

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Application of Osage Utility)
Operating Company, Inc. to Acquire Certain) Case No. WA-2019-0185
Water and Sewer Assets and for a Certificate of) and SA-2019-0186
Convenience and Necessity)

**PUBLIC WATER SUPPLY DISTRICT NO. 5 OF CAMDEN COUNTY'S,
LAKE AREA WASTE WATER ASS'N, INC.'S AND MISSOURI WATER ASS'N, INC.'S
STATEMENT OF POSITION**

COMES NOW Public Water Supply District No. 5 of Camden County, Missouri (the "District"), Lake Area Waste Water Association, Inc. ("LAWWA"), and Missouri Water Association, Inc. ("MWA"), by and through counsel, and submits this statement of position with respect to the Osage Water Company list of issues filed by Office of the Public Counsel (OPC), Reflections Condominium Owners Association, Inc., Great Southern Bank, Public Water Supply District No. 5 of Camden County, Missouri, Lake Area Waste Water Association, Inc., Missouri Water Association, Inc., and Cedar Glen Condominium Owners Association, Inc., on September 9, 2019:

I. Public Interest

- a. Would the sale of Osage Water Company's certificates of convenience and necessity and its water and sewer assets to Osage Utility Operating Company be detrimental to the public interest?

Yes. The District, LAWWA and MWA have a contract with the bankruptcy trustee in to purchase all of the Osage Water Company water distribution and wastewater treatment assets serving Cedar Glen Condominiums, Cimarron Bay, Chelsea Rose and Eagle Woods. The contract is identical in all respects to the contract between the bankruptcy trustee and Central States, which appears to have assigned its contractual rights to Osage Utility Operating

Company, Inc. ("OUOC") The District, LAWVA and MWA have the ability to provide water and sewer service to the owners living at Cedar Glen Condominiums, Cimarron Bay, Chelsea Rose and Eagle Woods at a much lower cost than OUOC because OUOC proposes to make improvements to all of the systems that are unnecessary and costly. Further, it has been the practice of Central States in the past to borrow money from a related entity for the purchase price and improvements at a high interest rate, which ultimately is passed along to the consumer through rate increases. The District, LAWVA and MWA are able to provide water and sewer services to the owners of Cedar Glen Condominiums, Cimarron Bay, Chelsea Rose and Eagle Woods without a substantial increase to the current costs for the services. The rates for water and sewer services will be significantly less than those which would be charged by the applicant.

II. Acquisition Premium

Should the Commission approve an acquisition premium for the acquisition of the Osage Water Company?

The District, LAWVA and MWA do not currently have a position on this issue. However, they reserve their right to brief and argue this issue following the hearing.

Respectfully submitted,

By: /s/ J. Aaron Ellsworth

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ATTORNEY FOR PUBLIC

WATER SUPPLY DISTRICT #5

OF CAMDEN COUNTY, LAWVA
and MWA

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 12th day of September, 2019, to:

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/s/ Aaron Ellsworth

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