

GREGORY D. WILLIAMS
ATTORNEY AT LAW
HIGHWAY 5 AT 5-33
P. O. BOX 431
SUNRISE BEACH, MO 65079

573 / 374-8761

FAX 573 / 374-4432

December 17, 1997

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

FILED

DEC 18 1997

MISSOURI
PUBLIC SERVICE COMMISSION

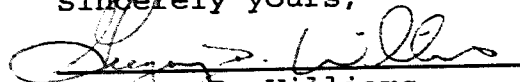
Re: Osage Water Company
Case No. WA-98-36

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,)
control, manage and maintain a water and sewer system for the)
public located in an unincorporated portion of Camden County,)
Missouri.)

Case No. WA-98-36

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

COMES NOW the Applicant in the above captioned matter, and for its Response to Staff Recommendation, Response to Motion to Consolidate 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 water and sewer service to the public in the area known as Cedar Glen in Camden County, Missouri, exclusive of the area described in the Application which is located north of U.S. Highway 54.

2. Applicant will file a complete tariff pertaining to the provision of sewer service, including a proper map and description of the revised service area upon the granting of said Certificate by the Commission.
3. Applicant will file the necessary revisions to its existing water tariff adding thereto the map and description of the Cedar Glen service area, as revised, upon the granting of said Certificate 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 Cedar Glen 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-97-110 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 August 29, 1997 as established by the Order of the Commission entered herein on July 30, 1997. Notice of Applicant's intent to provide water and sewer service to Cedar Glen was published in the Lake-Sun Leader, a local newspaper in the Lake of the Ozarks Area, on September 23, 1997, and provided the Osage Beach Fire Protection District with actual notice of this proceeding. A copy of the article from said newspaper is attached hereto as Exhibit A.
- b) There are no common questions of law or fact concerning this Application for a certificate to provide water and sewer service to Cedar Glen 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 Cedar Glen service area herein is located outside of the corporate limits of the Osage Beach Fire Protection District, and in fact are located within the corporate limits of the Mid-County 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 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 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 hereby 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 Cedar Glen, and a certificate of convenience and necessity to provide water service to Cedar Glen as prayed for in the Application, as amended.



Gregory D. Williams #32272
Highway 5 at Lake Road 5-33
P.O. Box 431
Sunrise Beach, MO 65079
(573) 374-8761

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 17th 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

BUSINESS

ABWA Legislative Day

Vacationland Chapter to take part in Oct. 1 event

OSAGE BEACH - The Vacationland Chapter of the American Business Women's Association will be holding its Second Annual Legislative Day in Jefferson City, Wednesday, Oct. 1, at the state Capitol building in Jefferson City.

"Many local women are interested in our government and issues that effect them. This gives them an opportunity to learn about government at the state level and to meet some of the Missouri's most influential women," according to Barbara Painter, coordinator of this event.

Speakers will include Representative Gracie Backer, Secretary of State Bekki Cook, Senator Betty Sim and lobbyist Luana Gifford. This informative day will begin at 9:30 a.m. A hot buffet lunch will be served at noon in the Capitol.

Tours of the state Capitol and the Governor's Mansion will be available after lunch, free of charge.

The public is invited, but seating is limited. For more information, call Painter at 365-4683 or Joy McClement-Worn at 365-6966.

Lower demand sends gas down

LOS ANGELES (AP) Gasoline prices dropped more than a penny per gallon at the pump as the summer driving season ended and crude oil costs remained stable, an industry analyst said Sunday.

The average cost of gasoline including all grades and taxes was \$1.3089 per gallon on Friday according to the Lundberg Survey of 10,000 stations nationwide.

That was down 1.29 cents in two weeks, analyst Trilby Lundberg said.

COPS awards nearly \$20,000 in scholarships

CAMDENTON - Concerns of Police Survivors, Inc. (COPS), which is based in Camdenton, has awarded \$19,856.50 in financial grants for the 1997-98 fall/winter semester to 21 law enforcement survivors in 12 states.

These awards bring the total amount COPS has awarded in scholarships to

\$139,746 since the inception of the COPS Scholarship Program in December, 1994. This educational assistance has helped over 60 surviving children and spouses of law enforcement officers killed in the line of duty nationwide.

The Scholarship Program is one of many programs administered by COPS, a non-

profit organization. Scholarships are awarded three times yearly to surviving children under the age of 30 and surviving spouses who do not have tuition-free education available to them as a line-of-duty benefit through their states. The maximum award for applicants for any one semester is \$1,000 with a lifetime maximum of \$8,000.

Osage Water Company to serve Cedar Glen condos

CAMDENTON - Osage Water Company has announced plans to provide public water and sewer utility service to the Cedar Glen Condominium project currently under construction on Lake Road 54-79 near the Lake Valley Country Club west of Camdenton.

In conjunction with the developer of the condominium, the company is constructing a public drinking water supply system to provide safe drinking water to condominium residents and a recirculating sand filter treatment to treat and safely dispose of the wastewater from the project. Both the water and sewer systems are designed to be expandable to provide service to adjoining properties, if needed.

A sand filter system provides the advantage of treating the affluent, or water, for a standard septic tank so that it is safe for direct disposal. This means that it can be readily adapted to "retro-fit" existing septic systems by installing an effluent pump and eliminating the lateral field.

The company has been operating a septic tank and sand filter system at Cimmaron Bay Subdivision on Shawnee Bend 5 since 1996. The systems appear to be an effective and environmentally safe way to treat sewage from a large number of residential dwellings, whether in a condominium or a lakefront subdivision. Because the effluent is treated off-site, concerns about the percolation characteristics of the soil, or the location of the septic system too close to the lake, are eliminated.

Osage Water Company is a Public Service Commission-regulated, investor-owned water and sewer utility company and has been in business in Osage Beach since 1987.

Exhibit A