

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

August 22, 2000

CASE NO: SA-2000-295

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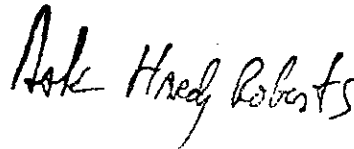
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Enclosed find certified copy of an ORDER in the above-numbered case(s).

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 22nd
day of August, 2000.

In the Matter of the Application of Lake Region)
Water & Sewer Company for a Certificate of Public)
Convenience and Necessity Authorizing It to)
Construct, Install, Own, Operate, Control, Manage,)
and Maintain a Centralized Sewage Collection and)
Treatment System in an Area in an Unincorporated)
Area in Camden County, Missouri, as an Expansion)
of Its Existing Certificated Area.)

Case No. SA-2000-295

**ORDER GRANTING CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY**

On October 22, 1999, Lake Region Water & Sewer Company (Applicant or LRWS) filed an application with the Public Service Commission requesting permission, approval and a certificate of public convenience and necessity to increase its existing certificated areas into Horseshoe Bend in Camden County, adjacent to the Applicant's present service area. The Commission issued an order and notice of the application of October 25, 1999.

The Commission granted intervention out of time to Bristol Bay Condominium Owners' Association, Inc.; The Falls Condominium Owners' Association, Inc.; Regatta Bay Owners' Condominium Association, Inc.; Southwood Shores Condominium Owners Association, Inc.; The Willows Condominium Owners' Association, Inc.; and Four Seasons Lakesites, Inc. These associations all owned existing private sewer systems in the new proposed service area. After a prehearing conference on March 13, 2000,

Applicant filed direct testimony and an amended application on May 16, 2000. The amended application sought a much smaller service area, which essentially does not impact any of the intervenors. The new area does not exclude property owned by intervenor Four Seasons Lakesites, Inc.

According to the procedural schedule, rebuttal testimony by all parties was due on June 30, 2000. No party filed rebuttal testimony.

On July 21, 2000, Applicant filed a Unanimous Stipulation and Agreement and Motion to Cancel Procedural Schedule. The Commission suspended the Procedural Schedule and, on August 1, 2000, directed the Staff of the Public Service Commission (Staff) to respond to the Stipulation and Agreement by August 7.

Staff's recommendation was filed on August 3, 2000. In its recommendation, Staff stated that the intervenors have wastewater treatment facilities within the originally proposed area. The intervenors' primary concern appeared to be the uncertainty of any negative impact they might experience by being within the service area of a larger sewer utility with respect to the continued use of their treatment facilities. Applicant satisfied the intervenors' concerns with the amended application.

According to Staff's Recommendation, Applicant's amended application modifying the proposed service area, direct testimony on behalf of LRWS, and responses to Staff's questions have satisfied Staff's concerns regarding LRWS's request for an expanded service area. Staff stated that the service proposed amended area is considerably smaller than the area originally proposed and is essentially the first phase of what could become a much larger service area. In Staff's opinion, the proposed area as

amended is a logical extension of LRWS's current service area and will bring much needed sewer service to current and future homeowners on Horseshoe Bend at the Lake of the Ozarks.

Staff states that, as proposed in both the original and amended applications, the collected wastewater will be treated at a large regional-size facility that is owned and operated by the cities of Osage Beach and Lake Ozark. Additionally, the treated sewage will be discharged downstream of the lake.

LRWS and Staff have agreed that Applicant will utilize its current Commission-approved monthly rates, with a review of the rates to be conducted by Staff subsequent to May 2002. Staff states that LRWS will continue to use depreciation rates that were established in previous cases.

Staff states that it is of the opinion that the granting of the Certificate to Applicant is reasonable and in the public interest, and that the Applicant is qualified to provide the service contemplated for the expanded service area. Therefore, Staff recommends that the Commission approve the Unanimous Stipulation and Agreement.

The Office of the Public Counsel has been served copies of the application and all subsequent pleadings, but has not filed any pleadings. 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 it is in the public interest for Applicant to construct, install, own, operate, control, manage, and maintain sewer facilities and to render sewer service for the public located in the area

of Horseshoe Bend in Camden County, adjacent to the Applicant's present service area as described by the map and metes and bounds description attached to the amended application filed May 16, 2000. The Commission also finds that the Applicant will utilize its current Commission-approved monthly rates, with a review of the rates to be conducted by Staff subsequent to May 2002. The Commission finds that Applicant's continued use of depreciation rates that were established in previous certificate cases is just and reasonable.

IT IS THEREFORE ORDERED:

1. That Lake Region Water & Sewer Company 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 area of Horseshoe Bend in Camden County as described by the map and metes and bounds description attached to its amended application filed on May 16, 2000.

2. That any and all expanded area of service by Lake Region Water & Sewer Company shall be governed by Lake Region Water & Sewer Company's current Commission-approved monthly rates and that Lake Region Water & Sewer Company shall continue to use depreciation rates established in previous certificate cases.

3. 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.

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

5. That the Commission establishes a review period for the appropriateness of the sewer rates, and that Staff shall file its recommendation regarding the appropriateness of the sewer rates at the conclusion of the review period, in May 2002.

6. That this order shall become effective on September 1, 2000.

7. That this case shall be closed on September 5, 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.

Thompson, Deputy Chief Regulatory Law Judge

Atty/Sec'y: Thompson (Dwyer) / Pope

Date Circulated 8-15 CASE NO. SA-2000-295

LL
Lumpke, Chair

ADP
Draimer, Vice Chair

CM
Murray, Commissioner

DS
Schemmmer, Commissioner

FS
Stannous, Commissioner

Agenda Date 8-22 pr. 13, 4

Action taken: 5-045
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 22nd day of August 2000.

Dale Hardy Roberts
Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

