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

In the Matter of the Application of Quail     )  
Run Water and Land Company to Sell its     )  
Waterworks and Related Assets to the     )     **Case No. WM-99-27**  
Public Funding Corporation of the City of     )  
Ozark, Missouri.     )

**ORDER AND NOTICE**

On July 13, 1998, Quail Run Water and Land Company (Quail Run or Seller) and Public Funding Corporation of the City of Ozark, Missouri (Public Funding Corporation or Buyer) filed a joint application pursuant to Section 393.190, RSMo (1994) requesting the Commission approve the sale of Quail Run's water works and related assets to the Public Funding Corporation. Following the closing of the transaction, if approved by the Commission, the Public Funding Corporation will enter into a "lease/purchase from Buyer" of these assets to the City of Ozark. It is Quail Run's intention to discontinue providing service in its service area as of the date of sale and transfer to the Public Funding Corporation.

Quail Run states that it is a Missouri corporation duly organized and existing under the laws of the State of Missouri as evidenced by the Certificate of Corporate Good Standing attached to the joint application as Exhibit A. Further, Quail Run's principal office and place of business is located at 1536 Quail Run Road, Ozark, Missouri 65714. The joint applicants also state that the Public Funding Corporation of the City of Ozark, Missouri is a not-for-profit corporation existing under

the laws of the State of Missouri as evidenced by its Certificate of Corporate Good Standing attached to the application as Exhibit B. Further, the intended lessee/purchaser of the water works is the City of Ozark, a municipality existing under the laws of the State of Missouri. The applicants state that the proposed transaction is not detrimental to the public interest in that service provided will not be changed. Notice to all present customers of Quail Run is proposed and a copy of the notice to be sent to all present customers of Quail Run is referred to in the application as Exhibit G, but no exhibit marked "G" was found with the documents filed as attachments to this joint application. The last page of the documents filed with the joint application does not have any designation as an exhibit, but is entitled "Notice To: All Water Customers of Quail Run Water and Land Company."

Joint applicants state that upon the receipt of the proceeds from the sale, Quail Run intends to discontinue providing water service and the City of Ozark as lessee/purchaser from Buyer will immediately and without interruption begin to provide water service in the service area. Further, joint applicants state that

"Buyer intends to utilize its existing rates for the former customers of Seller. Although Buyer's existing rates are somewhat higher than Seller's current rates, it should be noted that Seller has not increased its rates since the inception of water service in 1990."

The joint applicants further state that Buyer will be in a better financial position than Seller was to adequately maintain the water system to ensure that customers receive safe and adequate water service in the future. The proposed transfer will have no impact on tax revenues of Christian County as shown by Exhibit H, a letter dated March 19, 1998 from the Office of the Assessor of Christian County, Missouri, which

indicates that "[T]he proposed sale of assets of the Quail Run Water and Land Company to the Public Funding Corporation of the City of Ozark, and the subsequent lease/purchase to the City of Ozark, Missouri, will not effect the tax revenues in Christian County, Missouri." The letter is signed by Tommy Bilyeu, Assessor.

The Commission determines that notice of the proposed sale should be given, either by direct mail or by billing insert, to Quail Run's customers. The direct mailing or billing insert should provide, at a minimum, the following information: (1) identity of the parties to the contract; (2) a general statement of what property is being sold; (3) a general statement of the anticipated impact on rates; and (4) a statement referring any questions or concerns to the Office of the Public Counsel, Post Office Box 7800, Jefferson City, Missouri 65102 by August 31, 1998. The notice attached as the last document of the attachments to the joint application will only be adequate if the reference to the Office of the Public Counsel and its address is added before the notice is sent to customers.

The Commission further determines that proper parties should be given an opportunity to intervene in this case. Applications to intervene should be submitted to the Secretary of the Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102. Copies of the application to intervene should be sent to:

Bill Vanvig  
Quail Run Water and Land Company  
4624 North Quail Run Road  
Ozark, Missouri 65721

Steve Horton  
City Administrator  
City of Ozark  
P.O. Box 295  
Ozark, Missouri 65721

David N. Appleby  
Attorney at Law  
119 North Second Street  
P.O. Box 158  
Ozark, Missouri 65721

James M. Fischer  
Attorney at Law  
101 West McCarty Street, Suite 215  
Jefferson City, Missouri 65101

The Records Department of the Commission shall send a copy of this order to the county commission of Christian County, Missouri. In addition, the Information Officer of the Commission shall send a notice of this application to each newspaper located in Christian County, Missouri, as listed in the newspaper directory of the current *Official Manual of the State of Missouri* and to all members of the General Assembly representing Christian County.

The requirement of a hearing has been fulfilled when all those having a desire to be heard are offered such an opportunity. If no proper party or governmental entity files an application to intervene and neither the Commission's Staff nor the Office of the Public Counsel requests a hearing, the Commission may determine that a hearing is not necessary and that the applicant may submit evidence in support of the application by verified statement. State ex rel. Deffenderfer Enterprises, Inc. v. P.S.C., 776 S.W.2d 494, 496 (Mo. App. 1989).

**IT IS THEREFORE ORDERED:**

1. That the Records Department of the Missouri Public Service Commission shall provide notice as set out herein.

2. That the Information Officer of the Missouri Public Service Commission is ordered to provide notice as set out herein.

3. That Quail Run Water and Land Company shall provide notice to its customers as set out herein.

4. That any interested party wishing to intervene in this case shall file an application to do so no later than August 31, 1998. Such applications shall be filed with the Secretary of the Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102.

5. That this order shall become effective on August 10, 1998.

BY THE COMMISSION



Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge

(S E A L)

Shelly A. Register, Regulatory Law Judge  
by delegation of authority  
pursuant to 4 CSR 240-2.120(1),  
(November 30, 1995) and Section 386.240,  
RSMo 1994.

Dated at Jefferson City, Missouri,  
on this 29th day of July, 1998.

**R E C E I V E D**

JUL 29 1998

COMMISSION COUNSEL  
PUBLIC SERVICE COMMISSION