

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

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In the Matter of Carl R. Mills Trust for a)	
Certificate of Convenience and Necessity)	File No. WA-2018-0370
Authorizing it to Install, Own, Acquire,)	
Construct, Operate, Control, Manage and)	
Maintain Water Systems in Carriage Oaks)	
Estates)	
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**SUGGESTIONS IN OPPOSITION TO CARL R. MILLS’ AMENDED APPLICATION
FOR CONVENIENCE AND NECESSITY**

COME NOW, Derald Morgan, Rick and Cindy Graver, William and Gloria Phipps, and David Lott (“Intervenors”), and in opposition of Carl R. Mills’ (“Mills”) amended application for convenience and necessity, states as follows.

1. On October 2, 2018, Mills filed an Amended Application for Convenience and Necessity to install, own, acquire, construct, operate, control, manage and maintain the water system in Carriage Oaks Estates.
2. Mills seeks an application for convenience and necessity pursuant to the order (the “Order”) issued in the case of *Derald Morgan et al. v. Carl Richard Milles et al.*, WC-2017-0037.
3. The Order found that:

Carl Mills is a person who owns a utility devoted to the public use, and operated for gain. Therefore, Carl Mills is a water corporation as defined by Section 386.020(59) RSMo. and is therefore subject to the Commission’s jurisdiction.

THE COMMISSION ORDERS THAT:

1. Any transfers of water assets made without Missouri Public Service Commission are void.
2. Carl Mills shall apply to the Missouri Public Service Commission for a Certificate of Convenience and Necessity.

4. Mills' Amended Application for Convenience and Necessity should be denied because Mills has failed to demonstrate that the ownership and control of the utility assets has been transferred to Mills.

5. Nothing in Mills' Amended Application demonstrates that he has transferred the ownership and assets from the Caring Americans Trust Foundation, Inc. to himself. Therefore, he has failed to comply with the Commission's Order.

6. Moreover, the proposed rates submitted by Mills are unreasonable and Intervenors seek an opportunity to present evidence demonstrating why the proposed rates should not be approved.

7. There is no indication that the base costs provided in Appendix E of Mills' Amended Application are related in any way to the cost of the first 3,000 gallons of water usage. Mills has not shown the annual or monthly water usage for any period of time in which he has been collecting data. His base costs are exaggerated and include costs of operation of the sewer as well as the water system.

8. Furthermore, the rates proposed by the Carl R. Mills Trust are excessively high in comparison to the rates charged by other utility providers, such as Liberty Utilities and Missouri American Water.

9. Additionally, the water services provided by Mills has been inadequate and potentially unsafe and Intervenors request an opportunity to present evidence demonstrating the inadequacy of the system. There is often a pressure and/or flow problem in the subdivision because the tank

is excessively large and not properly utilized to provide proper pressure and flow. There have also been problems caused by the change of the pipe sizes. For some time, the chlorine system was not in use and it is not known if it is properly used and maintained in keeping a proper level of chlorine in the drinking water when the tank is in use. No testing is provided to the intervenors regarding the quality and safety of their water. Since the upgrade of the system, the size of rocks found in the home filters has increased and is a major concern as it can cause a major blockage in a home water system. The amount of iron has been a problem and could be alleviated by a regular flushing out of the system.

10. The costs described in Appendix D of Mills' Amended Application is inaccurate and includes the cost of installing the sewer line rather than just the water system. In addition, Mr. Mills has taken credit for the cost of the storage tank that was paid for by Caring Americans. **See Exhibit A, Invoices to Caring Americans Trust Foundation, Inc.**

11. The Management Fee described in Appendix F was quoted as the total management fee costs for both water and sewer. Mills is combining the costs. Mills has also failed to distinguish between the costs of managing the sewer system and managing the water system. Furthermore, Mills has conflated the costs of bush hogging and cleaning up the sewer area for bush hogging and cleaning up the well area. This is an attempt by Mills to justify a higher rate than he is entitled to.

12. Finally, Mills claims to have spent \$500 in testing each year for the past three years. Intervenors have never received test results for the well system nor has water testing ever appeared on the budget at an amount higher than \$15. Intervenors believe the costs Mills is referring to is for testing of the sewer system rather than the water system.

13. Intervenor's oppose the approval of Mills' Amended Application for a Certificate of Convenience and Necessity.

WHEREFORE, Intervenor's Derald Morgan, Rick and Cindy Graver, William and Gloria Phipps, and David Lott request that the Public Service Commission deny Mills' Application to for Convenience and Necessity and set this matter for an evidentiary hearing.

Respectfully submitted,

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CERTIFICATE OF SERVICE

The below signed counsel hereby certifies that a true and accurate copy of the foregoing was sent to all counsel of record via email on October 11, 2018.

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