

**Exhibit No.:** \_\_\_\_\_  
**Issue(s):** Safe and Adequate Service  
**Witness/Type of Exhibit:** Roth/Supplemental Direct  
**Sponsoring Party:** Public Counsel  
**Case No.:** WC-2016-0252

**SURREBUTTAL TESTIMONY**  
**OF**  
**KERI ROTH**

Submitted on Behalf of the Office of the Public Counsel

**MOORE BEND WATER UTILITY, LLC**  
**CASE NO. WC-2016-0252**

December 2, 2016



**SURREBUTTAL TESTIMONY**  
**OF**  
**KERI ROTH**  
**MOORE BEND WATER UTILITY, LLC**  
**CASE NO. WC-2016-0252**

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. Keri Roth, P.O. Box 2230, Jefferson City, Missouri 65102-2230.

4 **Q. Are you the same Keri Roth who has filed direct testimony and supplemental direct**  
5 **testimony in this case?**

6 A. Yes.

7 **Q. What is the purpose of your surrebuttal testimony in this case?**

8 A. The purpose of my surrebuttal testimony is to address Moore Bend’s rebuttal testimony  
9 witness Mr. Hollis H. Brower, Jr. OPC believes Mr. Brower has implied that by purchasing  
10 only the assets from the system’s prior owner, he is not liable for the Boil Water Order  
11 (“BWO”) placed on the system under previous ownership, which is still in place today.

12 **Q. What did Mr. Brower state in his rebuttal testimony?**

13 A. Mr. Brower’s statement in rebuttal testimony is as follows:

14 I want to note and emphasize the purchase agreement with MBWC  
15 was for *assets only*. Neither Ozark nor MBWU acquired any stock  
16 or other ownership interest in MBWC, which means neither of the  
17 buyers assumed or succeeded to any obligations or liabilities of the  
18 water system’s prior owner. Although OPC and witnesses testifying  
19 in support of the Complaint seem to gloss over or ignore the legal  
20 significance of an asset versus a stock acquisition transaction, that

1                   distinction is critical insofar as it relates to some allegations made in  
2                   the Complaint and by witnesses supporting the Complaint.

3 **Q.    Is it Moore Bend’s responsibility to address the BWO, which was placed under**  
4 **previous ownership, even though Ozark International, Inc. (“Ozark”) purchased only**  
5 **the assets of the system?**

6 A.    Yes. Ozark entered into an Assignment and Acceptance of Asset Purchase Agreement with  
7 Moore Bend which assigns, transfers and conveys all its rights, title and interest in the Asset  
8 Purchase Agreement between Ozark and Moore Bend Water Company, Inc. (“MBWC”),  
9 the previous owner of the water system. In case numbered WM-2012-0335, the Missouri  
10 Public Service Commission (“Commission”) granted Moore Bend a Certificate of  
11 Convenience and Necessity (“CCN”) and authorized Moore Bend to operate under the  
12 existing tariff of MBWC. This became effective October 19, 2013. The BWO was placed  
13 on February 5, 2013, eight months prior. Mr. Brower was aware that he was purchasing a  
14 system that was going to need repairs to become compliant with Department of Natural  
15 Resources regulations.

16 **Q.    Does the structure of Ozark’s purchase agreement with MBWC determine the level of**  
17 **service customers should receive?**

18 A.    No. Whether or not Ozark purchased only the assets of the system or stock or any other  
19 ownership interest does not matter. Moore Bend was granted a CCN by the Commission  
20 and therefore must operate under Commission rules to provide customers with safe and  
21 adequate service. This includes taking on liabilities, such as BWO’s, that are in place on a  
22 system during a purchase agreement.

23 **Q.    Does this conclude your surrebuttal testimony?**

24 A.    Yes.