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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 21st
day of December, 1999.

In the Matter of the Application of Central)
Rivers Wastewater Utility, Inc., for a)
Certificate of Convenience and Necessity)
Authorizing It to Construct, Install, Own,)
Operate, Control, Manage, and Maintain a)
Sewer System for the Public, Located in an)
Unincorporated Area in Clay County, Missouri.)
Case No. SA-2000-248

ORDER GRANTING CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY

On September 22, 1999, Central Rivers Wastewater Utility, Inc. (CRW or Applicant), filed an application with the Commission seeking a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain a sewer system for the public in an unincorporated area of Clay County, Missouri. In addition to a map and metes and bounds description of the proposed area, CRW filed a feasibility study and stated in its application that no other utility, regulated or unregulated, currently operates a sewer or water system in the proposed area. The application was deficient in certain respects and, on September 24, 1999, the Commission issued its Order Directing Filing, requiring CRW to supplement its application within ten days. CRW filed its Addendum supplementing its application on October 5, 1999.

On September 24, 1999, the Commission issued an Order and Notice and directed interested parties to file an application to intervene no

later than October 25, 1999. No applications to intervene were filed. Also on September 24, 1999, the Commission directed the Staff of the Missouri Public Service Commission (Staff) to review the application and submit a memorandum, including a recommendation as to whether or not the application should be granted, no later than November 23, 1999. Staff filed its memorandum on November 24, 1999.

In its memorandum, the Staff recommends that the Commission approve the application. Staff notes that the Commission granted a certificate to CRW to provide sewer service in Countryside Meadows subdivision on May 25, 1999, in Case No. SA-98-530. The present application is for Wil-Mar Estates subdivision.

Staff states that it has reached an agreement with CRW whereby CRW will charge the same rate for sewer service, \$32.00 per month, already established in Case No. SA-98-530. As provided in the order granting certificate in that case, Staff will conduct a review subsequent to May, 2001.

Staff further states that CRW proposes to use a septic tank effluent pump (STEP) system at Wil-Mar Estates, which requires a septic tank and pump at each customer's premises. CRW also uses a STEP system at Countryside Meadows. While the customers will own the tanks and pumps, CRW will maintain them, replace the pumps when needed, empty the tanks as needed, and inspect each tank and pump annually. CRW proposes a STEP installation charge of \$4,500 per lot for homes of three bedrooms or less, and \$4,800 per lot for larger homes, which require a larger tank. These charges are the same as those approved in Case No. SA-98-530. Staff and

CRW have agreed that the subdivision developer will record a subdivision restriction referencing the tariffed STEP installation charges.

CRW and Staff have agreed that CRW will continue to use the depreciation schedule approved in Case No. SA-98-530. Staff recommends the Commission approve the application, approve a rate for sewer service of \$32.00 per month, approve the proposed STEP installation charges, order CRW to file amended tariffs, order CRW to keep its books and records pursuant to the Uniform System of Accounts, and order CRW to continue to use its existing depreciation schedule.

The Office of the Public Counsel has been served copies of the application and all subsequent pleadings but has not filed any pleadings. Since no one requested permission to intervene, and since there are no requests for a hearing, the Commission determines that no hearing is necessary. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989).

The Commission finds that the application meets the statutory requirement of Section 393.170.3, RSMo 1994, and the Applicant is authorized to construct, install, own, operate, control, manage and maintain sewer facilities and to render sewer service for the public located in the unincorporated area of Clay County as described by the map and metes and bounds description attached to the application filed by CRW on September 22, 1999. The Commission also finds that the proposed rate of \$32.00 per month and the proposed STEP installation charges are just and reasonable.

IT IS THEREFORE ORDERED:

1. That Central Rivers Wastewater Utility, Inc., is granted a certificate of public convenience and necessity to construct, install, own, operate, control, manage and maintain sewer facilities and to render sewer service for the public located in the unincorporated area of Clay County as described by the map and metes and bounds description attached to its application filed on September 22, 1999.

2. That the certificate of convenience and necessity referenced in ordered paragraph 1 shall become effective on the effective date of this order; however, Central Rivers Wastewater Utility, Inc., shall not provide service to customers in Wil-Mar Estates subdivision until the tariffs referenced in ordered paragraph 3 herein are approved.

3. That within 60 days of the effective date of this order, Central Rivers Wastewater Utility, Inc., shall file with the Commission appropriate amended tariff sheets, consistent with this order, describing the terms and conditions under which it will provide sewer service in Clay County, Missouri. The Staff of the Missouri Public Service Commission shall file a pleading in this case advising the Commission that the tariffs have been filed.

4. That nothing in this order shall be considered a finding by the Commission of the reasonableness of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed on said property.

5. That the Commission reserves the right to consider the ratemaking treatment to be afforded the expenditures and properties herein involved, and the resulting cost of capital, in any later proceeding.

6. That the review period for the appropriateness of the sewer rates, established in Case No. SA-98-530, shall also apply to this case. Staff shall file its recommendation regarding the appropriateness of the sewer rates in both cases at the conclusion of the review period.

7. That Central Rivers Wastewater Utility, Inc., shall continue to use the depreciation rates approved in Case No. SA-98-530.

8. That Central Rivers Wastewater Utility, Inc., shall keep its books and records pursuant to the Uniform System of Accounts.

9. That this order shall become effective on December 31, 1999.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Crumpton, Drainer,
Murray and Schemenauer, CC., concur.

Thompson, Deputy Chief Regulatory Law Judge

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DEC 2 , 1999

COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION