

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 26th
day of June, 1992.

In the matter of the joint application of Waters)
Edge Estates Sewer Company and the Boone County)
Regional Sewer District for an order authorizing)
the sale, transfer and assignment of Waters Edge)
Estates Sewer Company's service area, works and) CASE NO. SM-92-273
system regulated by the Public Service Commission)
of the State of Missouri to the Boone County)
Regional Sewer District, and for the Boone County)
Regional Sewer District to acquire the same.)

ORDER APPROVING TRANSFER OF ASSETS

On May 11, 1992, Waters Edge Estates Sewer Company (Waters Edge) filed an application seeking authority to sell, transfer and assign its service area, works and system to the Boone County Regional Sewer District (District). Waters Edge is a regulated sewer utility which is owned by the developer of Waters Edge Estates. The sewer system was initially built to serve only the Waters Edge Estates development. Presently, however, Waters Edge also provides service to some neighboring subdivisions. The District is a public body providing sewer service to customers in Boone County and is not subject to the Commission's jurisdiction. The District has acquired numerous private sewer utilities in Boone County within the past several years. Waters Edge is the last remaining sewer system in Boone County operated by a regulated utility.

If the proposed transfer is approved, residential customers currently served by Waters Edge would experience an increase in rates. For a customer using 6,000 gallons during the months of January, February and March, the monthly sewer bill would increase from \$7.71 to \$14.50, an increase of 88 percent.

On May 15, 1992, the Commission issued an Order and Notice directing its Executive Secretary to send notice of the application. The Commission also directed Waters Edge to send notice of the application to its customers. The

Commission stated that if no one filed an application to intervene or motion for hearing, Waters Edge would be allowed to submit evidence in support of the application by verified statement. No application to intervene nor motion for hearing was filed.

On June 18, 1992, the Staff of the Commission (Staff) filed a memorandum recommending that the Commission approve the proposed transfer. Staff indicated that the District was capable of operating the Waters Edge sewer system, and that, although the rate impact is substantial, Waters Edge has not had a rate increase in the eleven years it has been providing service.

The Commission finds that the District exists for the purpose of providing sewer service and is capable of operating the Waters Edge sewer system on an ongoing basis. The Commission also finds that the impact on rates from the proposed transfer is reasonable in that Waters Edge has not had a rate increase in the eleven years it has been in operation, and no Waters Edge customer has opposed the application. Thus, the Commission finds that the proposed transfer is in the public interest and should be approved.

IT IS THEREFORE ORDERED:

1. That the application of Waters Edge Estates Sewer Company to sell, transfer and assign its service area, works and system to the Boone County Regional Sewer District is hereby approved.

2. That Waters Edge Estates Sewer Company is hereby authorized to take any and all actions necessary to effectuate the transactions contemplated by the application and this Order.

3. That Waters Edge Estates Sewer Company shall notify the Commission of the date of the sale closing within five (5) days after the sale is completed.

4. That upon receipt of the notice directed in Ordered Paragraph 3, the certificate of convenience and necessity and the tariff currently on file for Waters Edge Estates Sewer Company shall be canceled.

5. That this Order shall become effective on July 1, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

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