. Public Counsel continues to state that, for the purposes of this case, while it is not opposed to Staff recommendations (6), as numbered above, Public Counsel suggests that the Commission add timeframes for when the status reports are to begin, how often the status reports are to be submitted, and how long the status reports are to be submitted. In its Reply to OPC Response, Highway H states that it has no objection to a requirement that the status reports called for by the Staff Recommendation be filed on a monthly basis. In the Staff Response, Staff stated that it intends to make a recommendation after August 1, 2009, as to whether the Company should be required to file further status reports and at what frequency. Public Counsel now states that it has no objection to either proposal provided by Highway H or Staff being adopted by the Commission in this case.

**WHEREFORE,** Public Counsel respectfully submits its Amended Response to Staff's Recommendation.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

**/s/ Christina L. Baker**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 9<sup>th</sup> day of June 2009:

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**/s/ Christina L. Baker**

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