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**Missouri Public
Service Commission**

Exhibit No.:

Issue: Public Necessity

Witness: Eugene F. Ritter

Type of Exhibit: Direct Testimony

**Sponsoring Party: Lake Region Water
& Sewer Company**

Case No. : SA-2000295

Date Testimony Prepared: May 16, 2000

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

In the matter of the application of Lake Region)
Water & Sewer Company for a certificate of public)
convenience and necessity authorizing it to)
construct, install, own, operate, control, manage)
and maintain a centralized sewage collection and)
treatment system in an area in an unincorporated)
area of Camden County, Missouri, as an expansion)
of its existing certificated area.)

Case No. SA-2000-295

DIRECT TESTIMONY OF

EUGENE F. RITTER

on behalf of

LAKE REGION WATER & SEWER COMPANY

**Direct Testimony of Eugene F. Ritter
On Behalf of Lake Region Water & Sewer Company**

1
2
3 Q. Please state your name and business address.

4 A. Eugene F. (Fritz) Ritter.

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by Lake Region Water & Sewer Company as President.

7 Q. Please describe the general duties of your position.

8 A. The general duties are the overall supervision of the operations of the water and sewer
9 company.

10 Q. How long have you been so employed?

11 A. I have been the president of Lake Region (or "the Company") for approximately six
12 months.

13 Q. Please generally describe your previous employment.

14 A. For about eight months in 1995, I was the designated broker of Bobbi Bash Realty at the
15 Lake of the Ozarks. From 1987 through 1992, I was a majority owner of a company
16 called HVP, Inc., which was involved in the production, marketing, distribution and
17 duplication of videocassettes. I was president/owner of IPI, Inc. from 1980 to 1986. That
18 company was a purchasing and marketing company engaged in government contract
19 sales.

20 Q. Please generally describe your educational background.

21 A. I attended the University of Missouri-Columbia where I was a business major.

22 Q. What is the purpose of your direct testimony?

1 A. I am here to describe the plans of Lake Region regarding its proposed sewer service
2 within a new area in Camden County, Missouri. I should first explain that the service
3 area I am going to describe is different from the one described in the original application
4 filed on October 22, 1999. The Company has determined that it wishes to seek a much
5 smaller area for certification from the Commission than originally proposed.

6 Q. Has Lake Region filed an amended application to reflect the change in proposed service
7 area?

8 A. Yes. It is my understanding the First Amended Application is being filed at the same
9 time as this testimony.

10 Q. Can you generally describe the change in service area?

11 A. Yes. Basically, we have scaled this application back to only cover an area which was
12 shown as Phase I in the original application, with the exception of the elimination of the
13 area known as The Willows and the area surrounding The Willows.

14 Q. There are several intervenors in this proceeding. Do you have an opinion as to how this
15 First Amended Application will affect them?

16 A. Yes, I have an opinion on that.

17 Q. What is it?

18 A. Let me first say that we listened to the concerns raised by several of the intervenors at the
19 early pre-hearing conference. Our understanding is that we cannot force sewer service on
20 anyone as a result of obtaining a certificate from the Commission. We only serve
21 customers who voluntarily agree to take service from us. Several of the intervenors
22 indicated a concern that even though we could not force them to take sewer service, the
23 Department of Natural Resources (DNR) might be able to do that if their properties were

1 located within our certificated area. We explained that we could not control what DNR
2 might or might not do regarding their wastewater treatment facilities. Nevertheless, we
3 have decided that it would not be prudent for us, at this time, to engage in a dispute with
4 these intervenors over a question we can't resolve among ourselves. So we decided to
5 amend our application to remove their properties from the service area we seek. Thus,
6 the First Amended Application removes from Lake Region's proposed service territory
7 the land on which all the property of the intervenors -- except for Four Seasons -- is
8 situated. Because we are not asking for a certificate for any land owned or controlled by
9 the intervenors other than Four Seasons, it is our view that those intervenors should
10 withdraw from this case since, as a result of our asking for a much smaller area that does
11 not affect them, they can not be affected by the outcome of this case and thus no longer
12 have standing to be parties to the case. Since we have complied with their wishes, we
13 expect them to voluntarily file motions to withdraw from the case.

14 Q. Please describe the public need for sewer service in the service area.

15 A. There are failing septic systems at lakefront homes. There are septic tanks with lateral
16 fields in soils of a type not adequate to treat the wastewater. This is an area that is
17 developing with condominiums, apartments, commercial buildings and single family
18 homes. Due to this increasing population density, there is a real need for central sewer
19 service to replacing failing or inadequate systems and to provide service to the new
20 developments. Our proposal will improve the quality of the environment because it will
21 remove these sources of pollution from the area.

22 Q. Please generally describe the manner in which Lake Region proposes to provide the
23 service.

1 A. Lake Region proposes to construct trunk lines generally following the roads. These lines
2 will feed into a central line that will ultimately transport the wastewater to a regional
3 treatment facility which is jointly owned and operated by the City of Lake Ozark and the
4 City of Osage Beach. Lake Region has entered into an agreement with the City of Lake
5 Ozark for this sewage treatment.

6 Q. Has Lake Region prepared a feasibility study for the revised proposed service area?

7 A. Yes. We utilized the original study and have scaled it back to only reflect proposed
8 operations within what was called Phase I. A copy of the treatment agreement with the
9 City of Lake Ozark is contained in our amended feasibility study.

10 Q. Please describe the technical qualifications of Lake Region which, in your opinion,
11 qualify it to receive a certificate of convenience and necessity for this area.

12 A. Lake Region has been in business for approximately two years. Prior to that time, it was
13 known as Four Seasons Lakesites Water & Sewer Company. Lake Region has
14 demonstrated its technical ability to own, operate and maintain sewage collection and
15 treatment facilities through its operation of its existing facilities with no citations for
16 violations from the Missouri Department of Natural Resources. Jerry Merlo is under
17 contract as the operator of our plants. We have three employees as field personnel.
18 These people have considerable experience in the operation and maintenance of our
19 facilities and can be expected to bring that same level of expertise to bear on the new
20 area.

21 Q. Please describe the managerial qualifications of Lake Region.

22 A. I have been president of the company for approximately six months. During that time I
23 have managed the operations of the company. I have previous business experience, as I

indicated earlier, so I believe the company has adequate management in place to assure continued operations.

Q. Please describe the financial resources of Lake Region.

A. I believe the ownership of Lake Region is financially capable of continuing its operations in the manner necessary to maintain and expand its sewer operations and provide safe and adequate service.

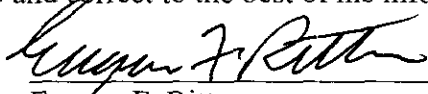
Q. Does this conclude your prepared direct testimony at this time?

A. Yes, it does.

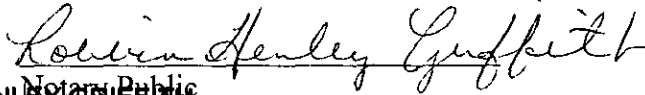
VERIFICATION

STATE OF MISSOURI)
) ss
COUNTY OF CAMDEN)

On the 11th day of May, 2000, before me appeared Eugene F. Ritter, to me personally known, who, being by me first duly sworn, states that he is the President of Lake Region Water & Sewer Company and acknowledged that he had read the above and foregoing document and believes that the statements therein are true and correct to the best of his information, knowledge and belief.


Eugene F. Ritter

Subscribed and sworn to before me this 11th day of May, 2000.



ROBBIN HENLEY GRIFFITH
A Notary Public of
Miller County, Missouri

My Commission expires: My Commission Expires 12/28/2001