

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

In the Matter of the Application of Elm Hills)
Utility Operating Company, Inc. and)
Missouri Utilities Company for Elm Hills to)
Acquire Certain Water and Sewer Assets of)
Missouri Utilities Company, for a Certificate)
Of Convenience and Necessity, and, in)
Connection therewith, to Issue Indebtedness)
And Encumber Assets)

Case No. SM-2017-0150

STATUS REPORT AND ANTICIPATED FILING DATE

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Status Report* in this matter hereby states:

1. Elm Hills Utility Operating Company, Inc. (Elm Hills) in conjunction with Missouri Utilities Company (Missouri Utilities) filed a Joint Application November 22, 2016, for Elm Hills to acquire certain water and sewer assets and the Certificate of Convenience and Necessity of Missouri Utilities. Elm Hills has also filed for a certificate of convenience and necessity for a sewer service area that is presently served by a non-regulated entity, State Park Village Sewer, Inc. (State Park Village), including purchase of its sewer plant. Staff filed its initial *Status Report* in this matter on January 30, 2017. On March 15, the Office of the Public Counsel (OPC) filed a *Motion for Order for Two Local Public Hearings and Suggestions in Support*. The Commission ordered Staff to file a Status Report declaring an anticipated date by which Staff would file its final recommendation, which this pleading hopes to accomplish.

2. The companies' requests in this matter are unique in that they combine the request for approval of an acquisition as well as a request for a Certificate of

Convenience and Necessity for an unregulated system, along with the request to set rates. This presents Staff with the task of determining the proper recommendation for setting rates for these companies and in recommending the drafting of the tariffs to be filed. Staff has met internally and with Elm Hills to determine the best recommendations for these processes.

3. After the filing of its last Status Report, Staff received notice from Elm Hills that it had been contacted by the Department of Natural Resources (DNR) regarding cleanup of a stream into which the current State Park Village sewer system discharges. Staff met with OPC, DNR and Elm Hills to discuss the potential effects this cleanup process could have on the present case. Staff intends to include this information in its final recommendation.

4. Staff has several follow-up data requests (DRs) presently pending response on March 23. Once it has received responses to these inquiries, Staff anticipates it can complete its investigation and draft its recommendation.

5. OPC has requested the Commission to order two local public hearings (LPHs) in this matter to give notice and seek customer comments as to the Missouri Utilities, Elm Hills and State Park Village requests. Staff does not oppose the scheduling of these LPHs and imagines that following those LPHs, it will be able to determine if any further investigation or DRs are necessary.

6. Staff has no intent to delay this process, and is actively working on its final recommendation. Staff would request that a filing date for its final recommendation be set for 30 days after the two LPHs are held, following the later of the two if they are held on separate dates. This would permit any follow-up investigation resulting from the

LPHs to be completed and any additional information to be added to its recommendation. This 30 day request anticipates timely response to Staff's discovery requests and may need to be altered should difficulties arise.

WHEREFORE, Staff prays that the Commission will accept this *Status Report* and statement of non-opposition to OPC's request for two local public hearings; set a filing date for Staff's recommendation at 30 days following the last date of an LPH in this matter; and grant such other and further relief as the Commission considers just in the circumstances.

/s/ Whitney Payne

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served by electronic mail, or First Class United States Postal Mail, postage prepaid, on this 20th day of March, 2017, to all counsel of record.

/s/Whitney Payne