

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

In the Matter of Liberty Utilities (Missouri)	
Water) LLC and Ozark International, Inc.,)	
Concerning an Agreement to Acquire the)	
Assets of Bilyeu Ridge Water Company, LLC,)	
Midland Water Company, Inc., Moore Bend)	File No. WM-2018-0023
Water Utility, LLC, Riverfork Water Company,)	
Taney County Water, LLC, and Valley Woods)	
Utility.)	

JOINT APPLICANTS' RESPONSE TO STAFF RECOMMENDATION

In accordance with the Commission's November 8, 2017, *Order Adopting Procedural Schedule*, Ozark International, Inc., on behalf of itself and each of its utility subsidiaries ("Ozark"), and Liberty Utilities (Missouri Water) LLC d/b/a Liberty Utilities ("Liberty") (collectively "the Joint Applicants") hereby respond to the *Staff Recommendation* filed January 5, 2018, by the Missouri Public Service Commission Staff ("Staff").

With but one exception, the Joint Applicants agree with and support the findings and recommendations in the *Staff Recommendation*. The sole exception is Staff's rejection of Joint Applicants' request to consolidate currently tariffed rules, regulations, and rate schedules of the utilities Liberty proposes to acquire from Ozark into a single consolidated tariff that applies to customers of all those utilities.

Joint Applicants' consolidation proposal is explained in paragraph 9 of their application in this case. Under that proposal, after closing tariffed rules currently in effect for Valley Woods Utility would apply to customers of all the acquired utilities. Sewer rates currently in effect for Valley Woods' customers would continue in effect, while water rates for customers served by Bilyeu Ridge Water Company, Midland Water Company, Moore Bend Water Utility, Riverfork

Water Company, and Taney County Water Company would be consolidated into a single rate applicable to water customers of all those entities. The proposed consolidated rates – a monthly customer charge of \$15.93 and a commodity charge of \$4.45 – would result in an estimated average monthly customer bill (assuming monthly consumption of 5,000 gallons) of \$38.19. The estimated average bill would represent a slight monthly increase to some customers and a decrease to others, but would be revenue neutral to Liberty.

As noted in the application, Liberty currently serves approximately 2,400 water or sewer customers, with its water customers served under two different sets of tariffed rules and regulations and ten separate rate schedules. Without the consolidation the Joint Applicants have requested, following the closing of this transaction Liberty would serve a total of approximately 3,400 customers through twelve different sets of tariffed rules and regulations and eighteen separate rate schedules. This would impose a significant administrative burden this would impose on both Liberty and the Commission, and would create potential for operational and regulatory confusion and error. Both consequences could be avoided by simply authorizing the proposed tariff and rate consolidation.

The Joint Applicants therefore urge Staff to reconsider its recommendation, either formally or as part of a process leading to a stipulated settlement of this case.

Respectfully submitted,

/s/L. Russell Mitten
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**ATTORNEYS FOR LIBERTY UTILITIES
(MISSOURI WATER) LLC; OZARK
INTERNATIONAL, INC.; BILYEU RIDGE
WATER COMPANY, LLC; MIDLAND
WATER COMPANY, INC.; MOORE BEND
WATER UTILITY, LLC; RIVERFORK
WATER COMPANY; TANEY COUNTY
WATER, LLC; AND VALLEY WOODS
UTILITY, LLC.**

CERTIFICATE OF SERVICE

I hereby certify a true and correct copy of the foregoing document was sent via electronic mail on this 15th day of January, 2018, to all parties of record in this case.

/s/L. Russell Mitten