

Staff of the Missouri Public Service  
Commission,  
Complainant,  
  
v.  
  
Smithview H2O Company,  
John Kuhle and Kuhle H2O Company,  
  
Respondents.

Smithview H2O Company, )  
John Kuhle and Kuhle H2O Company, )  
 )  
Respondents. )

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through undersigned counsel, and for its *Status Report* hereby states:

2. On December 10, 2015, the Commission filed a *Notice of Complaint*, but the *Notice* was returned as undeliverable on January 5, 2016.

4. Also since the date of the filing of the *Complaint*, Staff was informed that the current owner was interested in selling the system and no longer wished to continue

operating the system. It was becoming clear that this could be an abandonment situation.

5. Staff reached out to several regulated and unregulated utilities, seeking resolutions to the problems associated with Respondents. In particular, Central States Water Resources, Inc. (Central States), the owner of other regulated water and sewer utilities, indicated that on January 15, 2016, Central States entered into an agreement with Respondents for a future purchase of the water system<sup>1</sup> and also to immediately take over responsibility for operating the system and managing the utility's business matters as a contract manager. Central States on behalf of Smithview and Staff have since that time been working together regularly, along with other interested entities, including but not limited to the Missouri Department of Natural Resources and the Boone Electric Cooperative, to permanently remove the boil order, make repairs to the chlorinator system for adequate disinfection, provide regular adequate day-to-day checks and operational tasks, and begin making payments on current and past due electric utility bills to avoid discontinuance of electric service to the water system. There were other roadblocks encountered in the management transition for the system, including difficulty entering a long-term operations contract at a reasonable price, and difficulty figuring out a complete and accurate customer list.

6. Central States prepared and sent a customer notice on April 5, 2016, informing them of the changes in operations, and the plan to resume billing including back billing for months that bills were not sent by the current owner of Smithview. A copy of the notice is included as Attachment A. At this time, the boil order, day-to-day

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<sup>1</sup> Such a purchase of the water system will require the filing of a case before the Commission, and the Commission's approval for Respondents to sell and transfer assets to the proposed buyer.

operations, and a portion of current electric bills have been addressed. Customer billing ceased in approximately November 2015 and is resuming, according to Central States, as of April 2016.

7. Customers are currently receiving safe and adequate service, and now that billing has resumed, the issues of revenue and the utility's ability to pay expenses should be resolved in due time. Staff continues to informally work toward a resolution to permanently address all issues related to this water system.

**WHEREFORE**, Staff submits its *Status Report*.

Respectfully submitted,

**/s/ Marcella L Mueth**

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### **CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 6th day of April, 2016.

**/s/ Marcella L Mueth**