

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

In the Matter of Liberty Utilities (Missouri )                      File No.      WR-2018-0170  
Water) LLC's Application for a Rate Increase.                      )                      SR-2018-0171

**SILVERLEAF RESORTS, INC. AND ORANGE LAKE COUNTRY CLUB, INC.'S  
RESPONSE TO STAFF'S NOTICE OF NO OBJECTIONS TO NONUNANIMOUS  
STIPULATION AND AGREEMENT, REQUEST TO MODIFY HEARING SCHEDULE  
AND MOTION FOR EXPEDITED TREATMENT**

Comes now, Silverleaf Resorts, Inc. and Orange Lake Country Club, Inc. (herein "Silverleaf"), by and through undersigned counsel, and files this response to STAFF'S NOTICE OF NO OBJECTIONS TO NON-UNANIMOUS STIPULATION AND AGREEMENT, REQUEST TO MODIFY HEARING SCHEDULE AND MOTION FOR EXPEDITED TREATMENT (herein "Staff's Motion"):

1. On August 3, 2018 Staff filed a Non-Unanimous Stipulation and Agreement which it negotiated with Liberty Utilities (Missouri Water), LLC. For context, Silverleaf was not informed in any manner that a Non-Unanimous Stipulation and Agreement was being discussed or considered between Staff and Liberty Utilities until it was filed on August 3, 2018.
2. On August 3, 2018 Silverleaf filed its Refiled Rebuttal Testimony in this case and deposed Liberty Utilities witness Jill Schwartz.
3. On August 7, 2018 Silverleaf filed the Surrebuttal Testimony of William Stannard. In Witness Stannard's surrebuttal testimony he specifically addresses aspects of Non-Unanimous Stipulation and Agreement filed by Staff and Liberty on August 3, 2018, to wit:

Q. Did Staff and Liberty Utilities propose a return on equity and capital structure in their Non-Unanimous Stipulation and Agreement filed on August 3?

A. The Non-Unanimous Stipulation and Agreement does include an agreed upon return on equity but does not reference an agreed upon capital structure. This is unacceptable. The Commission should not issue an order which is silent on capital structure, because it has a profound impact on the revenue requirement used to develop the water and sewer rates for Silverleaf.

Surrebuttal Testimony, Stannard, P. 10, ll. 10-13.

4. The surrebuttal testimony of Witness William Stannard also dealt with every other aspect of the Non-Unanimous Partial Agreement, including rate design, and other proposals put forward by Silverleaf.

5. Silverleaf believes that the surrebuttal testimony of William Stannard more than sufficiently indicated its objection to the Non-Unanimous Stipulation and Agreement. Staff cites to 4 CSR 240-2.115(2). It is important to note that 4 CSR 240-2.115(2) does not provide a specific means of filing an objection to a Stipulation and Agreement. There is no reason that an objection to the Non-Unanimous Partial Stipulation and Agreement could not be communicated via surrebuttal testimony. The point of the "objection" is to communicate a party's disagreement with the substance of a Stipulation and Agreement. That was done here in a timely fashion through the surrebuttal testimony of William Stannard which was filed **four days after** the filing of the Non-Unanimous Partial Stipulation and Agreement.

6. Staff does not pretend to actually believe that Silverleaf agrees with the Partial Non-Unanimous Stipulation and Agreement. To do so would make no sense in light of the surrebuttal testimony of Witness William Stannard filed after the Partial Stipulation and Agreement – which actually cites its objection to the stipulation and agreement.

7. However, on August 13, 2018, in response to Staff's Motion, Silverleaf filed a specific Response to the Non-Unanimous Stipulation and Agreement, which again cites to the surrebuttal testimony of William Stannard.

8. To the extent that the Commission believes Silverleaf should have filed a separate objection, beyond the clear objection contained in Witness Stannard's surrebuttal testimony, Silverleaf asks for some understanding and leniency. During the relevant time period, Silverleaf was responding to the surprise of Liberty Utilities new witness Keith Magee and his voluminous surrebuttal testimony.

THEREFORE, Silverleaf Resorts, Inc. and Orange Lake Country Club, Inc. ask the Commission to deny Staff's Notice of No Objections to the Non-unanimous Stipulation and Agreement, Request to Modify Hearing Schedule and Motion for Expedited Treatment.

Respectfully Submitted,

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**Certificate of Service**

I hereby certify that a true and correct copy of the foregoing was served electronically on this 13th day of August, 2018, with notice of the same being sent to all counsel of record.

/s/ Joshua Harden