

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

Cody's Cabins, L.L.C., Charles Chodrick, and)	
Brenda Chodrick,)	
)	
Complainants,)	
)	
v.)	<u>Case No. WC-2016-0132</u>
)	
Branson Cedars Resort Utility Company LLC,)	
)	
Respondent.)	

STAFF REPORT

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through undersigned counsel, and submits its Staff Report.

1. On November 30, 2015 Cody's Cabins, L.L.C. ("Cody's Cabins"), and Charles and Brenda Chodrick ("Chodricks") filed a formal complaint (together, "Complainants"), against Branson Cedars Resort Utility Company, LLC ("Branson Cedars").

2. On December 1, 2015, the Commission issued its *Order Giving Notice of Contested Case, Directing Respondents to File Answer, and Directing Staff Investigation*. The *Order* directed staff to conduct an investigation under the requirements of and file a report by January 22, 2016.

3. Having concluded its investigation, Staff offers its *Staff Report*, which details Staff's investigation and analysis, and is attached hereto as Appendix A (Report). In summary, Staff concludes that, due to incomplete facts, Branson Cedars incorrectly charged Complainants a laundry facility fee and should cease that practice;

and, Branson Cedars should correct revenues to remove any unpaid charges. Staff concludes the factual error does not rise to the level of a tariff violation.

4. Staff's findings and analysis in the attached *Staff Report* more fully explains the circumstances that led Staff to make these conclusions.

WHEREFORE, Staff hereby tenders its *Staff Report* for the Commission's information and consideration.

Respectfully Submitted,

/s/ Jacob T. Westen

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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 22nd day of January, 2016.

/s/ Jacob T. Westen

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. WC-2016-0132
Cody's Cabins LLC, Charles Chodrick, and Brenda Chodrick
v.
Branson Cedars Utility Company, Inc.

FROM: Curtis B. Gateley – Water and Sewer Unit; Case Coordinator

<u>/s/ Curtis B. Gateley</u>	<u>January 22, 2016</u>
Case Coordinator	Date
<u>/s/ Jacob Westen</u>	<u>January 22, 2016</u>
Staff Counsel	Date

SUBJECT: Staff's investigation of small formal complaint filed by Cody's Cabins LLC, Charles Chodrick, and Brenda Chodrick

DATE: January 22, 2016

BACKGROUND

On November 30, 2015, Cody's Cabins, LLC, Charles Chodrick and Brenda Chodrick (Complainants) filed a *Formal Complaint* against the Branson Cedars Resort Utility Company LLC (Company). On December 1, 2015 the Commission issued its *Order Giving Notice of Contested Case, Directing Respondents to File Answer, and Directing Staff Investigation* for WC-2016-0132. The Order directed Staff to conduct an investigation and file a report by January 22, 2016.

The Complainants allege the Company erroneously charges Complainants a fee for water and sewer utility services for a laundry facility. The Complainants allege the portion of a cabin the Company is billing as a laundry facility is not significantly different from their other cabins, and should not receive a separate bill.

The Company's water and sewer systems provide service within the Branson Cedars development ("Development"). The Company currently provides service to 63 total customers, composed of nightly rental cabins, what the Company believed to be two private laundry facilities owned and used by owners of some of the cabins one of which is the subject of this

complaint, and seven other commercial customers in addition to the laundry facilities. There are no full-time residential customers served by the water or sewer systems. The Company has a meter on one commercial customer; the rest of the customers receive flat rates for both water and sewer on a per rental unit basis. Where a cabin contains separate rental units, the Company treats each unit as a customer. Complainants state they own ten rental units in the development.

Regardless of the number of rental units within a building, or how many units an individual owns, the Company charges a flat rate on a per unit basis. Rates for commercial customers were developed based on an estimated equivalency to residential rates.

STAFF'S INVESTIGATION

The central dispute concerns the Company's classification as a commercial customer, for billing purposes, of a room with a washing machine and clothes dryer located in the basement of one of Complainants' four-unit cabins. The Complainants identify the cabin at issue as "Cabin 20", located at 355 Heavy Timber Drive, Ridgedale, Missouri.

On January 6, 2016 Staff inspected Cabin 20, the room in question, and four of the other cabins owned by the Complainants. The Complainants own another cabin in the development that is similar to Cabin 20. Both are four bedroom cabins, but the similar cabin has a washer and dryer and mechanical room on the lower floor. In order to access this area in the similar cabin, maintenance staff must enter through rented areas, potentially disturbing guests as cleaning staff access the laundry, or maintenance is conducted in the mechanical room. Complainants constructed Cabin 20 so that the laundry room and mechanical room can be accessed from a separate exterior entrance, enabling maintenance activities to be conducted without disturbing guests. The separate entrance leads to a large multi-purpose room, and then to a small mechanical room, neither of which are accessible from the main entrance. The multi-purpose room contains the washer and dryer, and also serves as storage for supplies such as toilet paper, spare furnishings, etc. A small shower, vanity, bed, and refrigerator enable the area to serve as an additional bedroom on occasion as necessary for the Complainants when they use Cabin 20 for their own stays. During the tour of their cabins, the Complainants explained that each building contains washer and dryer units for maintenance staff to wash linens, and that each building was operated in a similar manner.

As part of Case No. WA-2015-0049 in which the Company received their Certificate of Convenience and Necessity, the Company reported to Staff that the portion of Cabin 20 with the exterior entrance was a laundry facility which served multiple cabins. As such, this portion of the cabin was treated as a commercial unit, was counted among customers to calculate monthly water and sewer rates, and was included in the commercial customer list on Sheet 4 of the Company's water tariff YW-2016-0096, and Sheet 4 of the Company's sewer tariff YS-2016-0097.

STAFF'S FINDINGS & CONCLUSIONS

The portion of Cabin 20 in question is not a separate rental unit, nor is it a laundry facility, but is best classified as an additional bedroom and mechanical room accessible via a separate entrance. The washing machine and clothes dryer serve the four-bedroom cabin in a way that is no different than the washer and dryer serving the Complainants' other, nearly identical cabin. The difference between Cabin 20 and the Complainants nearly identical cabin is the existence of a separate entrance. As such, it is Staff's conclusion that the room is not a laundry facility, nor a separate rental unit. Therefore the Company should not treat this room as a customer, and should not charge two fees for water and sewer service at Cabin 20.

Reduction of this one "customer" from the count used to develop the rates will not create a financial hardship for the company.

Based upon the above, Staff recommends the Commission issue an order that:

1. The Company discontinue treating the portion of Cabin 20, owned by Cody's Cabins, as a separate customer for the purposes of billing water and sewer services Cabin 20.
2. The Company remove any unpaid charges associated with the portion of Cabin 20 in question.

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Case No. WC-2015-0132

AFFIDAVIT OF CURTIS B. GATELEY

STATE OF MISSOURI)
) ss
COUNTY OF COLE)

COMES NOW, Curtis B. Gateley, and on his oath declares that he is of sound mind and lawful age; that he contributed to the attached Staff Memorandum; and that the same is true and correct according to his best knowledge and belief.


Further the Affiant sayeth not.



Curtis B. Gateley

Subscribed and sworn before me on this 22nd day of January, 2016.

JESSICA LUEBBERT
Notary Public - Notary Seal
State of Missouri
Commissioned for Cole County
My Commission Expires: February 19, 2019
Commission Number: 15633434



Notary Public