

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

In the Matter of I.H. Utilities, Inc. Small)
Company Rate Increase.) **Case No. WR-2010-0048**

**THE OFFICE OF THE PUBLIC COUNSEL’S RESPONSE TO STAFF’S MOTION TO
MODIFY ORDER APPROVING DISPOSITION AGREEMENT**

COMES NOW the Office of the Public Counsel (Public Counsel) and for its Response to Staff’s Motion to Modify Order Approving Disposition Agreement states as follows:

1. On August 3, 2009, the Staff of the Public Service Commission (Staff) filed a *Company/Staff Agreement Regarding Disposition of Small Water Company Revenue Increase Request* (Company/Staff Agreement), within which I.H. Utilities, Inc. (IH Utilities) agreed to perform certain tasks within a set timeframe after the approval of the Company/Staff Agreement.
2. On October 21, 2009, the Missouri Public Service Commission (Commission) entered its *Order Approving Disposition Agreement and Tariff*, in which it approved the Company/Staff Agreement, and ordered IH Utilities to comply with the provisions of the Agreement. This Order was effective on October 27, 2009.
3. On April 19, 2010, Staff filed a *Motion to Modify Order Approving Disposition Agreement* asking the Commission to modify the required completion dates in Provisions (12) c., (13) a., and (14) b. of the Company/Staff Agreement due to the February 23, 2010 passing of Mr. James L. Stanley, President, co-owner and primary operator of IH Utilities. In its Motion, Staff requested that the Commission modify its *Order Approving Disposition Agreement and Tariff* and order provisions (12) c., (13) a., and (14) b.’s time frames extended by 45 days past the effective date of such order.

4. Provision (12) c. within the Company/Staff Agreement states:

(12) Within three (3) months of the effective date of an order approving this Disposition Agreement, the Company will implement the following recommendations and provide documentation to support its actions to the Commission's Auditing Manager:

c. The Company will obtain adequate commercial insurance coverage on all of the Company's business facilities. The Company will provide a copy of the insurance policy to the Auditing Manager when the policy is issued and will notify the Auditing Manager of any changes to the policy in the future.

Staff reported to the Commission that IH Utilities did not meet the January 27, 2010 date for obtaining insurance.

5. Public Counsel would note to the Commission that as of the passing of Mr. Stanley, this provision had already been violated by IH Utilities. While Public Counsel does not believe it is appropriate for the Commission to grant an additional amount of time to meet a requirement which has already been violated, Public Counsel does believe it is imperative that IH Utilities obtain adequate commercial insurance coverage as soon as possible. Therefore, while Public Counsel does not agree with Staff's request that the Commission extend the time frame for implementing provision (12) c. by 45 days past the effective date of such a modification of its *Order Approving Disposition Agreement and Tariff*, Public Counsel will not oppose Staff's request.

6. Provision (13) a. within the Staff/Company Agreement states:

(13) Within three (3) months of the effective date of an order approving this Disposition Agreement, the Company will implement the following recommendations and provide proof of completion to the Manager of the Commission's Water and Sewer Department (Water and Sewer Manager):

a. The Company will have a survey completed of the land that contains all the wells, well buildings, storage tank, and chlorine building and any easements. In addition, the owners of the property will lawfully transfer any property not in the Company's name to the Company and will provide copies of deeds to the Water and Sewer Manager as outlined above.

Staff reports to the Commission that IH Utilities did not meet the January 27, 2010 date for completing the survey and providing copies of deeds to the Staff.

7. Public Counsel again would note to the Commission that as of the passing of Mr. Stanley, this provision had already been violated by IH Utilities. While Public Counsel does not believe it is appropriate for the Commission to grant an additional amount of time to meet a requirement which has already been violated, Public Counsel does believe it is imperative that IH Utilities complete the survey and provide copies of deeds to the Staff as soon as possible. Therefore, while Public Counsel does not agree with Staff's request that the Commission extend the time frame for implementing provision (13) a. by 45 days past the effective date of such a modification of its *Order Approving Disposition Agreement and Tariff*, Public Counsel will not oppose Staff's request.

8. Provision (14) b. within the Company/Staff Agreement states:

(14) Within six (6) months of the effective date of an order approving this Disposition Agreement, the Company will implement the following recommendations and provide proof of completion to the Water and Sewer Manager:

b. The Company will install a master meter in well two.

Staff noted that the deadline for completion of (14) b. had not yet arisen at the time of Staff's filing. However, now it appears that IH Utilities did not meet the April 27, 2010 date for completing the installation of a master meter in well two.

9. Again, while Public Counsel does not believe it is appropriate for the Commission to grant an additional amount of time to meet a requirement which has already been violated, Public Counsel does believe it is imperative that IH Utilities complete the installation of a master meter in well two as soon as possible. Therefore, while Public Counsel does not agree with Staff's request that the Commission extend the time frame for implementing provision (14) b. by 45

days past the effective date of such a modification of its *Order Approving Disposition Agreement and Tariff*, Public Counsel will not oppose Staff's request.

10. Public Counsel would ask that the Commission stress the need and importance of the completion of these and all other provisions in the Company/Staff Agreement in a timely manner as agreed to.

WHEREFORE, Public Counsel respectfully submits its Response.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Christina L. Baker

By:_____

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to the following this 24th day of May 2010:

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