

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Joint Application of Stoddard)
County Sewer Company, Inc., R.D. Sewer Co., L.L.C.)
and the Staff of the Missouri Public Service) **Case No. SO-2008-0289**
Commission for an Order Authorizing Stoddard)
County Sewer Co., Inc. to Transfer its Assets to R.D.)
Sewer Co., L.L.C., and for an Interim Rate Increase)

NOTICE REGARDING RETENTION OF NEUTRAL OUTSIDE EXPERTS

Issue Date: June 4, 2008

On March 4, 2008,¹ Stoddard County Sewer Company, Inc. ("Stoddard County"), R.D. Sewer Co., L.L.C. ("R.D. Sewer") and the Staff of the Missouri Public Service Commission ("Staff") (together, the "Joint Applicants") filed a Joint Application for an order approving an interim rate increase and authorizing Stoddard County to transfer its assets to R.D. Sewer. Because the Commission's Staff joined the parties as one of the Applicants, the Commission decided to retain qualified outside experts to provide a neutral, objective accounting analysis of Stoddard County's financial condition and the proposed interim rate increase, as well as an engineering assessment of the physical and operational condition of the company's sewer facilities, including the maximum capacity of the existing sewage treatment plant. To help it locate and retain such experts, on April 8, the Commission appointed Regulatory Law Judge Benjamin Lane as

¹ Unless otherwise specified, all dates throughout this order refer to the year 2008.

a Special Master in the case and gave him “authority to take all required actions in association with the retention of the experts[.]”

The experts have now been selected and retained, and they are ready to begin their work. By June 30, they will prepare separate written reports containing the accounting analysis and the engineering assessment outlined above, including their findings and recommendations, if any, concerning additional conditions that could be imposed by the Commission to ensure that granting the relief sought by the Joint Applicants would be in the public interest. They will also be prepared to explain and defend their conclusions during depositions or while testifying at an evidentiary hearing in this matter, should that be necessary.²

The accounting analysis will be performed by business and accounting professionals with The Bonadio Group, 171 Sully’s Trail, Ste. 201, Pittsford, NY 14534, 585-381-1000 (office), 555-381-3131 (fax).³ The engineering assessment will be performed by civil engineering professionals with S.H. Smith & Co., Inc., 901 Vine St., P.O. Box 72, Poplar Bluff, MO 63902, 573-785-9621 (office), 573-785-2651 (fax).⁴ The

² The evidentiary hearing is currently scheduled to take place in early July. However, in order to allow the parties sufficient time to review the experts’ written reports and pursue additional discovery (if necessary), that date will very likely be moved to late July.

³ The principals involved with the project will be Monisha Nabar (585-249-2865; mnabar@bonadio.com) and Randy Shepard (585-249-2873; rshepard@bonadio.com).

⁴ The engineers involved with the project will be Rodger Williams (573-785-9621; rodgerw@shsmithco.com) and Steve Hicks (573-785-9621; steveh@shsmithco.com).

parties are expected to extend their full cooperation to authorized personnel from these firms as they gather the information they need to carry out their responsibilities.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', written in a cursive style.

Colleen M. Dale
Secretary

(S E A L)

Dated at Jefferson City, Missouri,
on this 4th day of June, 2008.

Lane, Regulatory Law Judge