

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 9th
day of October, 1992.

In the matter of the application of Jefferson County)
Water Company to transfer its franchise, works, or) CASE NO. WM-92-310
system to KMB Utility Corporation.)

ORDER APPROVING TRANSFER OF ASSETS

On July 19, 1992, Jefferson County Water Company (Jefferson County) and KMB Utility Corporation (KMB) filed a joint application requesting authority to transfer Jefferson County's franchise, works or system to KMB. The joint application also seeks authority for Jefferson County to discontinue providing water service in its certificated area, and for KMB to provide water service in the certificated area, as of the date of the transfer of properties from Jefferson County to KMB. On June 26, 1992, the Commission issued an Order and Notice directing those wishing to intervene to do so by July 27, 1992. Since no one intervened and neither the Staff of the Commission (Staff) nor the Office of the Public Counsel (OPC) requested a hearing, Jefferson County and KMB were allowed to submit evidence in support of their application by affidavit.

Jefferson County and KMB are both water corporations and public utilities subject to the jurisdiction of the Commission. KMB currently provides water service to customers in its Missouri service area, and has been purchasing smaller systems to be operated as one utility, a concept lauded by Staff. Also, KMB's owner is an engineer experienced in the water utility field.

On September 22, 1992, Staff filed a memorandum recommending the Commission approve the application subject to several conditions. The provisions recommended by Staff include:

1. that KMB notify the Commission upon consummation of the sale;
2. that KMB file new tariff sheets to include a metes and bounds description and a map of the service area acquired from Jefferson County, and a rate sheet containing rates identical to current rates approved for Jefferson County, within ten days after the effective date of this Order;
3. that upon approval of the new tariff sheets to be submitted by KMB, the Commission grant KMB a Certificate of Convenience and Necessity to provide water service in the area now served by Jefferson County, and cancel Jefferson County's Certificate of Convenience and Necessity and current tariff;
4. that KMB submit a plan to Staff containing a definite timetable to have all of Jefferson County's customers metered; and
5. that any former customer of Jefferson County with a delinquent account must be given adequate written notice by KMB before the customer's water service is disconnected.

Upon review of the application and Staff's recommendation, the Commission finds that, because KMB is currently providing water service in Missouri and it has adequate personnel to effectively handle the operation of Jefferson County's water system, the transfer is in the public interest and the application should be approved. The Commission also finds that the conditions recommended by Staff as set forth herein are reasonable.

IT IS THEREFORE ORDERED:

1. That the transfer of the franchise, works, and system of Jefferson County Water Company to KMB Utility Corporation is hereby approved, subject to the terms and conditions set forth in this Order.

2. That Jefferson County Water Company and KMB Utility Corporation are hereby authorized to take any and all other actions necessary to effectuate the transactions contemplated by the application and this Order.

3. That nothing in this Order shall be considered as a finding by the Commission of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed upon said property by the Applicants.

4. That the Commission reserves the right to consider the ratemaking treatment to be afforded these transactions in any later proceeding.

5. That this Order shall become effective on October 20, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch
and Perkins, CC., Concur.
Kincheloe, C., Absent.