

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
JEFFERSON CITY**

July 13, 2000

CASE NO: SA-2000-417

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Enclosed find certified copy of an ORDER in the above-numbered case(s).

Sincerely,



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 13th
day of July, 2000.

In the Matter of the Application of)
North Oak Sewer District, Inc. for a)
Certificate of Convenience and Necessity)
Authorizing it to Construct, Install,)
Own, Operate, Control, Manage, and) Case No. SA-2000-417
Maintain a Sewer System for the Public,)
Located in an Unincorporated Area in)
Warren County, Missouri)

ORDER APPROVING APPLICATION

On January 12, 2000, North Oak Sewer District, Inc. (North Oak) filed an application for a certificate of public convenience and necessity for authorization to construct, own, and operate a sewer system for the public in an unincorporated area of Warren County, Missouri. On January 14, the Commission issued an Order and Notice that directed any interested parties to file an application for intervention no later than February 3. No requests to intervene were received by the Commission.

On June 26, the Staff of the Public Service Commission (Staff) filed a Recommendation and Memorandum. Staff recommends that the Commission grant North Oak a certificate of convenience and necessity as requested in North Oak's application, subject to certain conditions. 4 CSR 240-2.080(16) provides that parties shall be allowed not more than ten (10) days from the date of filing in which to respond to any pleading unless otherwise ordered by the commission. More than ten days have

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passed since Staff filed its Recommendation and Memorandum and no responses have been filed.

Staff's Memorandum indicates that North Oak proposes to provide sewer service to a subdivision located in an unincorporated area of Warren County. North Oak has taken over an existing, unregulated, sewer system in the subdivision and has constructed a new and larger sewer treatment facility that, along with additional collecting sewers, will allow further development in the subdivision. Staff indicates that it has reached agreement with North Oak regarding customer rates that North Oak will submit in a tariff filing once the Commission approves its application for a certificate of convenience and necessity. The rates agreed upon by Staff and North Oak are set forth in Staff's Memorandum.

Staff believes that there is a need for the service that North Oak proposes to provide, that North Oak is qualified to provide the proposed service, that North Oak has the financial ability to provide the proposed service, that the proposal is economically feasible and that the proposed service will promote the public interest.

Staff recommends that the Commission issue an order that:

1. Grants a Certificate of Convenience and Necessity to North Oak to provision sewer service in the service area requested in its Application;
2. Approves the agreement regarding tariff rates and customer classes made by the Staff and North Oak;
3. Directs North Oak to file a tariff that reflects rates and other provisions as approved and ordered by the Commission;

4. Directs North Oak to keep its books and records in accordance with the Uniform System of Accounts, including records of plant operations, all capital investments, CIAC collections and depreciation expenses;
5. Directs the Staff to conduct a rate review twenty-four (24) months after the effective date of the tariff to be submitted by North Oak;
6. Directs North Oak to submit to the Accounting Department's St. Louis office a customer count on January 15 and July 15 of each year, until the Staff conducts a review of the rates established in this case; and
7. Makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the requested certificate of convenience and necessity, including expenditures related to the certificated service area or any other expenditures by North Oak, in any later proceeding.

The requirement for a hearing is met when the opportunity for hearing has been provided and no proper party has requested the opportunity to present evidence. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). Since no one has requested a hearing in this case, the Commission may grant the relief requested based on the Recommendation and Memorandum of Staff.

IT IS THEREFORE ORDERED:

1. That a Certificate of Convenience and Necessity is granted to North Oak Sewer District, Inc. to construct, install, own, operate, control, manage and maintain a system for the provision of sewer service, to serve a new service area in Warren County, Missouri, more particularly described in its application.

2. That the agreement regarding tariff rates and customer classes made between the Staff of the Commission and North Oak Sewer District, Inc., is approved.

3. That no later than August 14, 2000, North Oak Sewer District, Inc. shall file a 30-day tariff reflecting the tariff rates and customer classes set forth in its agreement with the Staff of the Commission.

4. That the Certificate of Convenience and Necessity granted to North Oak Sewer District, Inc. shall become effective upon the effective date of its tariff.

5. That North Oak Sewer District, Inc. shall keep its books and records in accordance with the Uniform System of Accounts, including records of plant operations, all capital investments, CIAC collections and depreciation expenses.

6. That Staff shall conduct a rate review 24 months after the effective date of the tariffs filed in this case.

7. That North Oak Sewer District, Inc., shall submit to the Commission's Accounting Department's St. Louis Office, a customer count

on January 15 and July 15 of each year, until the Staff of the Commission conducts a review of the rates established in this case.

8. That nothing in this order should be considered a finding by the Commission of the reasonableness of the expenditures involved with Warren County Sewer District, Inc.'s provision of service in the subject service area, of the value for ratemaking purposes of the properties involved in Warren County Sewer District, Inc.'s provision of service, or as an acquiescence to any method of cost determination, cost allocation or ratemaking principle.

9. That the Commission reserves the right to consider the ratemaking treatment to be afforded the costs associated with Warren County Sewer District, Inc.'s provision of service in the subject service area in any future ratemaking proceeding or other appropriate Commission proceeding.

10. That this order shall become effective on July 25, 2000.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

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

Woodruff, Regulatory Law Judge

ALJ/Sec'y: Woodruff/Boyce

7-7 Date Circulated SA-2000-417 CASE NO.

SL
Lampe, Chair

mal
Draimer, Vice Chair

CM
Murray, Commissioner

JS
Schemenauer, Commissioner

KS
Simmons, Commissioner

7-13
Agenda Date

Action taken: 5-OAS
Must Vote Not Later Than _____

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

I have compared the preceding copy with the original on file in this office and

I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 13th day of July 2000.

Dale Hardy Roberts

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

