

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held at its office
in Jefferson City on the 3rd
day of July, 1991.

In the matter of the application of Batson)	
Development Company for an order of the)	
Public Service Commission approving the)	<u>Case No. WM-91-309</u>
sale of its water system to Butler County)	
Water Supply District No. 1.)	

ORDER AUTHORIZING SALE OF FRANCHISE

On April 9, 1991, Batson Development Company (Applicant) filed an application seeking Commission approval to sell Batson Mini Farms Water Supply and Distribution System to the Butler County Public Water Supply District No. 1 (District No. 1), all of the real estate, appurtenances, equipment, works and system necessary and useful in the provision of water service; authorization to discontinue to provide water service in a certified area; and authorization to distribute the proceeds of the subject sale to Applicant's shareholders.

By order issued on April 26, 1991, the Commission gave notice of the pending application to potentially interested parties. The order, which also established an intervention deadline, stated that if no proper person intervened and neither Public Counsel nor the Staff of the Missouri Public Service Commission (Staff) requested a hearing, Applicant would be allowed to submit its evidence by verified statement. There have been no applications for intervention or requests for a hearing.

On June 25, 1991, Staff filed its written recommendation of approval of the application. Upon consideration of the verified application and the recommendation of its Staff, the Commission determines that a hearing is unnecessary and finds and concludes as follows.

Applicant is a Missouri corporation with its principal office and place of business at Route 1, Box 238-A, Poplar Bluff, Missouri 63901.

Applicant is authorized by this Commission to operate a water system as a public utility as defined in Section 386.020, RSMo 1986.

Staff's recommendation states that Applicant has been providing water and sewer service to a subdivision in Poplar Bluff known as Batson Mini Farms since 1979. The proposed sale only includes the water system. Applicant will remain a regulated sewer company after the proposed sale takes place.

Additionally, Staff states that customers of the Applicant will experience an increase in water rates if the sale is approved. Although water bills will increase by 20.8%, it must be considered that Applicant has not had a rate increase since its rates were approved in 1979. The increase amounts to approximately a 1.7% per year. District No. 1 does have a meter deposit of \$30.00 but will assess a deposit of \$20.00 to Applicant's customers if the deposit is paid within 60 days of the sale. District No. 1 has plans to improve the water system by increasing pressure and installing a chlorination facility for disinfection. Furthermore, the owner of the Company, Mr. Batson, is retired and wishes to be relieved of the responsibility of this system. District No. 1 is an ongoing public body with professional utility people involved and can provide ongoing utility service.

The Commission has jurisdiction over this matter pursuant to Section 393.190, RSMo 1986 and 4 CSR 240-2.060(3). The Commission determines that the benefits the customers of Applicant will receive from the proposed sale far outweigh the additional expense of the meter deposit charge and 20.8% increase in water rates. Therefore, the Commission is of the opinion and concludes that the proposed sale and transfer of assets are not detrimental to the public interest and should be approved.

IT IS THEREFORE ORDERED:

1. That the application to sell and transfer the franchise, works and system of Batson Mini Farms Water Supply Company to the Butler County Public Water Supply District No. 1, filed herein on April 9, 1991, be granted.

2. That Batson Development Company shall inform the Commission of the date on which the transfer herein authorized is effective and the date on which service is assumed by the Butler County Public Water Supply District No. 1 and, upon such notification, the certification held by Batson Development Company for authority to provide water service be cancelled and the tariff for water service on file for Batson Development Company be cancelled.

3. That this order shall become effective on the date hereof.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

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