

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Application of Osage Utility]	
Operating Company, Inc. to Acquire Certain]	Case No. WA-2019-0185
Water and Sewer Assets and for a Certificate of]	and SA-2019-0186
Convenience and Necessity]	

**THE INITIAL BRIEF OF THE JOINT BIDDERS
PUBLIC WATER SUPPLY DISTRICT NO. 5 OF CAMDEN COUNTY,
LAKE AREA WASTER WATER ASS'N, INC., AND MISSOURI WATER ASS'N, INC.**

COME NOW the Public Water Supply District No. 5 of Camden County, Lake Area Waste Water Association, Inc., and Missouri Water Association, Inc. (collectively the "Joint Bidders") and hereby submit their Initial Brief for the Commission's consideration in whether or not to approve Osage Utility Operating Company, LLC's ("OUOC") Application to acquire the water and sewer assets of Osage Water Company ("OWC").

I. ISSUE

Would the sale of OWC's certificates of convenience and necessity and its water and sewer assets to OUOC be detrimental to the public interest?

II. THE STANDARD GOVERNING THE COMMISSION'S REVIEW OF AN APPLICATION FOR THE SALE OF ASSETS

The Commission may not withhold its approval of the disposition of assets unless it can be shown that such disposition is detrimental to the public interest.¹

III. WHAT IS THE COMMISSION REQUIRED TO CONSIDER WHEN CONSIDERING APPROVAL OF THE PENDING APPLICATION?

At the commencement of the hearing, the Commissioners posed a similar question to most of the parties. What can the Commission consider when determining what is "not detrimental to the public interest?"

¹ *Environmental Utilities, LLC v. Public Service Commission*, 219 S.W. 3d 256, 265 (Mo. App. E.D. 2007).

In *AG Processing, Inc.*, the Missouri Supreme Court reviewed the Commission’s approval of the merger of UtiliCorp United, Inc. and St. Joseph Light & Power Company (“SJLP”).² The appellant AG Processing, Inc. (“AGP”), argued that the Commission’s approval of the merger was not supported by competent and substantial evidence because it refused to consider the recoupment of the acquisition premium.³ In response, the Commission argued that considering recoupment of the acquisition premium while considering approval of the merger amounted to “prejudging a ratemaking factor outside a ratemaking case.”⁴ The Supreme Court rejected the Commission's argument, reversed the decision of the Circuit Court, and in doing so, stated the following:

The fact that the acquisition premium recoupment issue could be addressed in a subsequent ratemaking case did not relieve the PSC of *the duty of deciding it as a relevant and critical issue when ruling on the proposed merger*. While PSC may be unable to speculate about future merger-related rate increases, it can *determine whether the acquisition premium was reasonable, and it should have considered it as part of the cost analysis when evaluating whether the proposed merger would be detrimental to the public*. The PSC’s refusal to consider this issue in conjunction with the other issues raised by the PSC staff may have substantially impacted the weight of the evidence evaluated to approve the merger. *The PSC erred when determining whether to approve the merger because it failed to consider and decide all the necessary and essential issues*, primarily the issue of UtiliCorp’s being allowed to recoup the acquisition premium.

In the *AmerenCIPS* case, which was the first contested case under RSMo. § 393.190.1 following *AG Processing*, the Commission elaborated on the “not detrimental to the public interest” standard.⁵ The Commission stated the following:

Public Counsel urges the Commission to ignore UE’s quotations of erroneous language from past Commission orders that approval must be granted unless “compelling”

² *State ex rel. AG Processing, Inc. v. Public Service Commission of the State of Missouri*, 120 S.W.3d 732 (Mo. Banc 2003).

³ *Id.* at 735.

⁴ *Id.* at 735-736.

⁵ *In the Matter of the Application of Union Electric Company, d/b/a AmerenUE, for an Order Authorizing the Sale, Transfer and Assignment of Certain Assets, Real Estate, Leased Property, Easements and Contractual Agreements to Central Illinois Public Service Company, d/b/a AmerenCIPS, and, in Connection Therewith, Certain Other Related Transactions*, Case No. EO-2004-0108. (October 6, 2004).

evidence shows that a “direct and present” detriment is “likely” to occur. Instead, as recently articulated by the Missouri Supreme Court in *AG Processing*, and restated by the Commission itself, “*a detriment to the public interest includes a risk of harm to ratepayers.*”⁶

* * *

The Missouri Supreme Court did not announce a new standard for asset transfers in *AG Processing*, but rather restated the existing “not detrimental to the public” standard. In particular, the Court clarified the analytical use of the standard. *What is required is a cost-benefit analysis in which all of the benefits and detriments in evidence are considered.* The *AG Processing* decision does not, as Public Counsel asserts, require the Commission to deny approval where a risk of future rate increases exists. Rather, *it requires the Commission to consider this risk together with the other possible benefits and detriments and determine whether the proposed transaction is likely to be a net benefit or a net detriment to the public. Approval should be based upon a finding of no net detriment.* Likewise, contrary to UE's position, the *AG Processing* decision does not allow the Commission to defer issues with ratemaking impact to the next rate case. Such issues are not irrelevant or moot because UE is under a temporary rate freeze; the effects of the transfer will still exist when the rate freeze ends.⁷

* * *

In considering whether or not the proposed transaction is likely to be detrimental to the public interest, *the Commission notes that its duty is to ensure that UE provides safe (sic) and adequate service to its customers at just and reasonable rates. A detriment, then, is any direct or indirect effect of the transaction that tends to make the power supply less safe or less adequate, or which tends to make rates less just or less reasonable.*⁸

* * *

In cases brought under Section 393.190.1, and the Commission’s implementing regulations, *the applicant bears the burden of proof. That burden does not shift. Thus, a failure of proof requires a finding against the applicant.*⁹

So again, what is the Commission required to consider when determining whether or not approval of Osage Utility Operating Company, LLC's ("OUOC") pending application would be detrimental to public interest? In sum, the Commission is required to consider all relevant and critical facts, together with the other possible benefits and detriments, and determine whether the

⁶ *Id.*, at 41.

⁷ *Id.*, at 42.

⁸ *Id.*, at 42-43.

⁹ *Id.*, at 43.

proposed transaction is likely to be a net benefit or a net detriment to the public. Approval should be based upon a finding of no net detriment. The evidence presented at the two day hearing, unequivocally established that approval of OUOC's application poses a risk of net detriment to the public as doing so will make rates less just and reasonable.

IV. APPROVAL OF OUOC'S APPLICATION WOULD RESULT IN A NET DETRIMENT TO PUBLIC INTEREST

Approval of OUOC's application would result in a net detriment to the public interest because it would result in unnecessary and costly improvements, require a redundant second well, thwart PWSD #5's regionalization of water and sewer service in Camden County and establishment of reserves, prevent self governance by the rate payer, and cause harm to the rate payer who will pay substantially higher costs for utility services due to the cost of unnecessary improvements.

Further, disapproval of OUOC's application would not prevent customers from receiving safe and adequate water and sewer service or create any delay.

All of the above stated factors necessarily require the Commission to compare the OUOC's application, proposed improvements and anticipated rates and profit to those of the Joint Bidders, as presented in the evidence before the Commission. In comparing all of the above, it is unquestionable that approval of OUOC's application, in light of the Joint Bidders being ready, willing and capable of moving forward expeditiously, will work a net detriment upon the public.

A. THE ENTITIES

i. Osage Utility Operating Company. OUOC is a for profit Missouri corporation. OUOC anticipates profits of **\$_____** in years two and three.¹⁰ According to the Secretary of State's public records, Josiah Cox is its President and sole member of the Board of Directors. Todd Thomas is the Secretary and Treasurer. Both Josiah Cox and Todd Thomas are presumably compensated for their employment and/or services provided to OUOC. The meetings of its board are private and not subject to Sunshine Law requests. If OUOC's application is granted, then it will become a PSC regulated entity and its rates must be approved by the Commission.

ii. Public Water Supply District No. 5. of Camden County. PWSD#5 was organized pursuant to RSMo. Chapter 247. It is a political corporation of the state.¹¹ PWSD#5 was organized in 2010.¹² Upon formation, the circuit court establishes five subdistricts and the court appoints at least one person from each district to serve on the board.¹³ Thereafter, each subdistrict has representation on the board. The district's powers and duties are stated in RSMo. §247.050. It is governed by a five member board that is elected by property owners within the district.¹⁴ The business of the district is open to the public and its meeting minutes and other records are subject to Sunshine Law requests. RSMo. §247.110 authorizes the board to fix the rates for services, however, it places limitations upon what the board may consider in fixing the rates. Profit is not a consideration. RSMo. § 247.110 states the following:

¹⁰ Direct Testimony of Josiah Cox Ex. JC-3C.

¹¹ RSMo. §247.020.

¹² Tr. Pg. 373 Ln. 5-9.

¹³ RSMo. § 247.040.

¹⁴ RSMo. § 247.060.

The rates or charges to be so fixed shall, at all times, be reasonable, but in determining the reasonableness of rates or charges, the board shall take into consideration the sum or sums required to retire outstanding special obligation bonded indebtedness of the district and the interest accruing thereon, the need for extensions of mains, repairs, depreciation, enlargement of plant, adequate service, obsolescence, overhead charges, operating expenses, and the need of an operating fund out of which the district may protect itself in emergencies and out of which the incidental expenses of the district may readily be met.

The rates fixed by PWSD#5 are remain reasonable because it is not seeking profit, the district is self-governed, so the board members not only use the water and sewer service, but they pay the rates, and the statute limits may be considered in fixing rates. The rates are not driven by profit or greed. The board is not compensated.¹⁵

iii. Lake Area Waste Water Association and Missouri Water Association.

LAWWA and MWA are Missouri nonprofit corporations organized pursuant to RSMo. §393.110-393.358. RSMo. §393.110 states the following:

Every gas corporation, every electrical corporation, every water corporation, and every sewer corporation shall furnish and provide such service instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable. All charges made or demanded by any such gas corporation, electrical corporation, water corporation or sewer corporation for gas, electricity, water, sewer or any service rendered or to be rendered shall be just and reasonable and not more than allowed by law or by order or decision of the commission. Every unjust or unreasonable charge made or demanded for gas, electricity, water, sewer or any such service, or in connection therewith, or in excess of that allowed by law or by order or decision of the commission is prohibited.

The persons that serve on the boards for both LAWWA and MWA are users of the water and sewer service provided by LAWWA and MWA.¹⁶ The self governing board members fix the rates pursuant to the above statute.¹⁷ The rates of LAWWA and MWA remain reasonable because they do not seeking profit, the district is self-governed, so the board members not only

¹⁵ Tr. Pg. 408 Ln. 8-11.

¹⁶ Tr. Pg. 417 Ln. 25-Pg. 418 Ln. 3.

¹⁷ Tr. Pg. 418 Ln. 6-17.

use the water and sewer service, but they pay the rates, and the statute limits may be considered in fixing rates.

B. HARM TO THE RATE PAYER

One of the central issues at the hearing was the ultimate cost to the rate payer. OUOC and the Joint Bidders presented their anticipated rates for consideration by the Commission. There are multiple factors both OUOC and the Joint Bidders considered in determining what their anticipated rates would be. It is necessary to discuss the scope of repairs and improvement proposed by OUOC and the Joint Bidders, whether those repairs are necessary and how the purchase price and improvements are to be financed, all of which affect the ultimate charge to the rate payer.

i. Scope of Improvements, Necessity and Costs. The following chart was prepared by counsel from the anticipated costs of improvements and repairs proposed by OUOC as stated in the direct testimony of Todd Thomas.¹⁸

**	Water	#Customers	Sewer	#Customers **
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**TOTAL COSTS	\$		\$	**
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The total estimated cost for repairs or improvements submitted by OUOC is **\$_____**.

The purchase price for the OWC assets is **\$_____**.

OUOC's total cost for purchasing and improving the systems is estimated to be **\$_____** based upon the purchase price of **\$_____** and the estimated cost of repairs.

¹⁸ Direct Testimony of Todd Thomas.

However, the cost of the project estimated by Josiah Cox is **\$_____**. **¹⁹

The difference in cost estimates was not clarified by the evidence at the hearing.

In the Staff Recommendation, Staff stated "DNR conducted an inspection of the Cedar Glen water system on August 24, 2017. At that time, Cedar Glen was found to be in compliance with the Safe Drinking Water Law."²⁰ There was no indication of any recent failures or violations of the Safe Drinking Water Law. It is perplexing how OUOC proposes **\$_____** in repair and improvements to a water system that was found to be in compliance as recently as August 24, 2017. OUOC provided zero evidence as to why the improvements and repairs were being made, whether they were the most cost efficient means of providing safe and adequate drinking water to the customers, or if they were even necessary.

In addition to the repairs and improvements to the water system, OUOC estimated an additional **\$_____** for repairs and improvements to the sewer system. Dave Krehbiel testified that he reviewed the Detailed Facility Report document for Cedar Glen wastewater treatment facility, and that following the two quarters that Mr. Thomas referenced a high ammonia effluent, for following 7 quarters, or 21 months, the report noted "No Violations Identified".²¹ Mr. Krehbiel, a professional engineer, testified that the moving bed bio reactor (MBBR) proposed by OUOC is not even necessary.²²

In contrast, David Stone, President of PWSD#5, testified that Lake Ozark Water and Sewer ("LOWS") has been maintaining the system on behalf of the receiver and

¹⁹ Direct Testimony of Josiah Cox, Schedule JC-3C.

²⁰ Staff Recommendation, Attachment A, Page 7.

²¹ Rebuttal Testimony of Dave Krehbiel, Pg. 3 Ln 15-27.

²² Tr. Pg. 356 Ln. 12- Pg. 357 Ln. 25.

trustee for Osage Water Company for many years.²³ He testified that LOWS recommended that the hydropneumatic storage tank be inspected to see if it requires painting, and if so, that the interior and/or exterior be sandblasted, painted and disinfected, which could cost approximately \$50,000.²⁴ Overall, LOWS anticipated repair costs of approximately \$57,144 for the water system, if it requires painting, which is unknown.²⁵ With respect to the Cedar Glen sewer system, the cost of repairs estimated by LOWS was \$8,135.18, which would be completed over time as pumps and filter baskets required replacement.²⁶ If all work recommended by LOWS, who has operated the Cedar Glen systems for many years, was completed the cost would be approximately \$65,000.²⁷

How could such a stark contrast exist with respect to the required repairs and improvements without any explanation from OUOC or validation from the Staff? It is difficult to understand why OUOC proposes repairs and upgrades to the Cedar Glen water and sewer systems that total **\$_____**. These improvements appear to be unnecessary according to the current operator, LOWS, MoDNR and Mr. Krehbiel. Staff repeatedly took no position on whether the repairs were necessary in the Staff Recommendation.

Ultimately, if OUOC's application is approved, then OUOC will make the proposed repairs and improvements and seek a rate increase based upon them. The risk of harm to the rate payer is real, and will become a reality, if OUOC's application is approved then there will be net detriment to the rate payer who will be subjected to unreasonable rates in light of the alternative provided by the Joint Bidders.

²³ Direct Testimony of David Stone, Pg. 3 Ln. 5-9.

²⁴ Direct Testimony of David Stone, Pg. 3 Ln. 10-20.

²⁵ Direct Testimony of David Stone, Pg. 3 Ln. 5-Pg. 4 Ln. 7.

²⁶ *Id.*

²⁷ *Id.*

ii. Rates will Double if OUOC's Application is Approved. The Commission is required to consider the risk of harm to the rate payers as part of the detrimental to public interest analysis. On behalf of OUOC, Josiah Cox was cross examined with respect to Schedule JC-3C, which was an attachment to his direct testimony.²⁸ Mr. Cox predicted year one revenue as **\$_____** and year two and three revenues of **\$_____**.²⁹ Mr. Cox testified that the estimated rates for the customers of OWC would be a total of **\$_____** per month for water and sewer service.³⁰ These rates include profits, salaries for the board, and interests cost, all of which will be passed to the rate payer if the Commission approves this application.

In contrast, David Stone testified on behalf of the PWSD#5 that the Cedar Glen residents would receive water and sewer service at the total rate of \$78 per month.³¹ In determining whether or not PWSD#5 could maintain its current rates while purchasing and making the necessary repairs it consulted with D.A. Davidson. D.A. Davidson stated that the costs for PWSD#5 to acquire and upgrade the water and sewer system at Cedar Glen would not require a rate adjustment.³²

Neddie Goss testified on behalf of LAWVA and MWA that the total cost of water and sewer service for the remainder of the OWC (Eagle Woods, Cimarron Bay and Chelsea Rose) would all be \$94.00 per month.³³

²⁸ Direct Testimony of Josiah Cox, Ex. 3C.

²⁹ Ex.3C.

³⁰ Tr. at Pg. 98-100.

³¹ Direct Testimony of David Stone Pg. 5 Ln. 9-16.

³² Exhibit DLS1 to the Direct Testimony of David Stone.

³³ Direct Testimony of Neddie Goss Pg. 4 Ln. 6-8, Pg. 5 Ln. 4-6, Pg. 6 Ln. 1-3.

If the Commission approves OUOC's application, then there will be a substantial harm to the rate payer. The rate payer will be charged at least twice the rate as proposed by the Joint Bidders if the Commission approves this application.

iii. Terms of Financing. Whether OUOC or the Joint Bidders purchase the OWC assets, the cost of financing the purchase and upgrades to the system will ultimately be passed along to the rate payer. OUOC anticipates it will obtain a loan in the sum of **\$_____** to fund the purchase and upgrade of the OWC assets.³⁴ Josiah Cox testified that the estimated interest rate for the OUOC loan will be between **_____** percent.³⁵

In contrast, PWSD#5 has \$1.426 million dollars of bonding authority remaining, which will be utilized to purchase and upgrade the Cedar Glen system at approximately 3.5% per annum.³⁶

Neddie Goss testified that LAWWA and MWA would try to find competitive financing, but if they were unable to do so, then they would just pay cash for the purchase and upgrade of the Eagle Woods, Cimarron Bay and Chelsea Rose water and sewer systems.

C. ADDITIONAL RELEVANT FACTORS. The Commission is charged with the duty to consider all issues relevant in determining whether or not this transaction will be detrimental to the public interest. Here are some issues that were raised by the Commissioners themselves and other parties that should be considered.

i. No Significant Delay if Application Denied.

³⁴ Direct Testimony of Josiah Cox Exhibit JC-3C.

³⁵ Tr. Pg. 103 Ln. 4-9.

³⁶ Exhibit DLS1 to the Direct Testimony of David Stone.

ii. Second Well. It became apparent during testimony that OUOC and Todd Thomas did not believe it would be necessary to construct a second well at Cedar Glen. Although Todd Thomas sleeps with a copy of the MoDNR minimum design standards,³⁷ his initial cost estimates do not include the cost of a second well.³⁸ Mr. Thomas did not use the table of per unit occupancy to determine if a second well would be required.³⁹ It is clear from the Surrebuttal Testimony of Josiah Cox that MoDNR has stated that Cedar Glen requires a second well.⁴⁰ According to Josiah Cox a second well could cost \$100,000.⁴¹ Dave Krehbiel testified that MoDNR lives and dies by the requirement that a system with more than 500 users requires an alternative water supply.⁴² If PWSD#5 acquires Cedar Glen, then need for a second well at Cedar Glen and a second well at Cedar Heights, two wells, would be eliminated and each of them would serve as the second source for each other, and ultimately, all systems operated by PWSD#5 would be connected to a water tower to be built.⁴³ MoDNR previously approved the interconnection of the Cedar Glen and Cedar Heights systems.⁴⁴ Mr. Krehbiel testified that he does not see any obstacles in completing the interconnection.⁴⁵

iii. Establishing Reserves. If PWSD#5 is able to purchase the Cedar Glen system, then it would be able to establish adequate reserves. The gross receipts of new revenue from the Cedar Glen system would be approximately \$200,000, while the debt service on the \$800,000 bond at 3.5% interest would be approximately \$59,000, which

³⁷ Tr. Pg. 157 Ln. 2-4

³⁸ Tr. Pg. 163 Ln. 17-20.

³⁹ Tr. Pg. 165 Ln. 7-15.

⁴⁰ Surrebuttal Testimony of Josiah Cox Ex. JC-S3, Tr. Pg. 166 Ln. 18-Pg. 167 Ln. 20.

⁴¹ Tr. Pg. 169 Ln. 7-9.

⁴² Tr. Pg. 343 Ln. 20-Pg. 344 Ln. 15; Tr. Pg. 357 Ln. 1-9.

⁴³ Id., Tr. Pg. 362 Ln. 11 - Tr. Pg. 364 Ln. 3.

⁴⁴ Ex. 9.

⁴⁵ Tr. Pg. 355 Ln. 22-Pg. 356 Ln. 11.

will allow PWSD#5 to increase reserves substantially and then work on retiring the remaining debt.⁴⁶

iv. Enables PWSD#5 to Refinance at 2.5%. If PWSD#5 is able to purchase Cedar Glen, then it would be able to construct a water tower on land that has already been acquired for that purpose. Once the water tower is built, then PWSD#5 can refinance all of its bonds through MoDNR at the rate of 2.5%, including the old bonds of PWSD#5 which are currently at 6% interest.⁴⁷ This will create further savings for the rate payers and enable PWSD#5 to hold its rates of \$78 per month.

v. Joint Bidders Provide Safe and Adequate Services. Once OUOC realized that it could not compete with the rates of the Joint Bidders, it attempted to submit evidence that the Joint Bidders were not capable of providing safe and adequate water and sewer service. Inappropriately, in sur-rebuttal testimony, OUOC, as an attachment to Todd Thomas's Surrebuttal Testimony, attached thousands of pages of alleged violations by the Joint Bidders. OUOC and Mr. Thomas obtained these documents through a MoDNR sunshine request but failed to verify that the systems were actually owned by the Joint Bidders at the time of the violation.⁴⁸ Further, OUOC and Mr. Thomas failed to provide the Commission with the relevant information that the water and sewer systems of the Joint Bidders had returned to compliance or that they had entered into an agreement with MoDNR to return the systems to compliance.⁴⁹

The water and sewer systems operated by the Joint Bidders are in compliance with MoDNR regulations as stated in testimony of Mr. Stone and Mr. Goss and

⁴⁶ Tr. Pg. 403 Ln. 13-Pg. Ln. 14.

⁴⁷ Tr. Pg. 405 Ln. 7-Pg. 406 Ln. 3.

⁴⁸ Tr. Pg. 418 Ln. 1 - Pg. 432 Ln. 19.

⁴⁹ Tr. Pg. 430 Ln. 22 - Pg. 431 Ln. 2.

evidenced by the Certificates of Compliance.⁵⁰ Neddie Goss has been in the water and sewer business for 39 years and has never been stopped from operating water and sewer systems by MoDNR.⁵¹ LAWVA and MWA take over troubled water and sewer systems.⁵² At the time LAWVA and MWA take over a system, MoDNR typically does an inspection and from the inspection a Notice of Violation is typically issued.⁵³

Mr. Stone, who is a user of the services, testified that PWSD#5 provides safe and adequate water and sewer services.⁵⁴ Neddie Goss testified that LAWVA and MWA provide safe and adequate water and sewer services.⁵⁵

vi. Regionalization. With respect to the Cedar Glen system, it is an important piece required for PWSD#5's overall plan to expand its district and providing water and sewer service at reasonable rates in its area. Likewise, LAWVA and MWA operate many water and sewer systems in the lake area and have all the necessary resources to assume the operation of the Eagle Woods, Cimarron Bay and Chelsea Rose systems. If the Commission approves OUOC's purchase of the OWC assets, it will thwart the growth of PWSD#5, LAWVA and MWA, which are all nonprofit companies and permit OUOC to enter a region where it is not necessary and it is unwanted due to its plan to substantially increase the water and sewer service rates.

vii. Public Comments. OUOC is unwanted by the public in general as evidenced by the 60-70 public comments filed in this case. Who is a better judge of risk to the rate payer than the rate payer themselves?

⁵⁰ Tr. Pg. 376 Ln. 21-Pg. 377 Ln. 5, Tr. Pg. 430 Ln. 22-24, Ex. 404, Ex. 407.

⁵¹ Tr. Pg. 433 Ln. 10-20.

⁵² Pg. 433 Ln. 21 Pg. 434 Ln. 5.

⁵³ Tr. Pg. 434 Ln. 6 - Tr. Pg. 435 Ln. 3.

⁵⁴ Tr. Pg. 374 Ln. 23-Pg. 375 Ln. 1.

⁵⁵ Tr. Pg. 419 Ln. 1-8.

V. CONCLUSION

There was a lot of discourse at the hearing about what the standard is for approving this application and there will likely be differing opinions in the initial brief, but the Supreme Court has spoken in *AG Processing*. The Supreme Court states that the "not detrimental to public interest" is a cost-benefit analysis and the Commission should consider everything that is relevant in making that determination.

The Commission has two qualified parties willing to purchase the OWC that are capable of providing safe and adequate water and sewer service to the OWC customers. With that being equal, the Commission has to consider all the other relevant and critical factors, such as harm to rate payer, the goal of regionalization, efficiency in making improvements, whether improvements are necessary or just a way to raise the rates, and the inclusion of profit and higher interest in the rates. The Commission then has to weigh these factors against its concerns for the potential for delay.

Every single factor weighs in favor of the Commission denying OUOC's application in favor of the Joint Bidders submitting an application for the transfer and purchase of the OWC assets. The weight of all the critical and relevant factors heavily outweighs any concerns the Commission may have about the potential for delay.

Respectfully submitted,

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Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 3rd day of October, 2019, to:

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