

**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-20015-0049
Convenience and Necessity Related to Water and)
Sewer Systems.)

**BRANSON CEDARS RESORT UTILITY COMPANY, LLC'S
RESPONSE TO STAFF'S RECOMMENDATION**

COMES NOW Branson Cedars Resort Utility Company, LLC, by and through undersigned counsel, and for its Response to Staff's Recommendation in which it approves the Staff's recommendation of March 31, 2015, 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, and such Applications were refiled with the Commission on or about August 21, 2014 by legal counsel for Tranquility per the Commission's Order.

2. On October 29, 2014, Tranquility filed its First-Amended Applications substituting Branson Cedars Resort Utility Company LLC as the entity requesting a Certificate of Convenience and Necessity (CCN) to own, operate, control, manage and maintain water and sewer systems in Taney County, Missouri.

3. On November 6, 2015, the Applications, originally denoted under File No. WA-2015- 0049 and. File No. SA-2015-0107, were consolidated under File No. WA-20015-0049 for future consideration by the Commission.

4. On March 31, 2015, the Staff of the Public Service Commission (Staff) filed its Recommendation requesting that the Commission issue an Order granting Branson Cedars Resort Utility's CCN request subject to the conditions contained in Appendix A - Official Case File Memorandum, attached to Staff's Recommendation.

5. On April 1, 2015, the Commission issued its Order Directing Filing requiring each party other than Staff to file a response to the Staff Recommendation no later than April 13, 2015.

6. Branson Cedars Resort Utility hereby accepts Staff's Recommendation that the Commission approve monthly residential flat rates of \$53.91 for water service and \$48.82 for sewer service, which results in monthly bills of \$102.73 combined for water service and sewer service, as Branson Cedars Resort Utility agrees that the proposed rate for water service and sewer service in the area is acceptable and reasonable.

7. By way of further responding, Branson Cedars Resort Utility hereby respectfully objects to and disagrees with the Office of Public Counsel's Response to Staff's Recommendation.

8. Branson Cedars Resort Utility specifically disagrees with Public Counsel's assertion in Paragraph 9 of its Response in which Public Counsel states that the Recommendation was "unreasonable and premature," presumably because Branson Cedars Resort Utility currently charges flat rates of \$60.00 per month for combined water and sewer service, and \$50.00 per month for water service for those commercial customers not having sewer services. The simple fact of the matter is that the prior rates charged by Branson Cedars Resort Utility for water service and sewer service are irrelevant and immaterial to the calculation of a current rate per month for these services, and such rates cannot form the basis of an objection to Staff's Recommendation. The prior rates were not based upon estimates—much less the type of estimates that Staff used in forming its Recommendation. Instead, the prior rates were handed down from the prior developer over a number of years and have essentially no bearing on the Application.

9. Branson Cedars Resort Utility does not agree with the Public Counsel's concerns regarding the use of estimates as set forth in Paragraph 10 of Public Counsel's Response or with Paragraph 11 of its Response in which it alleges that Staff's flat rate factor rate design results in higher rates for residential customers than is reasonable. Moreover, Branson Cedars Resort Utility has concerns about the burdens that will be placed upon it in the event of a requirement for a rate case in the near future and a refund/credit provision pending the outcome of such rate case.

10. As previously set forth, Branson Cedars Resort Utility supports the Staff Recommendation, but pursuant to Public Counsel's request for an evidentiary hearing, also requests an opportunity to be heard at such evidentiary hearing.

WHEREFORE, Branson Cedars Resort Utility Company, LLC respectfully submits its Response to Staff's Recommendation.

Respectfully Submitted,

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 13th day of April 2015:

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