

**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)	File No. WO-2015-0113
Upper White River Basin Foundation, Inc. and,)	
in Connection Therewith, Certain Other Related)	
Transactions.)	

RESPONSE TO ORDER DIRECTING FILING

COMES NOW Kimberling City Water Company (KCWC), and, in response to the Order Directing Filing issued by the Missouri Public Service Commission (Commission), states as follows:

1. On January 13, 2015, the Commission issued its Order Directing Filing. Therein, the Commission directed that any further responses be filed by January 15, 2015.

2. The Staff of the Commission (Staff) filed its Staff Recommendation and Memorandum on December 3, 2014, suggesting that the proposed transaction be approved subject to certain conditions. The Office of the Public Counsel (Public Counsel) subsequently filed its Response to Staff Recommendation and Request for Local Public Hearing. Therein, among other things, Public Counsel indicated that it did not oppose the proposed transfer. On December 8, 2014, KCWC filed a response indicating that it had no objections to the Staff Recommendation.

3. As mentioned in the Order Directing Filing, the Department of Natural Resources (DNR) also filed a pleading in response to the Staff Recommendation. DNR indicated that it “does not object to the transfer of assets.” However, it further suggested the following as additional conditions:

. . . 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;
- 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 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

4. KCWC does not believe that the Commission has the authority to order, or to enforce, these conditions. UWRBF and OCWC are monitoring the filings that have been made in this proceeding. Further, representatives of the entities were in attendance at the local public hearing. They are not, however, parties to this proceeding and, as indicated in the application, they are not, and will not be, regulated by the Commission after the closing of this transaction.

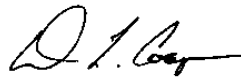
5. As DNR is aware, UWRBF and OCWC have an engineering report evaluating the KCWC system in order to identify the immediate and long-term needs of the water system. OCWC is an operator of similar systems and in that capacity is known to DNR. Lastly, the DNR proposed conditions are firmly within the jurisdiction of DNR, not this Commission. Given these circumstances, this Commission should approve the proposed transaction, subject only to the conditions proposed in the Staff Recommendation and Memorandum.

WHEREFORE, Kimberling City Water Company respectfully requests that the Commission

issue its order:

- (A) authorizing Kimberling City to donate the assets identified herein;
- (B) authorizing Kimberling City to perform in accordance with the terms described in the Agreement For Donation of Water System that is attached to this Application and to take any and all other actions which may be reasonably necessary and incidental to the performance of the sale;
- (C) authorizing Kimberling City Water Company, effective upon the closing of the transaction, to terminate its responsibilities as a water corporation in Missouri, and cancelling Kimberling City's certificate of convenience and necessity and its filed tariffs; and,
- (D) granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the Agreement and the Application and to consummate related transactions in accordance with the Agreement.

Respectfully submitted,



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ATTORNEYS FOR KIMBERLING CITY
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CERTIFICATE OF SERVICE

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