BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Joint Application of)	
Algonquin Water Resources of Missouri, LLC,)	
d/b/a Liberty Water and KMB Utility Corporation)	
for Authority for Liberty Water to Acquire)	File No. WO-2011-0350
Certain Assets of KMB Utility Corporation)	SO-2011-0351
and, in Connection Therewith, Certain Other)	
Related Transactions.)	

RESPONSE TO STAFF RECOMMENDATION

COMES NOW Algonquin Water Resources of Missouri, LLC d/b/a Liberty Water (Liberty Water) and states the following to the Missouri Public Service Commission (Commission) in response to the Staff Recommendation:

- 1. On July 19, 2011, the Staff of the Commission filed its Staff Recommendation.

 On July 20, 2011, the Commission issued its Order Directing Filing, wherein it directed that the parties respond to the Staff Recommendation by July 29, 2011.
- 2. Liberty Water would like to clarify a couple of factual matters found in the Staff Recommendation. Proposed deletions are shown in strikethrough, and additions are underlined. With these clarifications, Liberty Water has no objection to the Staff Recommendation.
- a. On page 5 of 11 pages of the Official Case File Memorandum, the last paragraph would be more accurate if modified as follows:

Further, Liberty intends to prepare customer bills and handle accounts from Tyler, Texas, with customer calls for inquiries and emergencies directed by an "800 telephone number" to a call center that is also in Tyler, Texas, which is only operated during business hours. Liberty also presently utilizes a call center located in Avondale, Arizona that operates 24/7 for its existing service areas, and that would be available for after hours calls, overflow telephone traffic and as a

backup if other issues affect the Tyler, Texas office. Also, after hour calls go to a professional answering service and are relayed to a designated on-call operator for resolution.

b. On page 6 of 11 pages of the Official Case File Memorandum, the second paragraph would be more accurate if modified as follows:

Liberty must ensure that the acquisition of the KMB assets will have no adverse effect on the level of utility service provided to the customers. EMSD is recommending that Liberty report to the EMSD Staff various performance statistics regarding the corporation call centers located in Tyler, Texas and Avondale, Arizona. The data should be reported on a monthly basis to the EMSD Staff within thirty (30) days after the end of each month. Such information should include at a minimum, but not be limited to:

- Total number of calls received and handled by the Call Center, segregated by calls from Missouri customers.
- Staffing levels for the customer service function and their location.
- Measurements regarding how expediently phones are answered (i.e. ASA%, call abandon rate) and other metrics/calculations to be mutually determined by Staff and Company within forty-fie (45) days after the installation of ACD and then again after IVR installation (referenced below) responses are made to customer ealls, and provide explanations of how data is used for calculations.
- Number and percent of estimated meter readings, including numbers specific to Missouri customers.
- Results from the Company's annual customer opinion surveys.
- Any major technological advances applied to the call center operations.

Liberty Water Company (LWC) is in the process of installing a new telephone system (ACD) and an interactive voice response (IVR) unit to its call centers including those that serve Missouri customers giving customers twenty-four (24) hour access to their accounts and other service enhancements. Once the implementation of these systems has been completed, Liberty and EMSD Staff will meet to determine the appropriate indicators to be provided in the reporting within forty-five (45) days of each implementation. Integration with the billing software is estimated to take eight to ten months.

3. Additionally, counsel for KMB Utility Corporation (KMB) has indicated that KMB has no objection to the Staff Recommendation.

WHEREFORE, Liberty Water respectfully requests that the Commission consider this response and, thereafter, issue its order approving the Joint Application.

Respectfully submitted,

Dean L. Cooper

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ATTORNEYS FOR ALGONQUIN WATER RESOURCES OF MISSOURI, LLC D/B/A LIBERTY WATER

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on July 28, 2011, to the following:

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