

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

In the Matter of the application of Branson Cedars)
Resort Utility Company LLC for Certificates of) File No. WA-2015-0049
Convenience and Necessity Related to Water and)
Sewer Systems.)

**OFFICE OF THE PUBLIC COUNSEL'S RESPONSE
TO STAFF'S REVISED RECOMMENDATION**

COMES NOW the Office of the Public Counsel (Public Counsel or OPC) and for its Response to Staff's Revised Recommendation states as follows:

1. On August 15, 2014, The Tranquility Group, LLC d/b/a Branson Cedars Resort (Tranquility) filed applications with the Missouri Public Service Commission (Commission) requesting that the Commission grant Tranquility a Certificate of Convenience and Necessity (CCN) to own, operate, control, manage and maintain water and sewer systems in Taney County, Missouri. Tranquility requested the CCN to allow it to provide water and sewer service in that area.
2. On October 29, 2014, Tranquility filed its First-Amended Application substituting Branson Cedars Resort Utility Company LLC (BCRU) as the entity requesting a CCN from the Commission.
3. On March 31, 2015, the Staff of the Public Service Commission (Staff) filed its Recommendation which requested the Commission issue an Order granting BCRU's CCN request subject to the conditions contained in Appendix A - Official Case File Memorandum, attached to Staff's Recommendation. Public Counsel objected to Staff's Recommendation.
4. On August 3, 2015, Staff filed its Revised Recommendation.

5. Staff's Revised Recommendation addresses most of Public Counsel's previous concerns. However, instead of requiring BCRU come in for a rate case within a reasonable amount of time, Staff states its belief that a rate review of BCRU will be appropriate within an eighteen month time frame from the effective date of an order from the Commission granting a CCN.¹

6. Public Counsel continues to hold the belief that the Commission should order BCRU to come in for a rate case within a reasonable amount of time. Therefore, Public Counsel now states that it does not object to Staff's Revised Recommendation subject to the Commission ordering BCRU to come back for a rate case within 12 to 18 months after the effective date of a CCN to allow rates to be properly set on cost of service for this utility.

7. Public Counsel's concern is that the rates calculated by Staff are based merely on estimated costs developed by Staff with no requirement that the utility ever come back to the Commission for a rate case.

8. Also, it is unknown whether Public Counsel would be included in Staff's "rate review" or what would occur if Staff discovers that rates were not set appropriately – for example, if it is discovered that rates were set too high. This is unreasonable and not sufficiently protective of the customers.

9. Additionally, it is Public Counsel's understanding that BCRU does not necessarily object to being required to file a rate case within a reasonable amount of time.

10. Therefore, Public Counsel asks that the Commission not merely order a "rate review" as suggested by Staff, but instead to order BCRU to come back for a rate case within 12 to 18 months after the effective date of a CCN to allow rates to be properly set on cost of service for this utility.

¹ Staff's Revised Recommendation, Appendix A - Official Case File Memorandum, page 5.

WHEREFORE, Public Counsel respectfully submits its Response to Staff's Revised Recommendation that it does not object to Staff's Revised Recommendation subject to the Commission ordering BCRU to come back for a rate case within 12 to 18 months after the effective date of a CCN.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

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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 10th day of August 2015:

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