

OF THE STATE OF MISSOURI

In the matter of the application of Oak Tres, Inc.,)
to sell and transfer the franchise, works or system)
to Osage Water Company of Camden County, Missouri.) Case No. WM-89-73
)

APPEARANCES: Faye M. Coultas, Attorney at Law, Post Office Box 1157,
Osage Beach, Missouri 65065, for Oak Tres, Inc.

HEARING
EXAMINER: Alisa M. Dotson.

REPORT AND ORDER

On October 4, 1988, Oak Tres, Inc. (Applicant) filed a verified application seeking an order authorizing the sale and transfer of all of its franchise, works and system to the Osage Water Company of Camden County, Missouri (Company). Applicant further requested that the order authorize Oak Tres to distribute the proceeds of the sale to the shareholders of Oak Tres and that Oak Tres be authorized to discontinue providing water service in its certificated area as of the date of sale and transfer of its properties to the Company.

Applicant is subject to the jurisdiction of the Commission pursuant to Chapters 386 and 393. The application was filed pursuant to Section 393.190, R.S.Mo. 1986, and the filing requirements of Commission rule 4 CSR 240-2.060(3). Applicant has fulfilled the filing requirements of said Commission rule.

Applicant stated in its application that no real estate taxes or personal property taxes are assessed on the property, and the proposed transaction would have no effect on any sales or use taxes.

The Company is a corporation established and existing pursuant to Chapter 351, R.S.Mo. 1986. It presently provides no water service to any area in the state of Missouri.

On October 12, 1988, the Commission issued an Order And Notice of this proposed sale. Notice was sent to the County Commissioners of Camden County, Missouri, the mayor of the city in which Applicant is located, and to the newspapers which serve the area in question. The order also requested that any person(s) or entity(ies) desiring to formally comment on this application file a notice on or before November 11, 1988, with the Public Service Commission. No such filings were received by the Commission.

On October 25, 1988, the Commission's Water and Sewer Department (Staff) filed a memorandum recommending that the Commission approve the proposed transfer. The Staff further recommended that the Osage Water Company file a complete updated tariff within 60 days of the effective date of this Report And Order, which will replace the tariff currently on file.

Staff cited as basis for its approval Applicant's lack of adequate utility management which has resulted in problems that include water outages and low pressures. Staff stated that although Company's experience is chiefly in the sewage treatment field, it is capable of operating a water system such as this one and is in a position to manage the utility.

Based on the application and its attachments and the recommendation of the Staff that the proposed transfer be approved, the Commission has determined that the transfer should be authorized without further proceeding and that the Applicant should be permitted to discontinue providing water service in its certificated area as provided hereinafter. The Commission has determined that the public interest will be served by the transfer authorized herein.

It is, therefore,

ORDERED: 1. That the sale and transfer of its franchise works and system by Oak Tres, Inc., to Osage Water Company of Camden County, Missouri, is authorized hereby.

ORDERED: 2. That Oak Tres, Inc., is directed hereby to notify the Commission upon the completion of the sale and transfer authorized herein.

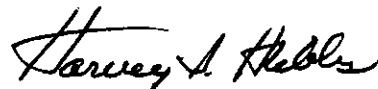
ORDERED: 3. That upon notification, Oak Tres, Inc., is authorized to discontinue providing water service in its certificated area.

ORDERED: 4. That Osage Water Company file a complete updated tariff within sixty (60) days of the effective date of this Report And Order.

ORDERED: 5. That the Secretary of the Commission shall send a copy of this order to the County Clerk of Camden County, Missouri, wherein the facilities to be sold and transferred are located.

ORDERED: 6. That this Report And Order shall become effective on the 2nd day of December, 1988.

BY THE COMMISSION



Harvey G. Hubbs
Secretary

(S E A L)

Steinmeier, Chm., Musgrave,
Mueller, Hendren and Fischer,
CC., Concur.

Dated at Jefferson City, Missouri,
on this 22nd day of November, 1988.