

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

In the Matter of Meramec Sewer Company)
Rate Increase Request.) File No. SR-2012-0309

**THE OFFICE OF THE PUBLIC COUNSEL’S OPPOSITION
TO APPLICATION TO INTERVENE**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Opposition to Application to Intervene states as follows:

1. On March 20, 2012, Meramec Sewer Company (Meramec) initiated a small company rate increase proceeding with the Missouri Public Service Commission (Commission) requesting an increase of \$140,000 in its annual sewer operating revenues.
2. On June 13, 2012, Jefferson County, Missouri, (Jefferson County) filed a request to intervene in the pending rate case proceeding.
3. On July 14, 2012, the Commission issued an Order Directing Responses to Application to Intervene requiring all parties opposing Jefferson County’s request to intervene to file a response no later than 12:00 p.m. on June 18, 2012.
4. Public Counsel now states its opposition to Jefferson County’s request to intervene.
5. 4 CSR 240-2.075 (3) states:

The commission may grant a motion to intervene or add new member(s) if –
 (A) The proposed intervenor or new member(s) has an interest which is different from that of the general public and which may be adversely affected by the final order arising from the case; or
 (B) Granting the proposed intervention would serve the public interest.

Jefferson County does have an interest which is different from that of the general public. However, Jefferson County has no interest which would be adversely affected by the final order setting rates in this case, nor does granting the proposed intervention serve the public interest.

6. Jefferson County's interest is in seeking restitution for moneys owed. Jefferson County is seeking intervention claiming that Meramec has not paid its county taxes for the past 3 years and currently owes over \$72,000 in past due taxes to Jefferson County, which continues to accrue interest and past due penalties. In its filing Jefferson County stated:

4. Jefferson County is interested in intervening in this docket for the purpose of working with Meramec, the Commission and the parties in establishing a mechanism for the payment of these past due county taxes. In addition, Jefferson County is interested in assisting the parties in establishing a procedure by which Meramec taxes and assessments are paid on a regular basis and similar problems are avoided in the future. In this way, Jefferson County has an interest in this proceeding that differs from that of the general public. Absent a mechanism for the immediate payment of these past due taxes, Jefferson County also seeks, to the extent necessary, Commission authority to perfect its lien (and that of the State of Missouri) for the taxes, interest and penalties due and owing Jefferson County and to sell Meramec assets pursuant to Section 140.150 RSMO et seq.

7. The purpose of the pending rate case is to set just and reasonable rates charged to customers receiving service on a going forward basis. Taxes to be paid by the utility are built into rates. Jefferson County seeking to have past taxes paid or perfection of its lien has no connection to setting rates for utility service. No matter the outcome of this rate case, Jefferson County's interest will remain unchanged. Therefore, Jefferson County has no interest which would be adversely affected if it were not granted intervention.

8. Also, public interest is not served by granting Jefferson County intervention in this rate case. Jefferson County states that its intervention will serve the public interest by ensuring that this Commission regulated utility properly pays its county taxes. Absent such payment, Jefferson County states it will be required to avail itself of other legal remedies including the

possible forced sale of utility assets and that such a sale may cause interruptions in Meramec's provision of safe and adequate utility service.

9. Apparently to this end, on June 15, 2012, Jefferson County filed an Application for Sale of Utility Assets and Motion for Expedited Treatment (Application for Sale), File No. SM-2012-0423, with the Commission. In its Application for Sale, Jefferson County stated that it was in the process of selling the land of Meramec for the purpose of discharging a lien resulting from these delinquent and unpaid taxes but was informed that any sale of utility assets must be approved by the Commission pursuant to Section 393.190 RSMo.

10. As stated above, Jefferson County's interest is in seeking restitution for moneys owed. Jefferson County now has a pending case in which the public interest of ensuring a regulated utility pays its county taxes and the potential outcomes when it doesn't can be adequately explored. The pending rate case setting future rates for service to customers will not provide that analysis or protection as Jefferson County claims.

11. Additionally, Jefferson County's intervention in the pending rate case could cause an unnecessary increase in legal and rate case expense to be passed on to the customer. A small company rate case allows a small utility to proceed with a rate increase request without the expense of legal counsel. Jefferson County's intervention in this case as well as the pending sale case would most likely dictate the need for Meramec to protect its rights through legal representation adding additional legal and rate case expense. It is detrimental to the public interest that additional legal and rate case expense in this rate case would be incurred by customers even though Jefferson County's interest will remain unchanged no matter the outcome of this rate case and Jefferson County already has a pending case to adequately explore the public interest of ensuring a regulated utility pays its county taxes.

12. Because Jefferson County has no interest which would be adversely affected by the final order setting rates in this case, nor does granting the proposed intervention serve the public interest, Public Counsel opposes the request to intervene.

WHEREFORE, Public Counsel respectfully submits its Opposition.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

By:_____

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 18th day of June 2012:

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