

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

In the Matter of the Application of)	
Highway H Utilities, Inc. for Authority to Sell)	
Certain Water and Wastewater System Assets to)	
the City of Waynesville, Missouri, and Pulaski)	File No. _____
County Sewer District Number 1, and, in)	
Connection Therewith, Certain Other Related)	
Transactions.)	

APPLICATION AND REQUEST FOR WAIVER

COMES NOW Highway H Utilities, Inc. (“Highway H” or the “Company”), and, pursuant to Section 393.190, RSMo, 4 CSR 240-2.060, 4 CSR 240-3.310, and 4 CSR 240-3.605, states the following to the Missouri Public Service Commission (“Commission”):

BACKGROUND INFORMATION

1. Highway H is a Missouri corporation duly organized and existing under the laws of the State of Missouri with its principal office and place of business located at Post Office Box 308, H Highway East Outer Road, Waynesville, Missouri 65583. Highway H is engaged in the provision of water and sewer service pursuant to certificates of convenience and necessity issued by this Commission in Cases Nos. WA-90-26, WA-91-127, WA-91-128, WA-2004-0588, WA-2009-0316, and SA-2009-0317 (hereinafter, collectively, the “Certificates”).

2. Highway H is a public utility as that term is defined in Section 386.020(32), RSMo. As such, Highway H is subject to the jurisdiction, regulation, supervision, and control of the Commission insofar as it provides water and wastewater service to the public in the State of Missouri. A copy of Highway H's Certificate of Corporate Good Standing as issued by the Secretary of State of the State of Missouri is attached hereto as **Appendix A**. Highway H has no pending action or final unsatisfied judgments or decisions against it from any state or federal

agency or court which involve customer service or rates. Highway H has no assessment fees which are overdue. The Company has been found to be delinquent on the filing of its annual report in the context of a complaint with respect thereto filed by the Commission's staff which has been assigned File No. WC-2017-0318.

3. The City of Waynesville ("Waynesville") is a political subdivision of the 3rd Class organized and existing under the laws of Missouri and has its principal office at 601 Historic 66 West, Waynesville, Missouri, 65583. It owns, operates and maintains electric, natural gas and water distribution systems. Waynesville currently provides water service to approximately 1,795 customers.

4. Pulaski County Sewer District Number 1 ("PCSD") is a political subdivision and a Chapter 204, RSMo, statutory sewer district, and has its principal office at 531 Old Route 66 # A in St. Robert, Missouri (or P.O. Box 3008, Waynesville, Missouri 65583). It owns, operates, and maintains wastewater systems. PCSD currently provides wastewater service to 4,791 customers.

5. Communications in regard to this Application should be addressed to the undersigned counsel.

THE TRANSACTION

6. Highway H, Waynesville, and PCSD have entered into an Agreement for Sale of Water & Wastewater Systems ("Agreement"), a copy of which is marked **Appendix B**, and attached hereto. Pursuant to the Agreement, Waynesville and PCSD agree to obtain and acquire certain water and wastewater facilities of Highway H, known as "Northern Heights Water and Wastewater System" and the "High Point Water and Wastewater System," as specifically described in the Agreement under the terms and provisions further described in the Agreement.

7. After the proposed sale, Highway H would no longer own or operate water or

wastewater facilities and would cease to be a “public utility” regulated by the Commission. Accordingly, the Company requests that it be authorized to cease providing water and wastewater service and that the Commission cancel its Certificates and tariff.

8. Because Highway H is a water and sewer corporation doing business in the State of Missouri, it is subject to the provisions of §393.190.1, RSMo, which states, in pertinent part, that “no . . . water corporation or sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public . . . without having first secured from the Commission an order authorizing it so to do.”

ADDITIONAL INFORMATION

9. The Waynesville City Council approved an ordinance on September 21, 2017, approving the Agreement and authorizing its Mayor, Ms. Luge Hardman, to sign the Agreement on behalf of Waynesville. See **Appendix C** attached hereto.

10. The Board of Trustees of the PCSD approved an ordinance on September 19, 2017, approving the Agreement and authorizing Mr. Gary Porter, the Chairman of the Board of Trustees of PCSD, to sign the Agreement on its behalf. See **Appendix D** attached hereto.

11. Highway H’s verification of authority authorizing the sale of the subject assets and related transactions contemplated by the Agreement is attached as **Appendix E**.

12. It is unclear what impact the sale of assets may have on the tax revenues of relevant political subdivisions.

PUBLIC INTEREST

13. The proposed sale of the specified assets of Highway H and the related transactions are not detrimental to the public interest of the State of Missouri. The water systems will be acquired

by Waynesville, a municipal corporation and experienced operator of water systems. The wastewater systems will be acquired by PCSD, a public entity and experienced operator of wastewater systems.

REQUEST FOR WAIVER

14. Pursuant to Commission Rule 4 CSR 240-4.017 (1)(D), Applicant requests that the Commission waive for good cause application of the 60-day notice requirement under Commission Rule 4 CSR 240-4.017. In this regard, no representative of Applicant has had any communication with the Commission within the immediately preceding 150 days regarding the subject matter of this Application. Additionally, sixty days prior to the filing, the parties did not have fully executed agreement. Further, it would serve no purpose to wait sixty days before filing the Application for Commission approval.

WHEREFORE, Highway H respectfully requests that the Commission issue its order:

- (A) Authorizing Highway H to sell the assets identified herein;
- (B) Authorizing Highway H to perform in accordance with the terms described in the Agreement that is attached to this Application and to take any and all other actions which may be reasonably necessary and incidental to the performance of the sale;
- (C) Authorizing Highway H to cease providing water and wastewater service,
- (D) Cancelling Highway H's Certificates, and cancelling Highway H's water and sewer tariffs immediately after closing on the sale of its assets;
- (D) Granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the Agreement and the Application and to consummate related transactions in

accordance with the Agreement; and

(E) Waiving the requirement of the pre-filing notice specified in Commission rule 4 CSR 240-4.017(1)(D).

Respectfully submitted,

Paul A. Boudreau

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ATTORNEYS FOR HIGHWAY H UTILITIES, INC.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following this 9th day of October, 2017:

Office of the General Counsel
staffcounsel@psc.mo.gov

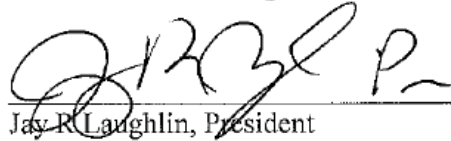
Office of the Public Counsel
opc@ded.mo.gov

Paul A. Boudreau

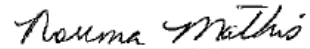
AFFIDAVIT

State of Missouri)
County of Pulaski) ss

I, Jay R. Laughlin, having been duly sworn upon my oath, state that I am the President of Highway H Utilities, Inc., that I am duly authorized to make this affidavit on behalf of the Highway H Utilities, Inc. and that the matters and things stated in the foregoing Application and appendices thereto are true and correct to the best of my information, knowledge and belief.


Jay R. Laughlin, President

Subscribed and sworn before me this 18 day of September, 2017.


Notary Public

My Commission expires:

Nov. 20, 2020

