

**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 Rate Increase.) SR-2018-0171

**ORANGE LAKE COUNTRY CLUB, INC. AND SILVERLEAF RESORTS, INC.'S
REQUEST FOR AN EVIDENTIARY HEARING**

Orange Lake Country Club, Inc. and Silverleaf Resorts, Inc. (herein "Requesters") respectfully submit this request for the Missouri Public Service Commission to schedule date(s) for an evidentiary hearing and establish a procedural schedule for the parties in the above-styled case. The rights of the Requesters cannot be protected without the prompt scheduling of an evidentiary hearing and procedural schedule.

Importantly, the Small Utility Rate Case Timeline filed in this case on December 19, 2107 contemplates the scheduling of an evidentiary hearing and corresponding procedural schedule:

For cases where an arbitration process is going to be used or an evidentiary hearing is going to be held, it is anticipated that a procedural schedule will be set when that becomes known. In such instances, the 9-month and 11-month deadlines will need to be considered in setting the procedural schedule.

In *Staff's 90-Day Report Meeting*, held by Staff on March 28, 2018, the Requesters informed the parties of its intent to request an evidentiary hearing sooner rather than later for the following reasons. First, this is not a typical Small Utility Rate Case Procedure (SURP) proceeding and most parties agreed that while some issues may settle in this case, it is highly unlikely that all of the parties will reach agreement on all issues. Second, setting the date for an

evidentiary hearing now will promote administrative efficiency to the benefit of all parties and the Commission by providing a defined process to narrow the contested issues. Lastly, setting the date and establishing a procedural schedule will help safeguard the procedural due process rights of all parties.

This case differs from the typical SURP proceeding in several important ways. First, as discussed in Requesters' filed motion to dismiss, Liberty Utilities (Missouri Water), LLC ("Liberty Utilities") is not a typical "small utility" utilizing the SURP. Liberty Utilities is a subsidiary of a multinational, multi-billion dollar holding company. Thus, the review of the proposed rate increase requires analysis of issues like corporate structure, corporate allocations, affiliate transactions, and other issues that do not typically arise in a SURP proceeding.

Second, Liberty Utilities is seeking to consolidate the rates of separate, non-contiguous water and sewer systems, including collapsing a newly acquired system into the existing tariff, creating the risk of substantial cross-subsidization. This issue is of particular concern for the Requesters because, as noted in prior filings, the Requesters represent the majority of all revenues paid under the tariff. Thus the Requesters run the risk of doing the majority of the subsidizing. This issue alone is of sufficient importance to require the immediately scheduling of an evidentiary hearing.

To protect its substantial financial interests, Requesters sought and received intervention. SURP proceedings rarely involve intervening parties other than Staff and the Office of Public Counsel. Requesters, in addition to Staff and OPC, would have to agree to all aspects of any settlement agreement in this case to avoid the need for an evidentiary hearing, and such unanimous agreement is unlikely.

Typically, under the SURP, a request for an evidentiary hearing comes after Staff's 120-day Report or the 150-day Disposition Agreement filing. But, if it is known that a hearing will be necessary, these deadlines will ultimately be superseded by the procedural schedule established for the evidentiary hearing. The SURP itself contemplates that a hearing be set as soon as the need for such a hearing is known so as to avoid redundant deadlines, as reflected in the citation above. Thus, setting the hearing now saves Staff time and resources. Adding a hearing on the back-end of these deadlines will extend the time before any new rates to go into effect.

In conclusion, as a matter of administrative efficiency it would benefit all parties to schedule an evidentiary hearing and set an appropriate procedural schedule now. To wait will be a waste of time in what is already an expedited process.

WHEREFORE, Orange Lake County Club, Inc. and Silverleaf Resorts, Inc. request an evidentiary hearing be scheduled in this case and a procedural schedule established, and for such further relief to which they may be entitled.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been emailed to all counsel of record this 3rd day of April 2018.

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