

**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

MOTION TO COMPEL DISCOVERY

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its *Motion to Compel Discovery* in this matter hereby states:

1. In relation to Staff’s investigation regarding Elm Hills Utility Operating Company’s (“Elm Hills”) and Missouri Utilities Company’s *Joint Application* for Elm Hills to acquire certain of Missouri Utilities Company’s assets, including its Certificate of Convenience and Necessity, Staff sent out 22 separate data requests (“DRs”) to Missouri Utilities under the care of Gary Cover as receiver and representative of that entity. The DRs were dated December 8, 2016, with a mandatory response date of December 28. The Company has not fully responded and Staff’s *Motion* seeks to compel responses to these DRs.

2. Staff has met all requirements of 4 CSR 240-2.090(8) prior to filing this motion. Staff sent emails beginning December 29 and spoke on the phone with Mr. Cover on January 4, but after receiving no responses to its DRs, Staff petitioned the Commission for a discovery conference. At the discovery conference, held January 18 and conducted by the Regulatory Law Judge, Mr. Cover agreed to provide some of the completed DR responses by January 18 and the remaining responses by January 25.

3. Staff received a document January 20 containing responses to 16 of the 22 DRs; and, of those responses, four of the answers are incomplete. A copy of the original DR letter and a chart of the answers, referencing the incomplete responses, are attached to this *Motion* as Attachment A and B, respectively.

4. As of midnight on January 25, Staff had not received responses to its remaining requests, nor any contact from the Company. Staff will be unable to complete its investigation and make a recommendation in this matter if it does not receive responses to this information.

WHEREFORE, Staff prays that the Commission will order Missouri Utilities to respond to the remaining data requests no later than January 31, 2017; and grant such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted,

/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 26th day of January, 2017, to all counsel of record.

/s/ Whitney Payne



Commissioners

DANIEL Y. HALL
Chairman

STEPHEN M. STOLL

WILLIAM P. KENNEY

SCOTT T. RUPP

MAIDA J. COLEMAN

SHELLEY BRUEGGEMANN
General Counsel

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Secretary

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Missouri Public Service Commission

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December 8, 2016

Mr. Gary Cover, Receiver
Missouri Utilities Company
137 W. Franklin
P.O. Box 506
Clinton, MO. 64735

RE: Elm Hills Utility Operating Company, Inc. Missouri Utility Water & Sewer
Company Acquisition, WM-2017-0151 and SM-2017-0150

Mr. Cover:

This letter is in response to Elm Hills Utility Operating Company, Inc.'s (Elm Hills) and Missouri Utility Company's (MUC) Application for Elm Hills to acquire certain water and sewer assets of MUC and, in connection therewith, to issue indebtedness and encumber assets. The case numbers assigned to this filing is WM-2017-0151 and SM-2017-0150.

Paul R. Harrison, at (573) 751-7487, email at paul.harrison@psc.mo.gov, is the Commission's Staff auditor who will be performing a review of the MUC's books and records related to the Company's Application.

Listed below are data requests reflecting some of the items Staff will need to perform the audit. In addition to providing the materials detailed below, please provide the dates and times, at your earliest convenience, that the MUC's books and records can be obtained.

This letter is the same as a Commission data request, which grants you a 20-day response time to return the requested information. Please provide copies (in electronic excel format when possible), or make available for our review, the source documents for MUC requested below. If the MUC does not have documents that include the dates requested in the Data Requests below, please provide any documents that are available. In addition, please continue to update the data as it becomes available through December 31, 2016.

Attachment A

1. Please provide a listing of all revenues collected and expenses paid for the last full year of operations for MUC.
2. Please provide a listing of all unpaid expenses for MUC (i.e. receivership fees, operator fees, DNR or PSC Assessments, property taxes, outside contractors, etc.). In addition, please provide all source documents that relate to these unpaid expenses.
3. Please provide a detailed general ledger for the 12-months ended 2015, if available, and updated for known and measurable changes through December 31, 2016, in electronic executable format, if available, for MUC.
4. Please provide the most current twelve months of electric bills that were paid by MUC.
5. Please provide the Check Register, Vendor Detail lists, and invoices for the 12-months ended December 31, 2015, and updated for known and measurable changes through December 31, 2016, for MUC.
6. Please provide all of MUC's monthly bank statements since January 1, 2015.
7. Please provide all master meter reads, by month, for the period covering January 1, 2015, through December 31, 2016.
8. Please provide the number of customers for both the water and sewer systems served by MUC.
9. Please provide a detailed description and the amounts of contribution-in-aid-of construction booked from January 2015 through December 31, 2016 for MUC. Please provide any MUC policies regarding contribution-in-aid-of construction.
10. Please provide a detailed listing of all outstanding customer deposits received, by month, from customers for the 24-months ended September 30, 2016, and updated for known and measurable changes through December 31, 2016 for MUC.
11. Please provide a detailed description and the amounts of customer advances for construction through December 30, 2016, on a separate basis for each water and sewer system.
12. Please provide names, job titles, responsibilities and compensation paid to current personnel by division/entity that provide services to MUC for management, operations, vendor services, or contractors. Please provide names, job titles, responsibilities and compensation expected to be paid for future personnel by division/entity that will provide services to MUC for management, operations, vendor services, or contractors.
13. Please provide copies or make available for 2015 through the present, invoices and amounts for bills for the following: property insurance, liability insurance, health insurance, vehicle insurance, worker's compensation insurance, etc.

14. Please provide for MUC for 2015, updated through December 31, 2016, the following:
 - a) Service charges, including but not limited to, door collections, restore service charges, disconnect charges, bad check fees, emergency call out charges, and;
 - b) the number of delinquent bills and late fees incurred.
15. Please provide weekly billing registers for 2015, updated through December 31, 2016.
16. Please provide by month, quantified by customer account, all net write-offs that have been recorded by the Company during years 2015 and 2016.
17. Please provide a copy of all contracts for vendors that provide services for water & sewer operations of MUC including the management and operations contracts (i.e. sludge hauling, rental agreements, and municipal agreements).
18. Please provide a copy of the 2016 property tax bill.
19. Please provide plant, accumulated depreciation reserves, and current depreciation rates ending calendar year 2015 and updated through December 31, 2016.
20. Please provide historical salvage and cost of removal amounts for the last two years, if available, ending December 31, 2016.
21. Please provide a listing and valuation of all inventories such as pipes, parts, or valves that are kept on hand, on a separate basis for each water district (or subdivision).
22. Please provide the total cost of additions booked to plant in service broken out by a) USOA account, b) labor, and; c) non-labor (in this instance, labor is defined as the payroll costs of MUC) as of December 31, 2016.

This list may not be a complete listing of all items needed to complete our audit. If we require additional materials, we will notify you. It would be beneficial if when providing the above information you could include the name, phone number and email address of the individual(s) who can answer any questions that may arise (e.g. explanation of the information, calculation errors, unreadable copies, unclear descriptions, etc.). In addition, we ask that you label each response with the corresponding request number as listed above. Should any of the above items not be applicable to your Company, please respond to the item asked and indicate "N/A" or a similar answer.

Sincerely,

Paul R. Harrison
Utility Regulatory Auditor IV

Staff DR#2 to Gary Cover**Highlighted: Company still needs to provide to Staff**

DR	Company Response	Staff Notes
1	Ok	
2	Will be provided	Company needs to provide.
3	Ok	
4	Company states "Attached".	Company needs to provide.
5	Company states "check register"	Staff still needs all invoices.
6	Bank statements are attached	Missing several bank statements. See the following for the missing statements Period: 3/1-3/31/2015; 5/1-5/31/2015; 6/1-6/30/2015; 12/1-12/31/2015; 9/1-9/30/2016; 10/1-10/31/2016; and 12/1-12/31/2016
7	Will be provided	Company needs to provide.
8	Will be provided	Company needs to provide.
9	None	
10	None	
11	None	
12	Provided	Not requested in the DR but staff needs contracts if needed.
13	None	
14	Will be provided	Company needs to provide.
15	Will be provided	Company needs to provide.
16	None	
17	None	
18	Attached	
19	None	
20	Will be provided if available.	Company needs to provide if available.
21	None	
22	None	