

Ex. 116

FILED

MAR 30 2018

BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI

In the Matter of the Request for an Increase in)
Annual Water System Operating Revenues for)
Gascony Water Company, Inc.)

File No. WR-2017-0343

Missouri Public
Service Commission

**RESPONSES TO STAFF'S FIRST REQUEST FOR PRODUCTION
OF DOCUMENTS DIRECTED TO GASCONY WATER COMPANY, INC.**

1. Any and all documents whose identification is requested in Staff's First Set of Interrogatories to Applicant.

RESPONSE: See attached.

2. Any and all documents containing or referring to facts set forth in your answers to Interrogatory Nos. 1 through 15 of Staff's First Set of Interrogatories to Applicant in this case.

RESPONSE: No additional documents to produce.

3. Any and all documents relied upon in answering Staff's First Set of Interrogatories to Applicant.

RESPONSE: No additional documents to produce.

4. Any contracts or agreements of any kind between you and Gasc-Osage Realty Company, Inc., relating to purchases, transfers, or other types of conveyances of real property contained within the Company Service Area.

RESPONSE: None.

5. Any contracts or agreements of any kind between you and Gasc-Osage Realty Company, Inc., relating to purchases, transfers, or other types of conveyances of personal property contained within the Company Service Area.

RESPONSE: None other than the two promissory notes previously produced.

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6. Any contracts or agreements of any kind between you and the following individuals or entities relating to purchases, transfers, or other types of conveyances of real property contained with the Company Service Area:

- a. Christine Hoesch;
- b. Christine Ziegler;
- c. Matthew Hoesch;
- d. CMC Water Co, LLC;
- e. CMC Water LP; or
- f. CMC Water LLP

RESPONSE: None.

7. Any contracts or agreements of any kind between you and the following individuals or entities relating to purchases, transfers, or other types of conveyances of personal property contained with the Company Service Area:

- g. Christine Hoesch;
- h. Christine Ziegler;
- i. Matthew Hoesch;
- j. CMC Water Co, LLC;
- k. CMC Water LP; or
- l. CMC Water LLP

RESPONSE: None.

8. The 2016 profit and loss statement for Gascony Water Company, Inc., as identified in paragraph 1 of "Company Response to Staff Data Request No 1".

RESPONSE: See attached.

9. Company's "updated" 2013 plant records as identified in paragraph 1 of "Company Response to Staff Data Request No 1".

RESPONSE: See attached.

10. Company's original or un-updated plant records prior to the 2013 plant record update identified in paragraph 1 of "Company Response to Staff Data Request No 1" and referenced in Request for Production No. 9.

RESPONSE: None.

11. Any and all documents relating to any amount of contribution in aid of construction received or accounted for within the Company ledger or by other accounting mechanism.

RESPONSE: This response will be supplemented. The Company's accountant is unavailable at this time.

12. Any and all currently-effective or currently-applicable subdivision covenants or other restrictions pertaining to Gascony Village, Gascony Village Mobile Home Park, and the properties described in Request for Production 13 (a)-(h).

RESPONSE: All covenants are recorded in the Recorder of Deeds Office for Gaconade County. The Company does not have copies.

13. Any and all plats, surveys, aerial depictions or other similar depictions, relating to the following real property descriptions:

- a. Part of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 16, and part of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 15 all in Township 45 North, Range 6 West of the 5th P.M., described as follows: Commencing at the Southeast corner of Section 16, Township 45 North, Range 6 West and running West 117 feet along the South

Section line, thence North 7° 22' East 222.30 feet, thence South 87° 16' 19" East 660.4 feet, thence South 47° 43' East 214.8 feet, thence South approximately 30 feet to the South line of Section 15, thence West along the Section line to the point of beginning, said distance being approximately 730 feet;

b. Lot 27 in Gascony Village Mobile Home Park, Lot 51 in Block 8 of the Gascony Village Subdivision 1, Lot 50 in Block 8 of the Gascony Village Subdivision 1, Lot 48 in Block 8 of the Gascony Village Subdivision 1, Lot 12 of Block 9 of the Gascony Village Subdivision 1, Lot 23 of the Gascony Village Mobile Home Park, Lot 24 of the Gascony Village Mobile Home Park, and Lot 3 in Owl Park Addition;

c. Lots 40 and 41 in Block 8; Lot 7 in Block 12; Lot 10 in Block 3 all in Gascony Village Subdivision as per plat thereof recorded in Plat Book 2 page 23. Lot 8 in Deer Park Addition to Gascony Village as per plat thereof recorded in Plat Book 3 page 24 of the Gasconade County Recorder's Office. Lot 27 of Gascony Village Mobile Home Park to Gascony Village as per plat thereof;

d. Lot 27 of Gascony Village Mobile Home Park as per plat thereof recorded in Plat Book 3 Page 43 of the Gasconade County Recorder's Office and being situate in the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 15, Township 45 North, Range 6 West of the 5th P.M.;

e. Lot 27 GASCONY VILLAGE MOBIL [sic] HOME PARK of GASCONY VILLAGE as per plat thereof recorded in the Gasconade County Recorder's Office;

- f. Lot 27 GASCONY VILLAGE MOBILE HOME PARK as per plat thereof recorded in Plat Book 3 Page 43 of the Gasconade County Recorder's Office and being situated in the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 15, Township 45 North, Range 6 West of the 5th P.M.;
- g. Part of Section 15, Township 45 North, Range 6 West of the 5th P.M., in Gasconade County, Missouri, and being part of Gascony Village described as follows: Beginning at the southeast corner of Lot 27 of Gascony Village Mobile Home Park; thence with the lot line North 47 degrees 41 minutes 15 seconds West 47.8 feet; thence leaving the lot line South 89 degrees 04 minutes East 70.93 feet; thence South 0 degrees 58 minutes West 33.93 feet; thence North 89 degrees 02 minutes 10 seconds West 35.0 feet to the point of beginning, containing 0.04 acres as per survey in Gasconade County Surveyor's Record Book 23 page 21 by Vincent Klott in May 2017; and
- h. That Part of Section 16 and 15, Township 45 North, Range 6 West, and lying within the boundaries as shown on the "Gascony Village, Subdivision One" plat which is on record in Plat Book 2, Page 59, Office of the Recorder, Gasconade County, Missouri.

RESPONSE: The Company objects to this request on the bases that it is vague and overbroad and seeks irrelevant information. Subject to these objections and without waiving the same, the Company states that all plats would be recorded in the Record of Deeds Office for Gasconade County. The Company does not recall if there may be surveys related to these various properties. The Company does not know if there are aerial depictions or other similar depictions related to these various properties.

14. With respect to President of Company's involvement with the companies identified in Interrogatory No. 2, any and all agreements or corporate governance documents, to include:

- a. Articles of Incorporation;
- b. Bylaws;
- c. Shareholder Agreement(s);
- d. Proxy Agreement(s);
- e. Articles of Organization;
- f. Operating Agreement(s);
- g. Certificate(s) of Partnership (to include limited partnership, limited liability partnership, and limited liability limited partnership);
- h. Partnership Agreement(s) (to include limited partnership, limited liability partnership, and limited liability limited partnership);
- i. Management Agreement(s); and
- j. Any and all agreements relating to the operation or management of companies with which President of Company is involved.

RESPONSE: None, other than Articles of Incorporation on file with the Missouri Secretary of State's Office. See also response to Interrogatory No. 2.

15. To the extent President of the Company is involved with the individuals or companies identified in Interrogatory No. 3, any and all agreements or corporate governance documents related to those relationships, to include:

- a. Articles of Incorporation;
- b. Bylaws;

- c. Shareholder Agreement(s);
- d. Proxy Agreement(s);
- e. Articles of Organization;
- f. Operating Agreement(s);
- g. Certificate(s) of Partnership (to include limited partnership, limited liability partnership, and limited liability limited partnership);
- h. Partnership Agreement(s) (to include limited partnership, limited liability partnership, and limited liability limited partnership);
- i. Management Agreement(s); and
- j. Any and all agreements relating to the operation or management of companies with which President of Company is involved.

RESPONSE: None. See also response to Interrogatory No. 3.

16. With respect to President of Company's involvement with the individuals or companies identified in Interrogatories Nos. 2 and 3, any and all corporate documents relating to action(s) taken affecting, impacting, or otherwise involving the Company Service Area, including but not limited to:

- a. Meeting minutes;
- b. Meeting resolutions; and
- c. Authorizations for President of Company to enter into transactions.

RESPONSE: None. See also responses to Interrogatory Nos. 2 and 3.

BRYDON, SWEARENGEN & ENGLAND, P.C.

By: /s/ Diana C. Carter
Diana C. Carter MBE# 50527
312 East Capitol Avenue

P. O. Box 456
Jefferson City, Missouri 65102
Telephone: (573) 635-7166
Facsimile: (573) 635-3847
Email: dcarter@brydonlaw.com

CMC Water Co.

AGREEMENT FOR PURCHASE OF BULK WATER

The CMC WATER CO. LLC ("CMC") and the GASCONY WATER CO. INC. ("Gascony"), hereby agree to the following terms for purchase of bulk water services. In consideration of the mutual promises herein, the parties agree as follows:

CMC Obligations

CMC agrees:

1. To provide bulk water for Gascony from the CMC Well Pumphouse ("Pumphouse") located on Lot 27 of Gascony Village Mobile Home Park recorded in Plat Book 3 Page 43 of the Gasconade County Recorder's Office and being situate in the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of section 15, Township 45 North, Range 6 West of the 5th P.M. at a rate of \$.003 per gallon.
2. To pay Gascony reasonable maintenance fees, not to exceed \$500.00 a year without prior written approval, for the upkeep and general maintenance of the property surrounding the Pumphouse. Payment to be deducted from a biannual bill.
3. To pay Gascony reasonable maintenance fees, not to exceed \$5000.00 a year without prior written approval, for the upkeep and general maintenance of the well, pump and supporting equipment necessary to deliver bulk water at property referenced above. Additionally payment includes the use of Gascony License to Distribute Water in conjunction with the distribution of water from above described well. Payment to be deducted from a biannual bill.
4. To reimburse Gascony for expenses incurred related to the electric utilities used in conjunction with provision of water to Gascony. Reimbursement will be deducted from a biannual bill with proof of expenses provided.
5. To reimburse Gascony in the amount of \$140.00 for the payment of assessment fees to the Gascony Village Homeowners Association and any reasonable increases or special assessments levied by said homeowners association. Reimbursement to be deducted from a biannual bill with proof of payment.
6. To reimburse Gascony for the payment of property taxes paid to Gascony County for land and pumphouse described above. Reimbursement to be deducted from a biannual bill with proof of payment.

Gascony's Obligations

Gascony agrees:

1. To provide maintenance to property surrounding pumphouse in accordance with Gascony Village requirements and bears sole responsibility for said maintenance.
2. To provide maintenance to pump, well and supporting equipment and bears sole responsibility for said maintenance.
3. To maintain current License to Distribute Water with the Missouri Public Services Commission and use such license in conjunction with the distribution of water from above described well.
4. To establish, maintain and pay for electric utilities necessary to operate well and pumphouse described above. Further agreeing to remain current with all bills for electric utilities and provide records of expenses related to operation of pumphouse and well.
5. To pay all property taxes levied by Gasconade County on property and pumphouse described above. Further agreeing to remain current and provide records of payment of taxes.
6. To pay all assessment fees levied by Gascony Village Homeowners Association as well as any special assessments. Further Gascony agrees to remain current on all assessments and provide record of payment of assessments.

Term and Termination

1. The parties agree that this Agreement shall be in effect beginning July 1, 2015, and shall remain in effect until June 30, 2018, unless terminated at an earlier date as provided herein.
2. This Agreement may be terminated immediately, upon written notice, if either party breaches any material term or condition of the Agreement.

Compliance with Law

Each party shall comply with all state or federal laws, rules, and regulations of any governmental agency having jurisdiction with respect to its performance of its obligations hereunder.

Governing Law

The provisions of this Agreement will be governed by the laws of the State of Missouri.

Severability

If a court of competent jurisdiction determines that any provision contained in this Agreement, or any part thereof, cannot be enforced, the parties agree that such determination shall not affect or invalidate the remainder of the Agreement.

Entire Agreement

1. This Agreement constitutes the entire agreement between CMC and Gascony, and supersedes all prior understandings, whether oral or written, between the parties. Any amendments or modifications to this Agreement must be in writing, approved by both CMC and Gascony.
2. The parties stipulate that neither of them has made any representation with respect to the subject matter of this Agreement or the execution and delivery of the Agreement except such representations as are specifically set forth herein.
3. Each of the parties hereto acknowledges that they have relied upon their own judgment in entering into this Agreement, and that they have been offered the opportunity to consult with legal counsel prior to signing the Agreement.

Scope of Authority

CMC shall have no authority to assume or incur any obligation or responsibility, nor make any warranty for or on behalf of Gascony for the distribution of water to customers of Gascony. CMC assumes no liability associated with the infrastructure of Gascony water distribution services.

Agreement Binding on Successors

This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the respective parties.

Indemnification

Each party bears liability solely as provided by law, and shall not be responsible for indemnifying the other.

AGREED:

Christine M. Ziegler
Administrator,
CMC Water Co.LLC

George Hoesch
President,
Gascony Water Co. Inc.

Date:

Date:

11:11 AM
 12/27/17
 Cash Basis

Gascony Water Company, Inc.
Profit & Loss
 January through December 2016

	Jan - Dec 16
Ordinary Income/Expense	
Income	
Water Income	
Resident	13,981.09
Water Usage	21,687.60
Total Water Income	35,668.69
Other Water Income	822.98
Total Income	36,491.67
Gross Profit	36,491.67
Expense	
Storage	1,200.00
Void	0.00
Registration Report	82.50
Office Supplies	59.43
Water Expense	12,362.70
Gas	630.06
Laboratory Services	200.00
Computer Service	504.00
Primacy Fee	1,135.26
Management Expense	10,000.00
Rock	446.00
Dues	340.00
Disconnect Water Line	275.00
Water Line Repair	50.00
Uncategorized Expenses	50.00
Office Rent	1,500.00
Water Parts	1,126.57
Casual Labor	1,556.00
Utilities and Telephone	5,168.07
Taxes	435.01
Office Expense	
Postage	376.00
Office Expense - Other	1,608.95
Total Office Expense	1,984.95
Equipment Expense	82.81
Total Expense	39,188.36
Net Ordinary Income	-2,696.69
Other Income/Expense	
Other Expense	
Interest Expense	2,070.00
Total Other Expense	2,070.00
Net Other Income	-2,070.00
Net Income	-4,766.69

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Gascony Water Company, Inc.
Case Filing
2017
Test Year Ending 12-31-2016
Plant In Service - Water

Line Number	A Account # (Optional)	B Plant Account Description	C Total Plant	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights - SSP	\$10,000			100.00%	\$10,000
7	311.000	Structures & Improvements - SSP	\$0	P-7	\$0	100.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Infiltration Galleries & Tunnels 1	\$0			100.00%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$0			100.00%	\$0
13		TOTAL SOURCE OF SUPPLY PLANT	\$10,000		\$0		\$10,000
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$9,661			100.00%	\$9,661
16	325.100	Electric Pumping Equipment	\$0	P-16	\$0	100.00%	\$0
17	325.200	Booster Pumping Equipment	\$0			100.00%	\$0
18	325.300	Shaft Driven Pumping Equipment	\$0			100.00%	\$0
19	327.000	Hydraulic Pumping Equipment	\$13,939			100.00%	\$13,939
20	328.000	Other Pumping Equipment	\$0			100.00%	\$0
21		TOTAL PUMPING PLANT	\$23,600		\$0		\$23,600
22		WATER TREATMENT PLANT					
23	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
24	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
25	332.000	Water Treatment Equipment	\$0	P-25	\$0	100.00%	\$0
26		TOTAL WATER TREATMENT PLANT	\$0		\$0		\$0
27		TRANSMISSION & DISTRIBUTION PLANT					
28	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
29	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
30	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
31	343.000	Transmission and Distribution Mains	\$0	P-31	\$0	100.00%	\$0
32	344.000	Fire Mains	\$0			100.00%	\$0
33	345.000	Services	\$0			100.00%	\$0
34	346.000	Meters	\$0			100.00%	\$0
35	347.300	Meter Installations	\$850			100.00%	\$850
36	373.000	Other Transmission & Distribution Plant	\$800			100.00%	\$800
37	349.000	Hydrants	\$0	P-37	\$0	100.00%	\$0
38		TOTAL TRANS. & DISTRIBUTION PLANT	\$1,650		\$0		\$1,650
39		GENERAL PLANT					
40	370.000	Land & Land Rights-GP	\$8,000			100.00%	\$8,000
41	371.000	Structures & Improvements - GP	\$27,000			100.00%	\$27,000
42	391.000	Office Furniture & Equipment	\$0	P-42	\$0	100.00%	\$0
43	391.100	Office Computer Equipment	\$1,814	P-43	\$0	100.00%	\$1,814
44	394.000	Transportation Equipment - GP	\$3,500	P-44	\$0	100.00%	\$3,500
45	397.000	Electric Generator	\$7,200			100.00%	\$7,200
46	398.000	Other General Equipment	\$8,000	P-46	\$0	100.00%	\$8,000
47		TOTAL GENERAL PLANT	\$55,514		\$0		\$55,514
48		TOTAL PLANT IN SERVICE	\$90,764		\$0		\$90,764

To Rate Base & Depreciation Schedules

Gascony Water Company, Inc.
Case Filing
2017
Test Year Ending 12-31-2016
Accumulated Depreciation Reserve - Water

Line Number	A Account Number	B Depreciation Reserve Description	C Total Reserve	D Adjustment Number	E Adjustments	F Jurisdictional Allocation	G Adjusted Jurisdictional
1		INTANGIBLE PLANT					
2	301.000	Organization	\$0			100.00%	\$0
3	302.000	Franchises	\$0			100.00%	\$0
4		TOTAL INTANGIBLE PLANT	\$0		\$0		\$0
5		SOURCE OF SUPPLY PLANT					
6	310.000	Land & Land Rights - SSP	\$0			100.00%	\$0
7	311.000	Structures & Improvements - SSP	\$0	R-7	\$0	100.00%	\$0
8	312.000	Collection & Impounding Reservoirs	\$0			100.00%	\$0
9	313.000	Lake, River & Other Intakes	\$0			100.00%	\$0
10	314.000	Infiltration Galleries & Tunnels 1	\$0	R-10	\$0	100.00%	\$0
11	315.000	Infiltration Galleries & Tunnels	\$0			100.00%	\$0
12	316.000	Supply Mains	\$0			100.00%	\$0
13		TOTAL SOURCE OF SUPPLY PLANT	\$0		\$0		\$0
14		PUMPING PLANT					
15	321.000	Structures & Improvements - PP	\$1,932			100.00%	\$1,932
16	325.100	Electric Pumping Equipment	\$0	R-16	\$0	100.00%	\$0
17	325.200	Booster Pumping Equipment	\$0			100.00%	\$0
18	326.300	Shaft Driven Pumping Equipment	\$0			100.00%	\$0
19	327.000	Hydraulic Pumping Equipment	\$6,214			100.00%	\$6,214
20	328.000	Other Pumping Equipment	\$0			100.00%	\$0
21		TOTAL PUMPING PLANT	\$8,146		\$0		\$8,146
22		WATER TREATMENT PLANT					
23	330.000	Land & Land Rights-WTP	\$0			100.00%	\$0
24	331.000	Structures & Improvements - WTP	\$0			100.00%	\$0
25	332.000	Water Treatment Equipment	\$0	R-25	\$0	100.00%	\$0
26		TOTAL WATER TREATMENT PLANT	\$0		\$0		\$0
27		TRANSMISSION & DISTRIBUTION PLANT					
28	340.000	Land & Land Rights-T&D	\$0			100.00%	\$0
29	341.000	Structures & Improvements - T&D	\$0			100.00%	\$0
30	342.000	Distribution Reservoirs & Standpipes	\$0			100.00%	\$0
31	343.000	Transmission and Distribution Mains	\$0	R-31	\$0	100.00%	\$0
32	344.000	Fire Mains	\$0			100.00%	\$0
33	345.000	Services	\$0	R-33	\$0	100.00%	\$0
34	346.000	Meters	\$0	R-34	\$0	100.00%	\$0
35	347.300	Meter Installations	\$451	R-35	\$0	100.00%	\$451
36	373.000	Other Transmission & Distribution Plant	\$48			100.00%	\$48
37	349.000	Hydrants	\$0			100.00%	\$0
38		TOTAL TRANS. & DISTRIBUTION PLANT	\$499		\$0		\$499
39		GENERAL PLANT					
40	370.000	Land & Land Rights-GP	\$0			100.00%	\$0
41	371.000	Structures & Improvements - GP	\$425			100.00%	\$425
42	391.000	Office Furniture & Equipment	\$0	R-42	\$0	100.00%	\$0
43	391.100	Office Computer Equipment	\$590	R-43	\$0	100.00%	\$590
44	394.000	Transportation Equipment - GP	\$675			100.00%	\$675
45	397.000	Electric Generator	\$540			100.00%	\$540
46	398.000	Other General Equipment	\$1,200	R-46	\$0	100.00%	\$1,200
47		TOTAL GENERAL PLANT	\$3,430		\$0		\$3,430
48		TOTAL DEPRECIATION RESERVE	\$12,075		\$0		\$12,075

To Rate Base Schedule

Accounting Schedule: 07
Sponsor: jr
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