

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

In the Matter of Missouri-American Water)
Company for a Certificate of Convenience and)
Necessity Authorizing it to Install, Own, Acquire,) File No. SA-2015-0065
Construct, Operate, Control, Manage and Maintain)
a Sewer System in Benton County, Missouri.)

**THE OFFICE OF THE PUBLIC COUNSEL’S REQUEST FOR
STAFF INVESTIGATION**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Request for Staff Investigation states as follows:

1. On September 8, 2014, Missouri-American Water Company (Missouri-American) filed an Application with the Missouri Public Service Commission (Commission) seeking authority to purchase and operate a sewer system currently served by Benton County Sewer District No. 1, which is located in a rural portion of Benton County, Missouri.¹ The Application states: “Voters in the sewer district voted to dissolve the district.”² As a result, the sewer system is currently operated by a receiver appointed by the United States District Court of the Western District of Missouri.³

2. On September 24, 2014, the Missouri Department of Natural Resources (DNR), through the Missouri Attorney General's Office, filed a timely application to intervene.⁴ The Commission granted DNR’s intervention in this case on October 7, 2014.⁵

¹ Electronic Filing and Information System (EFIS), Item No. 1.

² Id.

³ Id.

⁴ EFIS, Item No. 3.

⁵ EFIS, Item No. 5.

3. On November 17, 2014, the Staff of the Missouri Public Service Commission (Staff) filed a recommendation that advises the Commission to grant Missouri-American's application with certain conditions.⁶

4. On November 24, 2014, the Commission held a local public hearing and heard testimony from numerous residents of the sewer district regarding past management and operational problems, as well as concerns about future operations of the sewer system.⁷ Approximately half of those who testified indicated their desire to have their own private sewer system, not Missouri-American.⁸

5. The main issue in this case is to ensure that customers are provided with safe and adequate sewer service. Generally, there are two options for safe and adequate sewer service – a centralized sewer system or private sewer systems. Both have regulations and requirements that must be met in order for each to be a viable option in Missouri.

6. The centralized system proposed by Missouri-American seems to be a viable option. Public Counsel understands the benefits of having a centralized sewer system run by an experienced company like Missouri-American and regulated by the Commission. However, a review of the comments provided at the local public hearing⁹ and the written comments provided to the Commission¹⁰ indicates a belief by many of the customers, rightly or wrongly, that a vote to dissolve the sewer district meant specifically a vote for the customers to have their own private sewer systems. Since the vote to dissolve the system prevailed, customers appear to expect a return to private sewer systems.

⁶ EFIS, Item No. 16.

⁷ EFIS, Item No. 28.

⁸ Id.

⁹ Id.

¹⁰ EFIS, Public Comments.

7. In determining whether to grant Missouri-American's application, the wishes of the residents required to take service from the utility must be considered. Relevant to that consideration is an evaluation of whether private sewer systems are a viable alternative for these customers. If private sewer systems are viable, the Commission should give weight to the wishes of those customers, which may be the majority, who seek that option instead of being required to take service from Missouri-American. If private sewer systems are determined not to be viable upon a report from Staff and others qualified to express that opinion to the Commission, then the Commission should proceed to approve the purchase as recommended by Staff.

8. In reviewing the documentation for this case, Public Counsel finds no substantial and competent evidence tending to demonstrate whether or not private sewer systems are a viable option for the customers. Staff's Recommendation does not address private sewer systems as an option in any meaningful way. Similarly, there has been no statement from DNR or even the local county health department filed in the case as to whether or not a determination regarding the viability of private sewer systems in this area has been made.

9. Public Counsel believes it is appropriate for the Commission to have before it evidence of whether private sewer systems are feasible for these customers before a determination can be made that Missouri-American is the only viable option to provide safe and adequate sewer service. To fail to consider whether private sewer systems may be viable would not be just or reasonable under the circumstances. Therefore, Public Counsel asks the Commission to order its Staff to investigate whether private sewer systems are a viable option for these customers.

WHEREFORE, Public Counsel respectfully submits its Request.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

By: _____

Christina L. Baker (#58303)

Deputy Public Counsel

P O Box 2230

Jefferson City, MO 65102

(573) 751-5565

(573) 751-5562 FAX

christina.baker@ded.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the parties of record this 31st day of December, 2014.

/s/ Christina L. Baker
