

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

In the Matter of the Application of Elm Hills)	
Utility Operating Company, Inc. and)	
Missouri Utilities Company for Elm Hills to)	
Acquire Certain Water and Sewer Assets of)	Case No. SM-2017-0150
Missouri Utilities Company, for a Certificate)	
Of Convenience and Necessity, and, in)	
Connection therewith, to Issue Indebtedness)	
And Encumber Assets.)	

**MOTION FOR ORDER FOR TWO LOCAL PUBLIC HEARINGS
AND SUGGESTIONS IN SUPPORT**

COMES NOW the Missouri Office of Public Counsel (“OPC”), by and through undersigned counsel, and files this Motion for Order for Two Local Public Hearings and Suggestions in Support. If granted, OPC requests the local public hearings to be scheduled on the same day and at the soonest agreeable date. In support of its motion, OPC states as follows:

1. On November 22, 2016, Missouri Utilities Company (“MUC”) and Elm Hills Utility Operating Company, Inc. (“Elm Hills”) filed an Application and, if Necessary, Motion for Waiver for approval of a transfer of regulated assets and a separate Certificate of Convenience and Necessity.
2. In its application, Elm Hills seeks permission and approval of a Certificate of Convenience and Necessity to “install, own, acquire, construct, operate, control manage and maintain a sewer system for the public in the area of Pettis County, Missouri . . . known as State Park Village.” The application indicates that Elm Hills will purchase a sewer collection system from a third party who is not a joint applicant: State Park Village Sewer, Inc. Elm Hills is proposing to acquire the system to serve the proposed territory.
3. Additionally, Elm Hills requests the Commission’s permission to acquire the assets of Missouri Utilities Company, a regulated water and sewer corporation that has been in receivership since August 14, 2006. Elm Hills would propose to acquire Missouri Utilities’ existing water and sewer Certificates of Convenience and Necessity.
4. In addition, Elm Hills is requesting approval from the Commission to establish new flat rates for water services and sewer services in the Missouri Utilities Company service

territory.¹ In support thereof, Elm Hills points out that the current Missouri Utilities Company rates are based on volumetric charges, although there are no meters in place; and alleges that those rates do not reflect the current cost of providing service. Elm Hills further describes a variety of problems with both the Missouri Utilities Company and State Park Village existing systems and proposes various improvements. The combined costs for these future improvements are estimated at \$1,450,000.

5. Elm Hills is managed by parties who have been involved in previous water and/or sewer acquisition cases. In those cases, this Commission has scheduled local public hearings in response to motions from Staff or OPC.²

6. Commission rules provide authority for local public hearings in small utility rate case, but the Commission has also ordered them in previous merger and acquisition matters.³

7. OPC has spoken with Elm Hills and Staff, and they do not object to the filing of this motion at this time in order to avoid delay in these proceedings. Comparing the timelines in WO-2014-0340, SM-2015-0014, and the timeline contemplated by the regulations governing local public hearings, OPC suggests the Commission schedule local public hearings to take place at the soonest possible date.

8. OPC is requesting two local public hearings because of the geographic disparity between the systems being acquired. Although additional resources are required for two local public hearings, to conserve resources, OPC suggests holding the two local public hearings on the same day (perhaps at noon and 6 p.m.).

9. At least two impacted customers have voiced their concerns with the qualifications of Elm Hills' management and with the significance of the proposed rate increase.⁴

¹ The proposed sewer rate is the same rate as is currently charged those customers in the State Park Village service area.

² WO-2014-0340 and SM-2015-0014

³ See generally 4 CSR 240-3.050(15), (17), (18), and (19); 2009 Mo. PSC LEXIS 400 (WR-2009-0150 and SR-2009-0153) (granting a local public hearing but criticizing OPC for filing a premature request prior to the filing of a disposition agreement for a rate case involving Missouri Utilities Company, which is the same entity involved in the current application)

⁴ P201705174-75 and P201705202

10. The public has an interest in being heard in this case, and the public should be given the opportunity to testify about their concerns with Elm Hills' proposal to spend \$1,450,000 in the future to make improvements to sewer and water systems.

WHEREFORE, OPC requests the Commission to schedule two local public hearings to take place on the same day and at the soonest agreeable date.

Respectfully submitted,

OFFICE OF PUBLIC COUNSEL

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CERTIFICATE OF SERVICE

On this 15th day of March, 2017, I hereby certify that a true and correct copy of the foregoing motion was submitted to all relevant parties by depositing this motion into the Commission's Electronic Filing Information System ("EFIS").

/s/ Ryan D. Smith