

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

In the Matter of the Petition for an Interim Receiver )  
and for an Order Directing the General Counsel ) **Case No. SO-2010-0237**  
To Petition the Circuit Court for the Appointment )  
of a Receiver for Mill Creek Sewers, Inc. )

**RESPONSE TO ORDER DIRECTING FILING**

**COMES NOW** the Staff of the Missouri Public Service Commission (“Staff”), by and through the undersigned counsel, and files this *Response* in support of the Staff’s March 8, 2010<sup>1</sup> *Motion For Clarification* (“*Motion*”), requesting that the Missouri Public Service Commission (“Commission”) clarify portions of its March 3 *Report And Order Appointing Interim Receiver And Directing Action For Court-Appointed Receiver* (“*Report and Order*”). For its *Response*, the Staff respectfully states the following:

1. The Staff’s March 8 *Motion* recommended clarifications for certain paragraphs of concern. The Staff restates its recommended language below, with citations to the record in support.

2. Paragraph five (5) of the *Report and Order* states:

*Since March 2008—a year before Stroud bought Mill Creek*—Staff has been discussing the system’s needs with Stroud. Staff has offered advice on billing and guidance on providing safe and adequate service. In *March*, June, July and August, Stroud failed to produce records as requested by Staff. On July 31, 2009, Stroud stated that receivership was the appropriate disposition of Mill Creek.

The Staff recommended that Paragraph five (5) read as follows:

Since December 2008, Staff has been discussing the system’s needs with Stroud. Staff has offered advice on billing and guidance on providing safe and adequate service. In March of 2009, Stroud failed to produce records as requested by Staff until two weeks after the request. In June, July and August of 2009, Stroud

---

<sup>1</sup> Unless otherwise indicated, all calendar references herein are for 2010.

entirely failed to produce records as requested by the Staff. On July 31, 2009, Stroud stated that receivership was the appropriate disposition of Mill Creek.

The following citations to the transcript support the Staff's *Motion*:

Beginning in December of 2008 when Mr. Stroud started having an interest in the company, we [Staff] had visited with him and got some preliminary information. And that continued through January of 2009...And then in March of 2009, we did visit with Mr. Stroud for purposes of gathering information for the status report that was due in March of '09. At that time, when we visited him, he was missing information. And it took him about two weeks to provide that information....

Tr. 21:13-16, 21-25. *See also* Tr: 22:6-25, 23:1-7, 48:15-25, 49:1-21.

3. Paragraph twelve (12) of the *Report and Order* states:

Mill Creek's communication with the Staff has again ceased. *Staff's recent certified correspondence* to Mill Creek was returned unclaimed. Mill Creek has also ceased communication with customers.

The Staff recommended that Paragraph twelve (12) read as follows:

Staff's October 23, 2009 certified correspondence to Mill Creek was returned unclaimed. Mill Creek's communication with the Staff has again ceased. Mill Creek has also ceased communication with customers.

The February 11, 2010 *Petition*, Paragraph three (3) supports the date of October 23, 2009, as the date the Staff sent certified correspondence to Mill Creek, which was subsequently returned as undeliverable. *See also* Tr. 59:12-15. Additionally, the Staff's admitted Exhibit 2 shows the date of the certified correspondence and supports this clarification.

4. Paragraph seventeen (17) of the *Report and Order* states:

*Mill Creek has closed its office* and its customer service number is disconnected. Without such *contacts*, customers cannot notify Mill Creek of service issues like sewage back-ups. Sewage back-ups require attention within a few hours to prevent property damage and pollution to the waters of the state.

The Staff recommended that Paragraph seventeen (17) read as follows:

Mill Creek's customer service number is disconnected. Without such contact, customers cannot notify Mill Creek of service issues like sewage back-ups. Sewage back-ups require attention within a few hours to prevent property damage and pollution to the waters of the state.

The testimony addresses Mill Creek's then current postal mail and telephone situations. These two forms of communication are the contact methods that the Company offered to its customers. Mr. Stroud did not provide an office location where customers could inquire about Mill Creek service or billing issues. The following citations to the transcript support the Staff's *Motion*:

Q Okay. How can a customer contact Mr. Stroud if they are—have a question about any service issue that they're encountering? A Currently, if a customer has a question about a bill, service issues or an emergency sewer back-up, there is no way to contact Mr. Stroud. He – the Mill Creek cell phone has been disconnected. There is no actual physical address, business address for the company other than Mr. Stroud's home. But the customers are not aware of that address. Most of them are not aware of his name

Tr. 43:20-25, 44:1-4.

5. The Staff requests that the Commission's clarified order to also be effective on March 13, 2010. As the Staff's proposed clarifications will not substantially change any response to the Commission's *Report and Order* in preparation by a party to this case, and the Staff is not requesting a change in the judgment result reached, an effective date of March 13, 2010, will not deny any party substantial rights.

**WHEREFORE**, the Staff requests that the Commission enter an order clarifying Paragraphs five (5), twelve (12) and seventeen (17) as suggested above, with an effective date of March 13, 2010.

Respectfully submitted,

**/s/ Jennifer Hernandez**

Jennifer Hernandez

Legal Counsel

Missouri Bar No. 59814

Attorney for the Staff of the

Missouri Public Service Commission

P.O. Box 360

Jefferson City, MO 65102

573-751-8706 (telephone)

573-751-9285 (facsimile)

[jennifer.hernandez@psc.mo.gov](mailto:jennifer.hernandez@psc.mo.gov) (e-mail)

**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all attorneys and/or parties of record this 12<sup>th</sup> day of March, 2010.

**/s/ Jennifer Hernandez**