

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

In the Matter of the Application of Rex)
Deffenderfer Enterprises, Inc. d/b/a RDE)
Water Company For Authority to Sell) Case No. WM-2022-0246
Certain Water Assets to The City of Nixa,)
Missouri, and, in Connection Therewith,)
Certain Other Related Transactions.)

**RDE WATER COMPANY'S
RESPONSE TO PUBLIC COUNSEL'S RESPONSE TO APPLICATION**

COMES NOW Rex Deffenderfer Enterprises, Inc. d/b/a RDE Water Company, ("RDE") and in response to the Office of Public Counsel's ("Public Counsel's") Response to Application offers the following:

1. Public Counsel and PSC Staff do not oppose RDE's Application to Sell Assets to the City of Nixa ("Application").
2. The member of the public who testified at the July 26, 2022, local public hearing, referenced by Public Counsel in their Response, also stated that he did not oppose RDE's Application.
3. However, RDE would like to address two issues raised by Public Counsel's Response to Application, specifically the reference to the City of Springfield, Missouri's Board of Public Utilities and Nixa's out-of-city rates.
4. First, the Board of Public Utilities in Springfield is appointed by the elected Springfield City Council, who are then elected by residents of the City of Springfield. But, the customers located outside the city limits of Springfield have no vote or representation in the City Council election. Consequently, the same perceived issue with Nixa regarding representation is also present with Springfield.

5. Springfield City Utilities' customers located outside the city limits have their rates set by Springfield's City Council, the same as with Nixa. The only difference is that the Springfield Board of Public Utilities recommends utility rates that the Springfield City Council is not bound by. (See Springfield City Ordinance Section 16.13).

6. Springfield's City Council and Nixa's City Council are both the relevant regulatory retail authorities that set the water rates for their water utility. They both have the same level of control over water rates. The only difference is process, not substance.

7. Public Counsel's concern seems to be that without representation on the Nixa City Council, RDE customers will have no effective means of affecting their rates or quality of service short of annexations. However, Nixa City Council meetings and public hearings are open to the public. Citizens of Nixa, as well as those living outside the city limits, have equal access to voice any concerns and seek any remedy from Nixa's City Council. The City Council has repeatedly expressed the desire to represent all of Nixa's utility customers, including those outside the city limits.

8. Further, Nixa currently has numerous nonresident commercial and residential utility customers, and Nixa's Utility Department has a demonstrated history of good relations with those nonresident utility customers.

9. Second, Public Counsel expressed concerns that Nixa has a water rate for customers outside the city limits which is higher than that for customers within the city limits. However, the majority of cities in the area have nonresident water rates. (See Exhibit A).

10. The nonresident rates for customers outside the City are necessary because the City incurs additional expenses to service those customers. In addition, if the sale is allowed, Nixa will be making a substantial investment in the water system in question, not only with the

purchase of the water system, but most importantly with planned upgrades to the system which will improve the water quality, reliability of the system and customer service.

11. Specifically, the water quality will be improved to match the quality level of the Nixa system. The initial five-year plan is to convert the RDE system to a closed loop plan to improve the reliability of service to all customers, which will result in increased water pressure and fire hydrant capabilities. And, immediately, the RDE customers will have improved customer service as Nixa has twenty-four (24) hour emergency service for all of its customers.

WHEREFORE, since Public Counsel and PSC Staff do not oppose RDE's Application, since no opposition to the Application was voiced at the local public hearing, and since Nixa ownership of the water system will be in the best interests of the RDE Customers, it is respectfully requested the Commission authorize RDE to sell to the City of Nixa assets it uses to provide water utility service to its customers and, thereafter, to cease providing water utility service in Missouri.

Respectfully submitted,

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Counsel for RDE Water Company

CERTIFICATE OF SERVICE

I hereby certify that on the 12th day of August 2022, a copy of the foregoing **RDE Water Company's Response to Public Counsel's Response to Application** was served by filing in the docket for this case in the Missouri Public Service Commission's Electronic Filing and Information System (EFIS).



Terry M. Jarrett