BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the matter of the Application of Osage Utility Operating Company, Inc. to Acquire Certain Water and Sewer Assets and for a Certificate of Convenience and Necessity

Case No. WA-2019-0185 and SA-2019-0186

CEDAR GLEN CONDOMINIUM OWNERS ASSOCIATION, INC.'S STATEMENT OF POSITION ON THE ISSUES

COMES NOW Cedar Glen Condominium Owners Association, Inc. (hereinafter sometimes referred to as "Cedar Glen"), by and through counsel, and submits this statement of position on the separate Osage Water Company related list of issues filed by Office of the Public Counsel (OPC), Reflections Condominium Owners Association, Inc., Great Southern Bank, Public Water Supply District No. 5 of Camden County, Missouri, Lake Area Waste Water Association, Inc., Missouri Water Association, Inc., and Cedar Glen Condominium Owners Association, Inc., on September 9, 2019:

II. Public Interest

a. Would the sale of Osage Water Company's certificates of convenience and necessity and its water and sewer assets to Osage Utility Operating Company be detrimental to the public interest?

Yes. Among other reasons, there exists a publicly financed nonprofit utility service provider, specifically Public Water Supply District No. 5 of Camden County ("District No. 5"), currently under contract with the Trustee in bankruptcy to purchase the Osage Water Company water distribution and wastewater treatment assets serving Cedar Glen Condominiums. District No. 5 can supply water and sewer service to Cedar Glen unit owners at rates free of an acquisition premium or other profit related elements. District No. 5 is prepared to annex Cedar Glen into its service territory and Cedar Glen's board of directors has agreed to voluntary annex upon approval of the sale of assets to District No. 5. District No. 5 can purchase the Cedar Glen assets serving Cedar Glen without increasing its rates for service. District No. 5's water system and Cedar Glen's water system can be interconnected at a reasonable cost which will avoid costs the applicant has estimated for certain improvements. Additionally, District No. 5 can make needed improvements to the Cedar Glen water and wastewater facilities at a much lower cost than the applicant. District No. 5's rates for service will be significantly less than those which would be charged by the applicant if its application is approved. District No. 5 is governed by a board of directors residing in the locality and is elected by its customers. Finally, annexation of and interconnection with Cedar Glen water facilities is consistent with District No. 5's expansion plan and the preferences of Cedar Glen's unit owners.

III. Acquisition Premium

Should the Commission approve an acquisition premium for the acquisition of the Osage Water Company?

Cedar Glen does not have a position on this issue at this time without impairment of its right to brief and argue this issue to the Commission as the evidence may unfold at hearing.

Respectfully submitted, NEWMAN, COMLEY & RUTH P.C.

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Attorneys for Cedar Glen Condominium Owners Association, Inc.

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent via e-mail on this 12th day of September, 2019, to:

General Counsel's Office at <u>staffcounsel@psc.state.mo.us</u>; Office of Public Counsel at <u>opcservice@ded.state.mo.us</u>; Dean L. Cooper at <u>dcooper@brydonlaw.com</u>; Diana C. Carter at <u>dcarter@brydonlaw.com</u>; Sue A. Schultz at <u>sschultz@sandbergphoenix.com</u>; Joseph A. Ellsworth at <u>ellsworth@lolawoffice.com</u>; Charles McElyea at <u>cmcelyea@pmcwlaw.com</u>; Christopher I. Kurtz at <u>ckurtz@rousepc.com</u>; and Stanley N. Woodworth at <u>swoodworth@rousepc.com</u>.

/s/ Mark W. Comley