

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

In the Matter of Liberty Utilities (Missouri) File No. WR-2018-0170
Water) LLC’s Application for a Rate Increase) SR-2018-0171

**OZARK MOUNTAIN CONDOMINIUM ASSOCIATION’S
POSITION STATEMENT**

COMES NOW Intervenor Ozark Mountain Condominium Association, Inc. (“OMCA”),
and for its Position Statement states as follows:

1. Cost of Service What is the appropriate cost of service for Liberty Utilities?
 - a. Return on equity –What is the appropriate return on equity for Liberty Utilities? OMCA supports Silverleaf Resorts, Inc. and Orange Lake Country Club, Inc. (“Silverleaf”)’s position that an appropriate return on equity would be between 8% and 9%.
 - b. Capital structure—What is the appropriate capital structure for Liberty Utilities? OMCA supports Silverleaf’s recommended capital structure of 42.83% equity and 57.17% debt, with the above ROE.
 - c. Rate case expense—What is the appropriate amount of rate case expense and amortization period? OMCA supports Silverleaf’s recommendation of a five-year period for normalization of rate case expense.
2. Customer Service Issues—Has Liberty Utilities adequately responded to customer service issues? Historically, no. Over the past several years, Liberty Utilities has utilized contractors to provide customer service to its water customers at Ozark Mountain Resort. The result, as demonstrated in the Direct Testimony of Don Allsbury, was, variously, incomplete repairs, failed repairs, and promised repairs that never materialized, which resulted in inadequate

and sometimes completely lacking water service to its customers who own condominium units at Ozark Mountain Resort. OMCA acknowledges that, looking forward, a number of the solutions proposed in the Non-Unanimous Stipulation and Agreement entered into by Staff and Liberty Utilities, if put in practice, are likely to improve customer service. OMCA opposes the use of contractors to provide customer service at Ozark Mountain Resort, however, as contemplated by the non-unanimous stipulation. OMCA also opposes the proposal regarding any such contractors reporting all customer inquiries to Liberty Water personnel not later than monthly, as untimely and unlikely to improve customer service. OMCA can think of no reason why customer inquiries, if made to contractors (which use it opposes), cannot be nearly instantaneously, through electronic if not other means, reported to Liberty Utilities. OMCA believes immediate, or near immediate, reporting by any contractors will improve customer service accountability and outcomes.

3. Rate Design—What is the proper rate design for the various Liberty Utilities water and sewer systems?

a. Phase-in of Rates—Should rates for Holiday Hills, Ozark Mountain, and Timber Creek service areas be phased in over a period of five years? Should carrying costs be allowed to be recovered if rates are phased-in? OMCA supports Silverleaf's position that a phase-in is appropriate given the period between rate cases for Liberty Utilities.

b. Customer Charge—What is the appropriate customer charge? OMCA supports Silverleaf's position of retaining the current, existing rate design and having any increase in revenues equally applied across the existing rate design.

c. Commodity Charge—What is the appropriate commodity charge?

OMCA supports Silverleaf’s recommendation of retaining the current existing rate design and having any increase in revenue equally applied across the existing rate design.

4. Silverleaf/Orange Lake Exemption—Should Silverleaf/Orange Lake be exempted from consideration in a subsequent rate case? OMCA supports Silverleaf’s position that Silverleaf/Orange Lake should be exempted from consideration in a subsequent rate case.

SMITH LEWIS, LLP

/s/ Sarah E. Giboney
Sarah E. Giboney, #50299
111 South Ninth Street, Suite 200
P.O. Box 918
Columbia, MO 65205-0918
(573) 443-3141
(573) 442-6686 (Facsimile)
giboney@smithlewis.com

Attorneys for Ozark Mountain
Condominium Association, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing OMCA Position Statement was served on all of the following parties via e-mail this 13th day of August, 2018.

Liberty Utilities (Missouri Water) LLC
dcooper@brydonlaw.com
paulb@brydonlaw.com

Office of Public Counsel
opcservice@ded.mo.gov
lera.shemwell@ded.mo.gov
Hampton.williams@ded.mo.gov

Missouri Public Service Commission
staffcounsel@psc.mo.gov
jacob.weston@psc.mo.gov

Orange Lake Country Club and Silverleaf Resorts,
Inc.
Joshua.harden@stinson.com
dhansen@orangelake.com

/s/ Sarah E. Giboney
Sarah E. Giboney