BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Joint Application of)	
Missouri-American Water Company and)	
Tri States Utility, Inc. for Authority for)	
Missouri-American Water Company to Acquire)	File No. WO-2013-0517
Certain Assets of Tri States Utility, Inc. and,)	
in Connection Therewith, Certain Other)	
Related Transactions.)	

RESPONSE OF GREAT SOUTHERN BANK TO STAFF'S REQUEST FOR EXTENSION

COMES NOW Great Southern Bank ("Great Southern" or "Bank"), by and through its counsel, Sandberg, Phoenix & von Gontard, P.C., and for its Response to Staff's Request for an Extension in this proceeding, respectfully states as follows:

- 1. While this proceeding, itself, was not commenced until June 12, 2013, when Missouri-American Water Company ("MAWC") and Tri States Utility, Inc. ("Tri States") jointly filed an Application for authority for MAWC to acquire certain assets of Tri States ("Sale Application"), the subject of this proceeding, the water system operated by Tri States Utility, Inc., has been the subject of concern to this Commission at least since the Commission opened its investigation of such utility, on February 26, 2013.
- 2. This Commission issued an *Order Directing Notice, Setting Intervention*Deadline, and Directing Filing, on June 13, 2013, setting July 25, 2013 as the date by which the Staff was to complete its investigation and make its report to the Commission.
- 3. As noted in the Sale Application, Tri-States is currently the subject of a bankruptcy proceeding in the United States Bankruptcy Court for the District of Kansas (Case No. 13-20358-11-DLS); and Great Southern is the primary creditor in such bankruptcy.

- 4. On July 15, 2013, the Bankruptcy Court issued its order approving the sale of Tri States assets to MAWC, subject to approval of this Commission.
- 5. While Great Southern appreciates the interest of Staff and this Commission in making certain that the public served by the Tri States water system is not charged inappropriate rates for such water service, the Application filed in this proceeding seeks only to maintain the current rates of the system, which were put in place by the Commission in a proceeding that concluded on April 12, 2011, Docket No. WR-2011-0037.
- 6. At present, Tri States system is being managed by an outside engineering firm that, while experienced in utility operation, for all practical purposes, is being paid for by Great Southern and the other creditors of Tri States.
- 7. The cost of third party operation is greater than that of an employee workforce; and Great Southern and the other creditors are not in the business of providing public utility service.
- 8. The day to day operations of the Tri States' system are being handled by the historic employees of the system; and any delay in this proceeding prolongs the time during which such employees are required to deal with the uncertainty caused by the pendency of this proceeding. There is, therefore, a real risk that employees with historical knowledge and training may be lost to other jobs which do not have such uncertainty.
- 9. Respectfully, Great Southern requests this Commission, the Staff, MAWC, and OPC to recognize that this proceeding is about transitioning a troubled utility to a company that is capable of operating it. The Tri States system is, currently, in bankruptcy, being nursed along by its largest creditor, an outside engineering firm, and employees who are being asked to keep working to keep the water flowing, with full uncertainty as to the future of the system and their

jobs – none of which is in the best interest of the public, in general, or the customers, employees, and creditors of Tri States, in particular. Simply stated, Great Southern is not in a position to keep this utility a float, indefinitely.

12. It should not be lost on this Commission that Tri States is not the only troubled utility in Missouri and this proceeding can either shine, as an example of how a troubled utility can be transferred to a capable utility in a prudent fashion; or be cited as a reason creditors should fear providing financing for Missouri utilities.

13. While this Commission has, already, acted to grant Staff's extension, Great Southern respectfully requests Staff to endeavor to provide its report earlier than August 13, 2013, so that the Commission will have the time to enter an order approving the proposed sale, and such order will have the time to become final prior to August 30, 2013, so that the proposed sale may be closed no later than August 30, 2013. To the extent Staff is unable to provide its report in time to permit a final and non-appealable order to be effective in time to allow closing to occur by August 30, 2013 following the Commission's regular agenda schedule, Great Southern, respectfully, requests this Commission consider holding a special agenda session to address this matter.

Respectfully submitted,

SANDBERG PHOENIX & von GONTARD, P.C.

By: /s/ Sue A. Schultz

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CERTIFICATE OF SERVICE

Pursuant to 4 CSR 240-2.080 of the Commission's Rules of Practice and Procedure, I hereby certify that I have this day caused a copy of the foregoing to be served on all persons on the official service list in WO-2013-0517 via electronic mail.

Dated a	at St.	Louis,	Missouri	this 26th	day	of July,	2013.

/s/ Sue A	. Schultz		