

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

The Staff of the Missouri Public Service)
Commission,)
Complainant,)
v.)
Suburban Water and Sewer Company, Inc.,)
and Gordon Burnam,)
Respondents.)

Case No. WC-2008-0030

STAFF'S STATEMENT OF POSITIONS

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, for its Statement of Positions respectfully states as follows:

Issue No. 1: Can Suburban provide safe and adequate water service to its customers today and in the future with the standpipe in its current condition?

(a) If the Commission determines Suburban cannot provide safe and adequate water service with the standpipe in its current condition, then what reasonable improvement(s) should the Commission order to resolve this issue?

Staff's Position:

No, Suburban Water & Sewer Company's ("Suburban") current standpipe is inadequate to provide safe and adequate water service to its customers. It has been insufficiently cleaned and maintained by Suburban over the past 35 years, so that the standpipe is now in a condition beyond repair. The current standpipe has also become insufficient to provide safe and adequate water service since its original construction and installation in approximately 1973. The piping arrangement does not permit adequate chlorine contact time for all water entering the distribution system, the tank does not adequately allow circulation of the stored water, or maintain water pressure sufficient to safely and adequately serve its customers in Bon-Gor Estates.

The Commission should order Suburban to replace the current standpipe with a standpipe or other type of storage tank that meets the specifications of, and is approved by the Department

of Natural Resources, and which provides adequate internal circulation, adequate chlorine contact time, and maintains water pressure of at least 20 pounds per square inch (“psi”) at every service connection on the system.

Issue No. 2: Is the integrity of Suburban’s water system sufficient to maintain a minimum water pressure of 20 psi and provide safe and adequate water service to Suburban’s customers?

- (a) If the Commission determines the integrity of Suburban’s water system is insufficient to maintain a minimum water pressure of 20 psi or otherwise cannot provide safe and adequate water service, then what should the Commission order to resolve this issue?

Staff’s Position:

The reliability of Suburban’s water system is not yet verified, with respect to leakage, hydraulic flow capability, and flushing adequacy. By November 13, 2007, Suburban installed meters on all service connections to meter the water delivered to customers. Therefore, five months of meter readings have been available for Staff’s review. Staff’s analysis of this monthly data is assisting in reviewing the water usage and general integrity of Suburban’s water system. However, further collection and review of the master meter and individual customer meter readings is necessary to verify the adequacy of the system.

Staff observed operation of the four new flush valves and additional pipeline control valves Suburban installed, along with the single pre-existing flush valve, which seemed to successfully flush the water system. However, additional flushing of the system beyond one time should be conducted to test that the flush valves are operating as intended.

The Commission should order Suburban to submit monthly data reports on monthly meter readings, and flush the system on a 6-month basis at all flush valves and report the observed results. This will allow the Commission’s Staff to monitor and verify that the integrity

of Suburban's water system is sufficient to maintain a minimum pressure of 20 psi, or is otherwise providing safe and adequate service.

Issue No. 3: Should Gordon Burnam be held personally liable for the obligations of Suburban Water Company because he owns, operates, controls and manages Suburban without regard to Suburban's corporate status?

Staff's Position:

Yes, Gordon Burnam should be held personally responsible for Suburban's obligations. Gordon Burnam acts as a water corporation and a public utility because he owns, operates, controls and manages plant distributing, selling or supplying for gain water and is therefore subject to the jurisdiction, control and regulation of the Commission. Furthermore, Gordon Burnam runs Suburban as its alter ego such that the corporation has no independent legal existence.

Respectfully submitted,

/s/ Shelley Syler Brueggemann

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 2nd day of July 2008.

/s/ Shelley Syler Brueggemann