

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 23rd day
of October, 2013.

In the Matter of Central Rivers Wastewater Utility, Inc.)	
For a Certificate of Convenience and Necessity)	
Authorizing it to Construct, Install, Own, Operate,)	<u>File No. SA-2014-0005</u>
Maintain, Control and Manage a Sewer System)	
In Clinton County, Missouri)	

**ORDER GRANTING CERTIFICATE OF
CONVENIENCE AND NECESSITY**

Issue Date: October 23, 2013

Effective Date: November 2, 2013

On July 2, 2013, Central Rivers Wastewater Utility, Inc. ("Central Rivers") filed an application with the Missouri Public Service Commission ("Commission") requesting the Commission grant it a Certificate of Convenience and Necessity ("CCN") to construct, install, own, operate, maintain, control, and manage a sewer system for the public in an area in Clinton County, Missouri. The requested CCN would allow Central Rivers to provide wastewater treatment and collection system operation and maintenance in an area known as Country Hills Estates Subdivision in Clinton County, Missouri. No other sewer service is currently available in the subject territory.

Notice of the application was provided and a deadline was set for interested persons to intervene. No requests to intervene were received. On October 7, 2013, the Staff of the Commission filed its recommendation. Staff requested the Commission grant the CCN to Central Rivers, subject to certain conditions. Although Commission Rule 4 CSR 240-2.080(15) allows parties ten days to respond to pleadings, no party

responded to Staff's recommendation; therefore, the Commission finds there are no objections to the Commission granting Central Rivers the CNN, subject to the conditions recommended by Staff. Since no party requested a hearing in this matter, the Commission may make a determination without conducting a hearing.¹

Section 393.170, RSMo (2000) requires a sewer corporation receive approval from the Commission prior to construction of a sewer system. The Commission may grant a sewer corporation a certificate of convenience and necessity to operate after determining that the construction and operation are either "necessary or convenient for the public service."² The Commission has stated five criteria that it will use:

- 1) There must be a need for the service;
- 2) The applicant must be qualified to provide the proposed service;
- 3) The applicant must have the financial ability to provide the service;
- 4) The applicant's proposal must be economically feasible; and
- 5) The service must promote the public interest.³

Based on the verified application and the verified recommendation of Staff, the Commission finds that granting Central Rivers' application for a certificate of convenience and necessity to provide sewer service meets the above listed criteria. The application will be granted.

The Commission reminds Central Rivers that failure to comply with its regulatory obligations may result in the assessment of penalties against it. These regulatory obligations include, but are not limited to, the following:

¹ *State ex rel. Deffenderfer Enterprises, Inc. v. Public Service Comm'n of the State of Missouri*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

² § 393.170.3 RSMo (2000).

³ *In re Tartan Energy Company*, 3 Mo.P.S.C. 173, 177 (1994).

A) The Obligation to file an annual report, as established by section 393.140(6), RSMo (2000). Failure to comply with this obligation will make the utility liable for a penalty of \$100 and an additional \$100 per day that the violation continues. Commission Rule 4 CSR 240-3.640 requires water utilities to file their annual report on or before April 15 of each year.

B) The obligation to pay an annual assessment fee established by the Commission, as required by section 386.370, RSMo (2000). Because assessments are facilitated by order of the Commission, failure to comply with the order will subject the company to penalties ranging from \$100 to \$2,000 for each day of noncompliance pursuant to section 386.570, RSMo (2000).

C) The obligation to provide safe and adequate service at just and reasonable rates, pursuant to section 393.130, RSMo (Cum.Supp. 2012).

D) The obligation to comply with all relevant state and federal laws and regulations, including but not limited to, rules of this Commission, the Department of Natural Resources, and the Environmental Protection Agency.

E) The obligation to comply with orders issued by the Commission. If the company fails to comply, it is subject to penalties for noncompliance ranging from \$100 to \$2,000 per day of noncompliance, pursuant to section 386.570, RSMo (2000).

F) The obligation to keep the Commission informed of its current address and telephone number.

The certificate is granted conditioned upon the compliance of the company with all of these obligations, as well as the obligations listed below in the ordered paragraphs.

Moreover, if the Commission finds, upon conducting a hearing, that Central Rivers fails to provide safe and adequate service, or has defaulted on any indebtedness, the Commission shall petition the circuit court for an order attaching the assets, and placing the company under the control of a receiver, as permitted by Section 393.145, RSMo (Cum.Supp. 2012). As a condition of granting this certificate, the company hereby agrees that in the future, should the Commission determine a receiver process is appropriate, the company consents to the appointment of an interim receiver until such time as the circuit court grants or denies the petition for receivership.

Central Rivers is also placed on notice that Section 386.310.1, RSMo (2000), provides that the Commission can, without first holding a hearing, issue an order in any case “in which the commission determines that the failure to do so would result in the likelihood of imminent threat of serious harm to life or property.”

Furthermore, the company is reminded that, as a corporation, its officers may not represent the company before the Commission. Instead, the corporation must be represented by an attorney licensed to practice in Missouri.

THE COMMISSION ORDERS THAT:

1. Central Rivers Wastewater Utility, Inc. is granted permission, approval, and a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain a sewer system for the public in Clinton County, as more particularly described above.

2. The certificate of convenience and necessity is granted upon the conditions set out in the body of this order.

3. The Commission approves the existing customer rate of \$32.00 per month, along with the existing connection charges and service charges, applicable to

the Country Hill Estates service area.

4. The Commission approves Central Rivers Wastewater Utility, Inc.'s existing approved depreciation rates that were prescribed by the Commission in File No. SA-98-530 to be applicable to the Country Hill Estates service area. Central Rivers Wastewater Utility, Inc. must submit new and revised tariff sheets for its existing tariff, including a map and written description of the Country Hill Estates service area, including reference to the Country Hill Estates service area within the index in the tariff, and indicating the applicability of the existing customer rates and service charges to this service area, within 30 days of the issuance of this order, with the tariff sheets to bear an effective date that is at least 30 days from the date the tariff sheets are submitted to the Commission.

5. Central Rivers Wastewater Utility, Inc. shall file a request for a rate review with the Commission within six months after the effective date of this order.

6. Central Rivers Wastewater Utility, Inc. shall acquire ownership of the property upon which the treatment facility is located within thirty days of the effective date of this order, or alternatively, acquire a permanent easement, to be filed with the Recorder of Deeds in Clinton County, which permits Central Rivers Wastewater Utility, Inc. to have sole access to the wastewater treatment facility as described in the Staff Recommendation.

7. If Central Rivers Wastewater Utility, Inc. obtains a permanent easement to the wastewater treatment facility, it shall enter into a new agreement with the current owner of the wastewater treatment facility that will prohibit the property owner from altering, modifying or in any way changing the wastewater treatment facility and further agree that this facility will not be sold, assigned, transferred or in any way change

ownership unless it is to Central Rivers Wastewater Utility, Inc. or any successor entity. The agreement with the current owner shall also include language providing Central Rivers Wastewater Utility, Inc. with the exclusive use of the wastewater treatment facility to meet its obligations to serve its utility customers and construct, install, operate, maintain, control, manage and make all necessary repairs to the facility as needed.

8. Central Rivers Wastewater Utility, Inc. shall comply with all Missouri statutes and Commission rules, including the requirements to file its Annual Reports to the Commission and pay all of its Annual Assessments, in accordance with Commission rules, on a timely basis.

9. Nothing in the Staff Recommendation or this order shall bind the Commission on any ratemaking issue in any future rate proceeding.

10. This order shall become effective on November 2, 2013.



BY THE COMMISSION

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
and Hall, CC., concur.

Burton, Regulatory Law Judge