

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

In the Matter of the Application of Kimberling)
City Water Company for Authority to Transfer)
Certain Assets to Upper White River Basin) Case No. WO-2015-0113
Foundation, Inc. and, in Connection Therewith,))
Certain Other Related Transactions)

**MISSOURI DEPARTMENT OF NATURAL RESOURCES'
RESPONSE TO STAFF RECOMMENDATION**

The Missouri Department of Natural Resources (“Department”) by and through its undersigned counsel, appears, and for its response and recommendation in the above-styled matter, states:

1. On November 4, 2014, Kimberling City Water Company, (“KCWC”) filed its *Application and if Necessary, Motion for Waiver* to obtain authorization from the Commission to transfer its water system assets to the Upper White River Basin Foundation, Inc. (“UWRBF”), and ultimately to the Ozark Clean Water Company (“OCWC”).

2. On November 25, the Department filed its *Application to Intervene* in the above-captioned matter, for the purpose of ensuring that the Commission and Parties took specific note of the aged and deteriorated state of the public water system (“PWS”).

3. On December 3, the Staff of the Missouri Public Service Commission (“Staff”) filed its *Recommendation to Approve Sale of Assets*. The *Recommendation* asked the Commission to approve the sale, and transfer of

assets, property and easements, and included a supporting *Memorandum* as Appendix A.

4. On December 5, the Office of Public Counsel (“OPC”) filed its *Response* to the Staff’s *Recommendation*, not objecting to the transfer, and requesting a Local Public Hearing to provide a venue for customers to voice concerns, if any.

5. On December 8, KCWC filed its *Response* to both the Staff *Recommendation* and OPC’s *Response and Request*.

6. On December 9, the Commission issued its Order granting the Department’s *Application*.

7. The Department has reviewed materials regarding the PWS and the Staff’s *Memorandum*.

8. Along with noting that the “storage tank is in poor condition, and an inspection and rehabilitation of that facility is the most critical of all issues pertaining to the system”, the Staff’s *Memorandum* further commented:

a. The distribution system is “of galvanized iron pipes of various sizes to transport water from the storage tank and high service pump to customers;”

b. “OCWC has not yet formulated a specific schedule to undertake the work” to perform necessary rehabilitation, repairs and improvements to the PWS.

9. The Department does not object to the transfer of assets; nevertheless, the Department requests that the Commission include the following recommendations in its final Order granting transfer of assets, or that these recommendations are agreed to in writing by UWRBF and OCWC prior to the issuance of a final Order:

a. Prior to the transfer of any assets, a visual inspection is performed of the interior of the storage tank by a certified water storage tank inspector to evaluate both the interior and exterior condition of the tank, to inform what “specific schedule” should be adopted;¹

b. A complete “wash out” inspection of the interior of the tank, to be conducted by a certified water storage tank inspector, be scheduled as soon as possible;

c. The rehabilitation or replacement of the storage tower be scheduled to occur as soon as possible, as informed by the visual inspection, and that a formal deadline for rehabilitation or replacement

1 The Department currently believes, and is unaware of any records or statements to the contrary, that a simple visual inspection of the interior of the tank has not occurred since at least some unknown date prior to 2007.

is adopted by OCWC and or incorporated in the Commission's a final Order;

d. Within one year, perform an inspection of at least 5% of the total distribution system for structural integrity and signs of corrosion.²

WHEREFORE, The Department respectfully requests its recommendations be incorporated into the Commission's Order granting transfer of the assets.

Respectfully submitted,

CHRIS KOSTER
Attorney General

/s/ Jacob T. Westen
JACOB T. WESTEN
Assistant Attorney General
Missouri Bar No. 65265
P.O. Box 899
Jefferson City, MO 65102
Phone: (573) 751-8834
Fax: (573) 751-8796
Email: jacob.westen@ago.mo.gov
ATTORNEYS FOR PLAINTIFF

² The Department recommends that any distribution system consisting of galvanized steel or galvanized iron be regularly inspected for corrosion.

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been served electronically via EFIS to the following counsel of record this 12th day of December, 2014.

**Missouri Public
Service Commission**

Whitney Payne
200 Madison Street, Ste
800
P.O. Box 360
Jefferson City, MO 65102
Whitney.Payne@psc.mo.gov

**Missouri Public Service
Commission**

Office General Counsel
200 Madison Street, Ste
800
P.O. Box 360
Jefferson City, MO 65102
Phone: 573-751-2690
Fax: 573-751-9285
staffcounsel@psc.
mo.gov

**Office of the Public
Counsel**

Dustin Allison
200 Madison Street, Ste
650
P.O. Box 2230
Jefferson City, MO 65102
Phone: 573-751-5318
Fax: 573-751-5562
opcservice@ded.mo.gov

**Kimberling City Water
Company**

Dean L. Cooper
312 East Capitol
P.O. Box 456
Jefferson City, MO 65102
Phone: 573-635-7166
Fax: 573-635-3847
dcooper@brydonlaw.com

/s/ Jacob Westen

Jacob Westen
Attorney for Department