

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

In the Matter of Meramec Sewer Company)
Rate Increase Request) Case No. SR-2012-0309

**RESPONSE OF JEFFERSON COUNTY, MISSOURI TO PUBLIC COUNSEL
AND STAFF OPPOSITION TO APPLICATION TO INTERVENE**

COMES NOW Jefferson County, Missouri and for its Response to the Opposition of the Office of the Public Counsel and Staff to the Application to Intervene respectfully states as follows:

1. On March 20, 2012, Meramec Sewer Company (“Meramec”) filed its Letter asking that the Commission approve a rate increase under the Commission’s Small Utility Rate Case Procedure (4 CSR 240-3.050). On June 14, 2012, Jefferson County, Missouri filed its Application to Intervene in this proceeding. On June 18, the Office of the Public Counsel (“OPC”) and Staff of the Missouri Public Service Commission (“Staff”) filed their responses in opposition to the Jefferson County intervention request.

2. Interestingly, while reaching the same faulty conclusion, OPC and Staff contradict each other as to whether Jefferson County has an interest that justifies its participation in this case. While Staff claims that “Jefferson County does **not** have an interest which is different from that of the general public,”¹ OPC readily admits that “Jefferson County does have an interest which is different from that of the general public.”²

3. Contradictions aside, Jefferson County’s interest in this case is established through both Missouri statute and Commission regulations. Section 393.390 provides

¹ Staff Response at page 2, ¶7 (emphasis added).

² OPC Response at page 2, ¶5.

that only a limited group of entities may file a complaint as to the reasonableness of a utility's rates. Included in this limited group of entities is the county in which the utility is located.³ 4 CSR 240-2.070(5) of the Commission's Rules and Regulations reflect this same language. Certainly, any of the limited entities that have been granted the statutory authority to file a complaint regarding a utility's rates should also be found to have an interest in a rate case filed by that same utility.⁴ Given that Missouri statutes and Commission rules provide that Jefferson County has the authority to file a complaint asking that the Commission review the rates of Meramec Sewer, it should also be found to have a level of interest necessary to intervene in a rate case by that same utility.

4. OPC also claims that since Jefferson County is seeking to have delinquent taxes paid by Meramec Sewer, it does not have an actual interest in a docket which establishes rates on a going forward basis.⁵ OPC's claims are wrong for two reasons. **First**, Jefferson County seeks to intervene in an effort to establish a process going-forward to avoid a repeat of these problems. As reflect in its Application, "Jefferson County is interested in assisting the parties in establishing a procedure by which Meramec taxes and assessments are paid on a regular basis and similar problems are avoided in the future. It is Jefferson County's understanding that procedures have been established in past small water / sewer rate cases to ensure that taxes and PSC assessments are timely paid. **Second**, Meramec Sewer, in its initiating letter has

³ Section 386.390 RSMo.

⁴ The interest that a county has in the rates of a resident utility is also routinely recognizes by the Commission in its standard suspension order in which it directs its Data Center to notify all affected county commissions of the filing of a utility rate case. See, *Order Directing Notice, Suspending Tariffs, Setting Hearings, and Directing Filings*, Case No. ER-2012-0166, issued February 6, 2012, at pages 2-3.

⁵ OPC Response at page 2, ¶¶6-7.

acknowledged its delinquency in the payment of PSC assessments.⁶ Meramec intends to remedy the delinquency of its PSC assessments in the context of this case. Certainly, any Company that is willing to remedy PSC assessments would also be eager to undertake a procedure to resolve its payment of past due state and county taxes.

5. Staff also opposes Jefferson County's intervention on the basis that its participation could delay the progress of the rate case.⁷ Staff fails to recognize, however, that this case is under a specific timeline set forth in the Commission's small rate case procedure. Jefferson County does not oppose the application of the timeline contained in the Commission's rule. As such, its intervention should not delay the administration of this case.

6. Finally, OPC and Staff theorize that since the County filed an application for Commission authority to conduct a forced sale of Meramec Sewer's real property assets, Jefferson County concerns should be confined solely to that docket.⁸ In OPC and Staff's mind, this rate case should be simply business as usual. Wishful thinking and business as usual, however, will not fix this situation.

Meramec Sewer is just the latest example of a small Missouri water / sewer company that is in a precarious position. Simply punting this issue to the other docket fails to recognize the opportunities that exist in the pending rate case to solve this issue. It is baffling that Staff and OPC seek to deny participation from the very party that can help them solve this utility's problems. Ultimately, it is Jefferson County's desire that a resolution for the payment of past taxes as well as a mechanism for the payment of future

⁶ Meramec Case Letter filed March 20, 2012 ("Meramec wishes to advise the Commission that the Company is not current on the payment of its Commission annual assessments. The Company wishes to discuss a payment arrangement with the Commission as part of this filing.).

⁷ Staff Response at page 2, ¶7.

⁸ OPC Response at page 3, ¶¶9-11; Staff Response at page 2, ¶5.

taxes can be reached in this rate case. Then, the application for the forced sale may be withdrawn and Meramec's customers can begin receiving safe and adequate service from a utility that complies with all of its obligations.

WHEREFORE, Jefferson County respectfully requests that the Commission reject the opposition expressed by OPC and Staff and issue its order granting Jefferson County's Application for Intervention.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to the following parties of record as provided by the Secretary of the Commission.

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