

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

In the Matter of Lake Region Water and Sewer)	
Company's Application to Implement a General)	Case No. SR-2013-0459
Increase in Water and Sewer Service)	

In the Matter of Lake Region Water and Sewer)	
Company's Application to Implement a General)	Case No. WR-2013-0461
Increase in Water and Sewer Service)	

LAKE REGION WATER & SEWER COMPANY'S
RESPONSE TO AND SUGGESTIONS OPPOSING OFFICE OF PUBLIC COUNSEL'S
MOTION TO COMPEL

Comes now Lake Region Water and Sewer Company (Lake Region) and submits this response and suggestions opposing Office of Public Counsel's (OPC) Motion to Compel Discovery and Request for Expedited Treatment (Motion to Compel).

On January 9, 2014 OPC filed its Motion to Compel with respect OPC Data Requests 1000 to 1019 inclusive,¹ several of which had been objected to by Lake Region. On page 1 of its Motion to Compel, OPC claims, seemingly as justification for the motion, that it has "faced continuing and significant problems with [Lake Region] failing to respond to proper data requests made to Lake Region regarding availability fees." From further reading in the Motion to Compel, the Commission will learn that OPC finds problematic Lake Region's exercise of its right to object to data requests and its challenge to OPC's characterization that each of its data requests is "proper." Lake Region submits that simply objecting to OPC's data requests or the data requests served by Staff or other parties is no ground for granting a motion to compel. OPC cites no authority for such a proposition and the Commission will find none itself.

The Motion to Compel provides a chronology of OPC's service of data requests on Lake Region and Lake Region's timely objection to various data requests. OPC attached to the

¹ DRs 1000-1017 were served on Lake Region eight days before OPC's direct testimony was due to be filed.

Motion to Compel a copy of Lake Region's objections to OPC Data Requests 1000, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1010, 1011, 1012, 1014 and 1015. OPC also attached Lake Region's objections and responses to Data Requests 1018 and 1019. On page 2 of the Motion to Compel, OPC focuses on Lake Region's response to DRs 1013, 1016 and 1017, then states that "[n]o other responses to Public Counsel's data request numbers 1000 to 1017 were received." To the contrary, Lake Region delivered to OPC Lake Region's Supplemental Responses To Office Of Public Counsel's Data Requests (Supplemental Responses) on December 31, 2013. Each of OPC's DRs 1000-1017 has been answered by Lake Region subject to earlier objections. Lake Region has attached its Supplemental Responses as Appendix A to this response.

A. Lake Region's Continuing Objection to Data Collection Concerning Availability Fees

OPC's objected to data requests concern availability fees. Lake Region has asserted early and consistently in this matter that as a matter of law the Commission lacks subject matter jurisdiction over the creation, collection or enforcement of availability fees, and any evidence of availability fees is irrelevant and immaterial to any regulatory issue before the Commission. Additionally, by its own order, the Commission has refrained from asserting jurisdiction over availability fees until a definitive rule has been adopted on the topic pursuant to statutory rulemaking procedures. OPC contends that the Commission has already exercised jurisdiction over availability fees but this is refuted completely by the Report and Order and subsequent orders of this Commission in Case Nos. SR-2010-0110 and WR-2010-0111.

Lake Region's objections and the support for them have been briefed in earlier Company filings which oppose admission of portions of testimony that is in line to be offered in this case.²

² See Lake Region's Motion in Limine; Motion to Strike Portions of the Written Testimony of Ted Robertson, Witness for the Office of Public Counsel, and Motion to Strike Portions of the Written Testimony of Staff Witness Kim Bolin and Sections of Staff's Revenue Requirement and Cost of Service Report all filed on November 22, 2013

Laying aside for argument only, but not retreating from the objection that the Commission by statute lacks authority or jurisdiction over availability fees, because of the need for a definitive rule on the subject, as already determined and ordered by the Commission, any evidence submitted in this matter on availability fees satisfies academic curiosity only. Such evidence is not relevant to the Company's revenue requirement, its expenses or any other regulatory issue. Such evidence is not relevant or material to any calculation the Commission may lawfully make. On this basis alone, Lake Region's objections to OPC's DR's should be sustained and the Motion to Compel denied.

B. Lake Region Has Met the Substance of OPC's Requests

On page 2 of the Motion to Compel OPC questions Lake Region's response to DR 1013.

DR 1013 requested:

For all plant-in-service installed within the Shawnee Bend Water and Sewer jurisdiction by Four Seasons Lakesites, Inc., and subsequent assignees, please provide a reconciliation identifying, by year, the total actual costs incurred and booked to the individual USOA plant accounts. Also, for each year the information is provided, include the costs associated with any retirements and any other changes or modification to the individual plant-in-service balances.

Lake Region answered,

Lake Region does not have such reconciliation. All Company records have been made available and remain available to OPC. Beginning balances, ending balances, additions and retirements by year by plant account are included in the Annual Reports on file with the Commission.

Lake Region did not object to DR 1013. The reconciliation requested by OPC is a nonexistent document. Lake Region does not collect availability fees or account for availability fees. The reconciliation requested by OPC is not required by Commission rule. Lake Region does not

(the "Evidentiary Motions"), and Lake Region's Further Suggestions in Support of its Motion in Limine/Motion to Strike Portions of the Written Testimony of Staff Witness Kim Bolin and Portions of the Written Testimony of Ted Robertson and Sections of Staff's Revenue Requirement and Cost of Service Report filed December 15, 2013 (the "Evidentiary Suggestions"). The Evidentiary Motions and Evidentiary Suggestions are incorporated herein by reference as if fully set forth.

have such a document in its possession, custody or control. Under the discovery rules, Lake Region has no duty to create a document it lacks. Ostensibly, the information OPC needs to create a reconciliation of the class described has been disclosed in Company Annual Reports which are available to OPC. If OPC is moving to compel an answer to this request, that motion should be denied. Lake Region has met the substance of the request.

Again on page 2 of the Motion to Compel, OPC states that “Lake Region provided responses to Public Counsel data request number 1016 and 1017 which stated, ‘Please see response to 1013.’” Lake Region did not object to either of these requests. The requests and Lake Region’s Supplemental Responses are set out verbatim below:

OPC Data Request 1016.

For all plant-in-service installed within the Shawnee Bend Water and Sewer jurisdiction by Four Seasons Lakesites, Inc., and subsequent assignees, please provide a reconciliation identifying, by year, the total actual costs incurred and booked to the individual USOA plant accounts that was donated to the utility by the developers.

Response:

Lake Region does not have such a reconciliation. All Company records have been made available and remain available to OPC. Beginning balances, ending balances, additions and retirements by year by plant account are included in the Annual Reports on file with the Commission. However, Lake Region believes Staff provided this data to the Commission in Exhibits 43-46 in Case No. WR-2010-0111.

OPC Data Request 1017.

Regarding Company's response to OPC Data Request No. 1016, please provide a reconciliation of the contribution-in-aid-of construction (CIAC) booked in the financial records for each year associated with infrastructure donated by the developers.

Response: **Please see response to DR 1013. Also see response to DR 1016.**

Like the reconciliation OPC requested in DR 1013, the reconciliation requested in DRs 1016 and 1017 is not prepared by Lake Region and is a nonexistent document. Lake Region does not have such a document in its possession, custody or control. Under the discovery rules, Lake Region has no duty to create a document it lacks. Lake Region has pointed OPC to information supplied by Staff in the previous rate case that might provide OPC with the information it is seeking. Lake Region has met the substance of each of these requests. OPC's Motion to Compel should be denied.

OPC complains about Lake Region's responses to DRs 1018 and 1019. The requests and Lake Region's objections and responses subject to those objections are set out verbatim below:

OPC Data Request 1018. Please provide a reconciliation of the total availability fees billed, utilizing the Lake Region regulated utility billing processes and monthly service bills, and also the associated amounts collected from lot owners in the Shawnee Bend Water and Sewer jurisdiction, by year, for each and every year that the PWSD No. 4 has processed the billing and collection duties of availability fees for the owners of the utility. If a breakdown of the fees between water and sewer is available, please provide that too.

Objection: **The Commission lacks jurisdiction over the creation, collection or enforcement of availability fees. Furthermore, this request seeks information within the possession, control or knowledge of nonparty(ies) to this matter and therefore falls outside the scope of permitted discovery. Any response to this data request is subject to and without waiver of these and the general objections.**

Response: **Lake Region has neither billed nor collected any availability fees and has no such reconciliation. PWSD4 has no authority to release any information regarding availability fees and also has no reconciliation.**

OPC Data Request 1019. It is my understanding that the billing of availability fees are included on Lake Region regulated utility monthly service bills on or about January of each new year, but the resultant collections of availability fees are not included in the regulated utility's general ledger. If that is accurate, please explain the process to deposit and book collections of availability fees where a customer sends a single check to pay both the regulated utility monthly service costs and the availability fees billed on the regulated utility monthly service bills. For example, is the check containing payment for both monthly service costs and availability fees deposited in the regulated utility's checking account, i.e., Account 131, and then a check for the availability fees is prepared and deposited in the LUAF I checking account? If this is not how the process works in such a situation, please explain, in detail, the processing utilized in such a situation. Furthermore, please identify the approximate number of availability fees collections received by year, during the time that the PWSD No. 4 has processed the billing and collection duties of availability fees, that were not included in a single noncash payment that also included payment of regulated monthly service costs.

Objection: **See Objection to OPC Data Request 1018. Any response to this data request is subject to and without waiver of these and the general objections.**

Response: **Availability fees are not billed on Lake Region bills. If a customer were to confuse the \$300 annual payment for a separate property with their monthly utility bill the company would either credit the utility account for the \$300**

payment or refund the money to the customer based on the customer's choice. The billing clerk does not recall ever receiving an availability fee payment included on the same check as a monthly utility payment.

To the extent of its knowledge, Lake Region has fairly responded to each of these requests and met the substance of each. OPC's Motion to Compel should be denied.

C. Lake Region Has No Records on Availability Fees

Lake Region has repeatedly advised the Staff and OPC that: 1) it does not bill customers for availability fees; 2) it does not prepare, possess, control or maintain records on the billing of availability fees; 3) it does not prepare, possess, control or maintain records on lot owners in its certificated area who are billed for availability fees; 4) it does not prepare, possess, control or maintain records on the collection or enforcement of availability fees. Lake Region has repeatedly advised Staff and OPC that such records are prepared, possessed, controlled and maintained by persons or entities not parties to this rate case. OPC admits in its Motion to Compel that on every occasion—whether in objections to its data requests or during discovery conferences—it was so informed and advised. Therefore, Lake Region employees or persons retained to act on Lake Region's behalf are not qualified to testify about how availability fee records are entered, kept and maintained and about whom such records are entered, kept and maintained.

On page 4, OPC quotes the response made by Camden County Public Water Supply District Number 4 (the District) to Staff's recent Sunshine Law Request in which the District states that the District bills \$86.40 annually for availability fees and its billing records are kept on Lake Region's computer. From that response OPC leaps to the conclusion that more availability fee information may be stored on that computer. That is not confirmed in the

District's response to the Sunshine Law Request. The District's letter is confined to the subject of District billing records and its records respecting availability fees have been disclosed. Even so, OPC now contends on page 4 of its Motion to Compel that Lake Region is "attempting to hide availability fee information through" its general manager, John Summers. First, the information is not Lake Region's to conceal. Lake Region cannot hide records or information it does not possess or control. In its response to OPC's DR 1000, Lake Region answered that "Nothing has changed since the last case." That answer is timely here. Records pertaining to the billing, collection, and enforcement of availability fees did not belong to Lake Region then, and they do not belong to Lake Region now.

Next, OPC misinterprets the authority of Mr. Summers with respect to the release of information by the District. As the District's correspondence affirms, and contrary to OPC's reading of the letter, the District may lawfully release its own open records that are stored on Lake Region's server, but it has no authority to disclose records kept or owned by third parties on that same computer, whether they deal with Lake Region's own accounts, availability fees owned by shareholders or former shareholders or other information owned by other parties. That statement is not subject to serious debate.

OPC knows and has known for some considerable time that Mr. Summers has more than one employer. His authority varies in accordance with law based upon the entity on whose behalf he then serves and when. The efficiencies created by this consolidation of his positions and the synthesis of these executive duties have benefitted Lake Region's rate payers. However, the arrangement does not allow Mr. Summers to "sneak" records away from one entity he serves at the request of another. In order for Lake Region to lawfully obtain and review and disclose records stored on its premises or in facilities or equipment on its premises by other persons or

entities sharing the same space it would need to subpoena those records just as OPC or Staff would need to do. Under the discovery rules, it is not Lake Region's duty to furnish OPC or Staff with records in the possession of a third party where those records are equally available to Staff and OPC from that third party. *See, e.g., School Dist. of Springfield R-12 v. Transamerica Ins. Co.*, 633 S.W.2d 238, 248 (Mo.S.D.App.1982); *Brotherton v. Burlington Northern R.R.*, 672 S.W.2d 133, 136 (Mo.App. E.D. 1984).

Moreover, the files or other material stored on Lake Region's computer that are owned and controlled by third parties constitute "electronic communications" which are subject to the protections of the Electronic Communications Privacy Act of 1986 , 18 U.S.C. §§ 2510-2522. A Commission "data request" is inadequate to compel Lake Region to disclose electronic communications stored in computer data files by other parties. Lake Region has no authority to release such files which technically it does not possess or control.

During discovery conferences Lake Region explained to the regulatory law judge and OPC that it did not have access to, possession or control of records pertaining to availability fees and in turn, OPC was counseled to use its investigatory powers in the direction of those persons or entities that actually control the records OPC wanted to inspect. OPC cites Section 386.450 RSMo 2000³ on page 5 of its Motion to Compel and acknowledges that the office has special statutory authority to obtain process by which to examine records kept by **any** person, corporation or public utility. Yet, instead of issuing process by virtue of its Section 386.430

³ Section 386.450, RSMo 2000 provides:

At the request of the public counsel and upon good cause shown by him the commission shall require or on its own initiative the commission may require, by order served upon any corporation, person or public utility in the manner provided herein for the service of orders, the production within this state at such time and place as it may designate, of any books, accounts, papers or records kept by said corporation, person or public utility in any office or place within or without this state, or, at its option, verified copies in lieu thereof, so that an examination thereof may be made by the public counsel when the order is issued at his request or by the commission or under its direction.

authority to persons or entities that have actual possession, control or lawful custody of the records it seeks, OPC repeatedly serves Lake Region with data requests for those records expecting different results.

On page 6, OPC cites the Commission's regulations concerning imposition of sanctions. Lake Region has not disobeyed any discovery order of the Commission. No ruling has been entered on its objections to the data requests propounded. Lake Region has not been ordered to respond to an objected to data request. Lake Region cannot be sanctioned for asserting the unquestionably valid objections it has raised to OPC's data requests.

OPC has asked for expedited treatment of its Motion to Compel. OPC claims that the information it seeks will clarify its "concern that the actual amount of contributed plant associated with availability fees has not been properly identified so rate base and ultimately rates can be set accordingly." As the Commission found and determined in Lake Region's previous rate case, **all** the plant associated with the availability fees charged in Lake Region's service territory has been contributed to the Company and whatever that plant's value in dollar's worth may be, Lake Region earns **no return on that plant**, all to the benefit of its customers and the rates they pay. Truly, the information OPC is improperly seeking from Lake Region is ultimately unimportant to the issues of the present rate case.

OPC's Motion to Compel should be denied.

Respectfully submitted,

/s/ Mark W. Comley

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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 email, on this 14th day of January, 2014, to Amy Moore at Amy.Moore@psc.mo.gov ; General Counsel's Office at staffcounsel@psc.mo.gov; Christina Baker at christina.baker@ded.mo.gov, and Office of Public Counsel at opc@ded.mo.gov

/s/ Mark W. Comley

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

In the Matter of Lake Region Water and Sewer)
Company's Application to Implement a General) Case No. SR-2013-0459
Increase in Water and Sewer Service)

In the Matter of Lake Region Water and Sewer)
Company's Application to Implement a General) Case No. WR-2013-0461
Increase in Water and Sewer Service)

**LAKE REGION WATER & SEWER COMPANY'S SUPPLEMENTAL RESPONSES TO
OFFICE OF PUBLIC COUNSEL'S DATA REQUESTS**

Pursuant to Missouri Public Service Commission ("Commission") Rule 4 CSR 240-2.090(2), Lake Region Water & Sewer Company ("Lake Region") submits these supplemental responses subject to any earlier objections¹ to the following data requests served by the Office of Public Counsel (OPC):

OPC Data Request 1000. Do employees of the Public Water Supply District Number Four of Camden County still process the billing, collection and reconciliation of payments for availability fees from lot owners that have not connected to the utility system in the Shawnee Bend and Horseshoe Bend jurisdictions of the utility? If yes, please describe, in detail, who performs each of those duties and when the work occurs. If no, please identify who now performs those activities.

Response: **Nothing has changed since the last case. PWSD employees still handle the billing and collection of the fees and deposit them directly into a bank account owned by the owners of the rights to the fees. The identity of the employees who perform these duties and the times when those duties are performed are the same as explained in the Commission's Report and Order in Lake Region's previous rate case.**

¹ On November 15, 2013, Lake Region separately objected to OPC Data Requests 1000, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1010, 1011, 1012, 1014 and 1015. All objections, whether general or specific, to these data requests are renewed and reasserted herein as if fully set forth. Responses to any objected to data requests are without waiver of said objection(s) which are expressly reserved by Lake Region.

OPC Data Request 1001.

If the PWSD No. 4 is still performing the billing and collection duties of availability fees for the owners of the utility, are the payments of availability fees received from lot owners that have not connected to the utility system in the Shawnee Bend and Horseshoe Bend jurisdictions of the utility still booked in the financial records of the utility? If yes, please identify and describe, in detail, all general ledger accounts by name, number and year, utilized for the processing of the availability fees subsequent to the utility's last rate case.

Response:

Availability fee revenue has never been booked in the financial records of the utility during the period PWSD has processed billing. As discussed during the meeting held December 27, 2013 availability fee checks are deposited directly into a bank account owned by the owners of the rights to the availability fees. Also see ¶ 191 of Report and Order dated August 18, 2010 in Case No. WR-2010-0111. Moreover, to the best of Company's knowledge, no wastewater system related availability fee has ever been charged in Horseshoe Bend.

OPC Data Request 1002.

If Company's response to OPC Data Request No. 1001 is yes, for each general ledger account identified, please identify and describe, in detail, any other costs, expenses, monies, etc., that are not availability fees that were/are also booked in each respective account.

Response:

N/A

OPC Data Request 1003.

It is my understanding that availability fees are billed and collected by the utility's owners only for undeveloped lots attributed to Four Seasons Lakesites, Inc., and subsequent assignees, within the Shawnee Bend water and sewer jurisdiction of the utility and that the Horseshoe Bend sewer jurisdiction does not have an availability fee. Is that correct? If no, please explain why it is not correct.

Response:

Availability fees are owned by RPS Properties LP and Sally Stump. Sally Stump is no longer an owner of shares in Lake Region. Regarding the obligation for and the billing and collection of availability fees Lake Region agrees with the

findings of fact in ¶¶ 134 & 135 of the Report and Order dated August 18, 2010 in Case No. WR-2010-0111.

OPC Data Request 1004.

It is my understanding that all "lots" in the development attributed to Four Seasons Lakesites, Inc., and subsequent assignees, within the Shawnee Bend water and sewer jurisdiction of the utility have been sold. Is that correct? If no, please explain why it is not correct. If it is correct, please identify the date (month and year) that the last lot was sold.

Response:

To the best of Lake Region's knowledge all "lots" have been sold. This response is based on ¶ 145 of Report and Order dated August 18, 2010 for Case No. WR-2010-0111. Lake Region does not know, and has no knowledge or information from which to determine, the date the last lot was sold.

OPC Data Request 1005.

If PWSD No. 4 is still performing the billing and collection duties of availability fees for the owners of the utility, are the monthly/annual fees the same as identified in the prior rate case? If no, please explain what has changed and when.

Response:

Yes.

OPC Data Request 1006.

If PWSD No. 4 is still performing the billing and collection duties of availability fees for the owners of the utility, are you aware of any changes or modifications, subsequent to the utility's last rate case, to the Declaration of Restrictive Covenants under which the fees are defined and assessed? If yes, please explain what has changed and when.

Response:

Availability fees are owned by RPS Properties LP and Sally Stump. Sally Stump is no longer an owner of shares in Lake Region. To the best of Lake Region's knowledge and information, the Declaration of Restrictive Covenants has not been modified.

OPC Data Request 1007.

For the Shawnee Bend Water and Sewer jurisdiction, respectively, for each and every year that the PWSD No. 4 has processed the billing and collection duties of availability fees for the owners of the utility, please provide a listing showing the name of each lot owner billed, how many lots each owner was billed for (single lot, double lot, etc.), the amount of the water availability fee billed and

collected applicable to each owner and the amount of the sewer availability fee billed and collected applicable to each owner.

Response:

This information is not within Lake Region's possession, custody or control. It is Lake Region's understanding that PWSD does not have the authority to release this information.

OPC Data Request 1008.

Please provide a reconciliation of the total availability fees collected from lot owners in the Shawnee Bend Water and Sewer jurisdiction that were booked in the utility general ledger accounts, by year, for each and every year that the PWSD No. 4 has processed the billing and collection duties of availability fees for the owners of the utility. If a breakdown of the fees between water and sewer is available, please provide that too.

Response:

Availability fee revenue has never been booked in the financial records of the utility during the period for which PWSD has processed billing. Also, see response to 1001.

OPC Data Request 1009.

Is it the Company's belief that utility plant-in-service is utilized and necessary in the provision of the services it provides to ratepayers?

Response:

Yes.

OPC Data Request 1010.

Please provide documentation identifying the total number of "lots" that were developed by Four Seasons Lakesites, Inc., and subsequent assignees, within the Shawnee Bend Water and Sewer jurisdiction. Include within the documentation a reconciliation of the number of "lots" that are currently taking water and/or sewer services from the utility and the number of "lots" that are not currently taking water and/or sewer services from the utility.

Response:

Lake Region has no knowledge, or information from which to derive knowledge, of the total number of lots developed by Four Seasons Lakesites, Inc. Lake Region has supplied a complete copy of Lake Region's billing system which includes the customer location information maintained by the Company. Lake Region does not maintain a list of non-customer locations.

OPC Data Request 1011.

It is my understanding the Section 19.3(b) of the 4th Amendment to the Declaration of Restrictive Covenants that governs the assessment of availability fees states, "The Declaration may be amended at any time by the Developer at the request or with the consent of the Board until such time as all lots are sold, at which such time the Declaration may be amended by the affirmative vote of two-thirds of the owners of all of the lots entitled to vote." Is this language still in effect? If not when was it changed or modified? If changed or modified, please provide copies of all subsequent amendments. Lastly, what is the Company's interpretation of the language and why have lot owners within the Shawnee Bend Water and Sewer jurisdiction of the utility not voted to change the Declaration of Restrictive Covenants to eliminate the availability fees?

Response:

See response to DR 1006. Lake Region has made no specific interpretation of the referenced language but interprets the Declaration in its plain and ordinary meaning as necessary. Also see ¶ 146 of Report and Order dated August 18, 2010 for Case No. WR-2010-0111.

OPC Data Request 1012.

Is it the Company's belief that the purpose of the availability fees was to recover the infrastructure investment in the water and sewer systems within the Shawnee Bend Water and Sewer jurisdiction? If no, please explain, in detail, why that is not correct.

Response:

Yes, based upon ¶ 162 of Report and Order dated August 18, 2010 in Case No. WR-2010-0111.

OPC Data Request 1013.

For all plant-in-service installed within the Shawnee Bend Water and Sewer jurisdiction by Four Seasons Lakesites, Inc., and subsequent assignees, please provide a reconciliation identifying, by year, the total actual costs incurred and booked to the individual USOA plant accounts. Also, for each year the information is provided, include the costs associated with any retirements and any other changes or modification to the individual plant-in-service balances.

Response:

Lake Region does not have such reconciliation. All Company records have been made available and remain available to OPC. Beginning balances, ending balances, additions and retirements by year by plant account are included in the Annual Reports on file with the Commission.

OPC Data Request 1014.

It is my understanding that on or about April 12, 2000 a previous owner of the utility assigned the availability fees rights from the utility's ownership to his personal possession (i.e., Mr. Waldo I. Morris). Is that correct? If no, please explain, in detail, why that is not correct. If my understanding is correct, by what authority did the utility consummate the financial transaction? For example, did the utility seek and receive authorization from the MPSC to effectuate the assignment? If no, why did it believe that no such authorization was required?

Response:

This conforms to Lake Region's understanding based upon ¶¶ 165 – 170 of the Report and Order dated August 18, 2010 in Case No. WR-2010-0111. The transaction was authorized by the Company's shareholders. If Lake Region had any rights to accept or assign in this transaction, the transfer to and from Lake Region occurred on the same date and no regulated or jurisdictional utility assets were involved.

OPC Data Request 1015.

Please provide a complete copy of the April 15, 2005 settlement agreement in Civil Case No. CV103-760CC.

Response:

Lake Region believes Exhibit 23 HC in Case No. WR-2010-0111 is a complete copy.

OPC Data Request 1016.

For all plant-in-service installed within the Shawnee Bend Water and Sewer jurisdiction by Four Seasons Lakesites, Inc., and subsequent assignees, please provide a reconciliation identifying, by year, the total actual costs incurred and booked to the individual USOA plant accounts that was donated to the utility by the developers.

Response:

Lake Region does not have such a reconciliation. All Company records have been made available and remain available to OPC. Beginning balances, ending balances, additions and retirements by year by plant account are included in the Annual Reports on file with the Commission. However, Lake Region believes Staff provided this data to the Commission in Exhibits 43-46 in Case No. WR-2010-0111.

OPC Data Request 1017.

Regarding Company's response to OPC Data Request No. 1016, please provide a reconciliation of the contribution-in-aid-of-construction (CIAC) booked in the financial records for each year associated with infrastructure donated by the developers.

Response:

Please see response to DR 1013. Also see response to DR 1016.

Respectfully submitted,

/s/ Mark W. Comley

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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 email, on this 31st day of December, 2013, to Christina L. Baker, christina.baker@ded.mo.gov.

/s/ Mark W. Comley