

SUPPLEMENTAL DIRECT TESTIMONY

OF

KIMBERLY K. BOLIN

ENVIRONMENTAL UTILITIES, LLC

CASE NO. WA-2002-65

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. Kimberly K. Bolin, P.O. Box 7800, Jefferson City, Missouri 65102.

**Q. ARE YOU THE SAME KIMBERLY K. BOLIN WHO FILED REBUTTAL AND
SURREBUTTAL TESTIMONY IN THIS CASE?**

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL DIRECT TESTIMONY.

A. The purpose of my direct testimony is to respond to the Missouri Public Service Commission (Commission) order issued on December 19, 2002. The Commission requested the following additional evidence regarding the submitted wholesale agreement between Environmental Utilities (EU or Environmental) and Osage Water Company (OWC or Osage Water):

1) Whether Osage Water Company has the legal capacity to enter into a wholesale water supply contract.

A) Has Osage Water Company's status as an administratively dissolved corporation changed?

B) If Osage Water Company is still administratively dissolved, does that fact prevent it from executing a binding wholesale water supply contract?

2) Whether Osage Water Company will continue to serve its customers in the Eagle Woods subdivision, and if not, whether whoever does serve those customers will purchase wholesale water from Environmental Utilities.

**Q. HAS OSAGE WATER COMPANY'S STATUS AS AN ADMINISTRATIVELY
DISSOLVED CORPORATION CHANGED?**

1 A. No. According the Missouri Secretary of State's office as of January 23, 2003 Osage Water
2 Company is still an administratively dissolved Missouri corporation.

3 **Q. SINCE OSAGE WATER COMPANY IS STILL ADMINISTRATIVELY DISSOLED,**
4 **DOES THIS FACT PREVENT IT FROM EXECUTING A BINDING WHOLESALE**
5 **WATER SUPPLY CONTRACT?**

6 A. I do not know the precise legal ramifications of this status. However, counsel for the Office of Public
7 Counsel (OPC or Public Counsel) will address this legal matter at the appropriate time.

8 **Q. WILL OSAGE WATER COMPANY CONTINUE TO SERVE ITS CUSTOMERS IN**
9 **THE EAGLE WOODS SUBDIVISION?**

10 A. I cannot say for certain that Osage will continue to voluntarily serve Eagle Woods, although, under its
11 current certificate, it is obligated to do so. Currently, the Commission, Public Counsel, and the
12 Missouri Attorney General's Office are involved in a lawsuit in Camden County Circuit Court where
13 they are seeking a court order to require Osage to continue to provide **sewer** service to Eagle Woods.
14 The parties are in settlement negotiations regarding that case. That case does not address the issue of
15 **water** service to Eagle Woods. However, the Commission has filed a petition in the circuit court
16 asking that Osage be placed under the control of a receiver. If a responsible receiver manages the
17 company, there should not be a problem with continued water service to Eagle Woods, assuming
18 adequate sources of water. The current version of the water services contract contains a revision that
19 would provide that the contract would continue to operate for the successors of Osage Water.
20 However, Public Counsel's position as whether that contract should be approved has not changed.
21 Public Counsel does not believe the Commission should approve the water supply agreement.

1 **Q. IF OSAGE WATER COMPANY DOES NOT CONTINUE TO SERVE ITS**
2 **CUSTOMERS IN THE EAGLE WOODS SUBDIVISION AND ANOTHER PARTY**
3 **SERVES THESE CUSTOMERS, WILL THIS PARTY PURCHASE WATER FROM**
4 **ENVIRONMENTAL UTILITIES?**

5 A. As I previously stated, if Osage is placed in receivership, Public Counsel believes that the receiver
6 will continue to provide water service in all of the company's certificated areas, as long as the
7 company continues to exist. The contract, if approved, provides that Osage Water's successors would
8 also be able to purchase water under the terms of the contract. If an unrelated entity began to supply
9 Eagle Woods, whether that entity could purchase water from the Golden Glade well would depend on
10 whether the well's owners and the new provider could come to an agreement to sell water to that new
11 provider.

12 **Q. IS THE ECONOMIC FEASIBILITY OF ENVIRONMENTAL UTILITES**
13 **DEPENDENT UPON EU SELLING WATER TO THE CUSTOMERS IN THE EAGLE**
14 **WOODS SUBDIVISION?**

15 A. Yes. According to the analysis performed by the Missouri Public Service Commission Staff witness
16 James Merciel, EU's financial viability depends upon OWC becoming a wholesale customer of EU.

18 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

19 A. Yes.