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December 17, 1997

Mr. Cecil I. Wright  
Executive Secretary  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

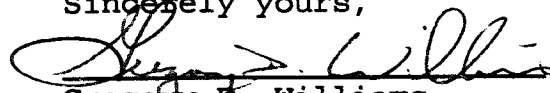
Re: Osage Water Company  
Case No. WA-97-110

Dear Mr. Wright:

Please find enclosed for filing in the above captioned matter Applicant's Response to Staff Recommendation and Response to Motion to Consolidate and Motion to Submit Case on Verified Application and Staff Recommendation. Copies of the same have been mailed this date to all parties of record, and to the attorney for the Osage Beach Fire Protection District.

If you have any If you have any questions concerning this matter, please do not hesitate to contact me.

Sincerely yours,

  
Gregory D. Williams

cc: Office of Public Counsel  
Wm. K. Haas, Senior Asst. Gen. Counsel  
Thomas E. Loraine

FILED  
DEC 18 1997  
MISSOURI  
PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the matter of the application of Osage Water Company )  
for permission, approval, and a certificate of convenience and )  
necessity authorizing it to construct, install, own, operate, ) Case No. WA-97-110  
control, manage and maintain a water and sewer system for the )  
public located in unincorporated portions of Camden County, )  
Missouri. )

APPLICANT'S RESPONSE TO STAFF RECOMMENDATION  
AND  
RESPONSE TO MOTION TO CONSOLIDATE  
AND  
MOTION TO SUBMIT CASE ON VERIFIED APPLICATION  
AND STAFF RECOMMENDATION

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COMES NOW the Applicant in the above captioned matter, and for its Response to Staff  
Recommendation and Motion to Submit Case on Verified Application and Staff  
Recommendation states as follows.

RESPONSE TO STAFF RECOMMENDATION

The Applicant is in agreement with the Conclusions and Recommendations sections of  
the Staff Report filed herein on December 12, 1997. In particular, the Applicant agrees with  
Staff as follows:

1. A Certificate of Convenience and Necessity should be granted to Applicant  
authorizing the Applicant to provide sewer service to the public in the areas  
known as Chelsea Rose and Cimmarron Bay Subdivisions in Camden County,  
Missouri, and authorizing Applicant to provide water service to the public in the  
Cimmarron Bay Subdivision.

2. Applicant will file a complete tariff pertaining to the provision of sewer service, including the proper descriptions of the two service areas consistent with Exhibit B2 to the Amendment to Application filed herein on May 22, 1997 upon the granting of said Certificates by the Commission.
3. Applicant will file the necessary revisions to its existing water tariff adding thereto the map and description of the Cimmarron Bay service area, consistent with Exhibit B-1 to the Amendment to Application filed herein on May 22, 1997 upon the granting of said Certificates by the Commission.
4. Applicant is and will continue to maintain its books and records in accordance with the Commission approved Uniform System of Accounts, and will make such modifications and changes to its accounting procedures as Staff may recommend at the conclusion of its current audit of the Applicant.
5. Applicant agrees that an 18 month review period to determine the suitability of the sewer rates is appropriate; that the use of the Applicant's existing water tariff and rates for service to Cimmarron Bay is appropriate, and that the sewer depreciation rates set out on Attachment 1 to the Staff recommendation are appropriate at this time.
6. Applicant does not necessarily agree or disagree with the assertions and conclusions set out in the portion of the Staff Recommendation designated as "The Staff's Investigation," particularly in that said assertions and conclusions are clearly stated to be based upon a pending and as yet incomplete audit of the Applicant, except as said assertions and conclusions support the Conclusions and

Recommendations portions of said Staff Recommendation, and reserves the right to contest or dispute said assertions and conclusions in future certificate and rate cases regarding the Applicant.

#### RESPONSE TO MOTION TO CONSOLIDATE

Applicant concurs and agrees with Staff that the Motion to Consolidate filed herein by the Osage Beach Fire Protection District seeking to consolidate this Application with Cases WA-98-36 and WC-98-211 should be denied because:

- a) Osage Beach Fire Protection District is not a party to this case, has not sought leave to intervene herein, and the time for filing of an Application to Intervene herein expired on October 21, 1996 as established by the Order of the Commission entered herein on September 20, 1996.
- b) There are no common questions of law or fact concerning this Application for a certificate to provide sewer service to Chelsea Rose and Cimmarron Bay, and water service to Cimmarron Bay, and Case WC-98-211, which relates to the provision of water service by Applicant to an area referred to in the Complaint as "Passover Road," and which is located within the City of Osage Beach.
- c) The proposed service areas herein, Chelsea Rose and Cimmarron Bay, are located outside of the corporate limits of the Osage Beach

Fire Protection District, and in fact are located within the corporate limits of the Sunrise Beach Fire Protection District, such that the Osage Beach Fire Protection District would not be a "municipality" having jurisdiction over the operations of the Applicant within the proposed service areas.

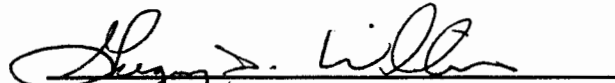
- d) The Motion to consolidate is untimely, in that it was not filed until the date upon which Staff was required by the Commission's Order of October 29, 1997, to file its Recommendation herein.

For these reasons, the Motion to Consolidate filed herein by the Osage Beach Fire Protection District should be denied, and this case should proceed for determination by the Commission as recommended by the Staff in its Staff Recommendation filed herein on December 12, 1997.

**MOTION TO SUBMIT CASE ON VERIFIED APPLICATION  
AND STAFF RECOMMENDATION**

Based on the Verified Amended Application herein and the attachments thereto, and the Recommendation of the Staff filed herein on December 12, 1997, this case is ready for submission to the Commission for determination, without a hearing. Neither the Applicant, the Staff, nor the Office of Public Counsel has requested a hearing herein, and this case may, pursuant to its Order of October 29, 1997, grant the relief requested based on the verified Amended Application herein.

WHEREFORE, Applicant prays for an Order of this Commission adopting the recommendations of the Staff herein as set out in the Staff Recommendation filed herein on December 12, 1997 and as set forth above, and Denying the Motion to Consolidate filed herein by the Osage Beach Fire Protection District on December 12, 1997, and take upon and consider the Application herein, as amended, upon the Verified Application and Attachments thereto, and upon such consideration, issue its Order Granting Applicant a certificate of convenience and necessity to provide sewer service to Cimmarron Bay and Chelsea Rose, and a certificate of convenience and necessity to provide water service to Cimmarron Bay as prayed for in the Application, as amended.



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Attorney for Osage Water Company


#### CERTIFICATE OF SERVICE

I, Gregory D. Williams, do hereby certify that a true copy of the foregoing was on this 17<sup>th</sup> day of December, 1997, mailed, postage prepaid, to the following:

William K. Haas, Senior Assistant General Counsel, Missouri Public Service Commission, P.O. Box 360, Jefferson City, MO 65102.

Office of Public Counsel, P.O. Box 7800, Jefferson City, MO 65102.

Thomas E. Loraine, 4075 Highway 54, Suite 300, Osage Beach, MO 65065.



Gregory D. Williams