

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

In the Matter of Missouri-American Water        )  
Company for a Certificate of Convenience        )  
and Necessity Authorizing it to Install, Own,    )        File No. SA-2021-0017  
Acquire, Construct, Operate, Control, Manage, )  
And Maintain a Sewer System in and around    )  
The City of Hallsville, Missouri.            )

**DISTRICT’S RESPONSE TO MISSOURI-AMERICAN WATER COMPANY’S  
RESPONSE TO STAFF’S RECOMMENDATION**

COMES NOW Boone County Regional Sewer District (“District”) under 4 CSR 240-2.080(13), by counsel, and files the *District’s Response to Missouri-American Water Company’s Response to Staff’s Recommendation* (“MAWC’s Response”) filed by the Missouri Public Service Commission’s Staff (“Staff”). In support thereof, the District states as follows:

1. On November 18, 2020, Staff filed its *Staff Recommendation to Grant Certificate of Convenience and Necessity*, with various conditions.
2. On December 4, 2020, Missouri-American Water Company (“MAWC”) filed MAWC’s Response.
3. Having reviewed MAWC’s Response, the District seeks to bring a couple additional items to the Commission’s attention.
4. First, in response to Staff’s recommended Condition 5, on page 2 of MAWC’s Response, MAWC represents that “there is only one existing BCRSD customer currently served by the City of Hallsville’s sewer system that would need to be addressed in order to ‘ensure continued service’.”

5. MAWC’s representation is incorrect. Three (3) residential dwellings in Silver Creek subdivision—soon to be four (4) —the owners of which are the District’s customers, are currently served by the City of Hallsville’s sewer system. In addition, under the contract between the City and the District, sixteen (16) existing residential dwellings in Sunnyslope subdivision, the owners of which likewise are the District’s customers, are to be connected to and served by the City’s sewer system in the future.

6. Second, in response to Staff’s recommended Condition 2, on page 2 of MAWC’s Response, MAWC asserts that it will adopt the existing sewer rates for the City of Hallsville, except for certain customers in Douglas Pointe, Townsquare, and Echo subdivisions in which “the possibility of flat rate billing may need to be made in the resulting tariff...”

7. This assertion made by MAWC’s also is incorrect. The current sewer rates proposed by MAWC are not the existing sewer rates for City of Hallsville. Per MAWC’s Proposal letter to the City of Hallsville—consistent with MAWC’s papers filed with the Commission—MAWC proposes *initial* sewer rates that are 3% less than those currently charged by the City of Hallsville.<sup>1</sup> Presumably, MAWC offered these reduced rates to make its purchase proposal more attractive to the City of Hallsville and its voters who would decide whether to approve a sale of the system.

8. The reality is that these *initial* rates—as reflected in MAWC’s feasibility study and acknowledged by Staff—will result in significant losses to MAWC. In

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<sup>1</sup> See Appendix A, Proposal Letter from MAWC to the City of Hallsville dated July 18, 2019 at page 5.

addition, these rates will be short lived. In MAWC's next rate case, it will have to seek a substantial rate increase to cover several million dollars of capital costs for future wastewater requirements necessary to accommodate projected growth in the community served by the sewer system that are not factored into MAWC's feasibility study.<sup>2</sup>

In summary, MAWC's request for a Certificate of Convenience and Necessity ("CCN") should be denied or the Commission should set an evidentiary hearing to determine whether the requested CCN should be issued or denied.

WHEREFORE, the District respectfully submits this *Response to Missouri-American's Response to Staff's Recommendation* for the Commission's consideration.

LATHROP GPM LLP

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<sup>2</sup> See District's Amended Response to the Staff's Recommendation and Request for Evidentiary Hearing at pages 6-11.

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**AFFIDAVIT OF TOM RATERMANN**

STATE OF MISSOURI     )  
   )     ss.  
COUNTY OF BOONE     )

COMES NOW Tom Ratermann, General Manager of the Boone County Regional Sewer District, and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *District's Response to Missouri-American's Response to Staff's Recommendation*; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.

/s/ Tom Ratermann  
Tom Ratermann

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served on all counsel of record by electronic mail this 14th day of December 2020.

*/s/ Jennifer S. Griffin*

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Jennifer S. Griffin

Attorney for Boone County  
Regional Sewer District