

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 11th
day of September, 1992.

In the matter of the application of SLR)
Development Co., Inc. to transfer its)
franchise, works, or system to KMB)
Utility Corporation.)

CASE NO. SM-92-264

ORDER AUTHORIZING SALE OF SEWER SYSTEM

On April 27, 1992,¹ the SLR Development Co., Inc. (Company or Seller) applied for a Commission order authorizing the sale of Company's sewage collection and treatment facilities for forty thousand dollars (\$40,000) to joint applicant KMB Utility Corporation (Buyer). Joint applicants also seek Commission authorization to transfer Seller's certificate of convenience and necessity to Buyer, for Seller to discontinue service and cancel its certificate, for Buyer to provide certificated sewer service in the area now served by Seller and for other authorizations pertaining thereto.

On May 19, the Commission issued an order and notice of the proposed sale and transfer to the two hundred sixteen (216) residential sewer customers in Cape Rock Village, Missouri, affected thereby. Notice was also provided to the news media and County Commission of Cape Girardeau County and to members of the Missouri General Assembly with constituencies in said county. The Commission established an intervention deadline of June 25. None sought to intervene or made written objections to the proposed sale and transfer.

On August 25, the Commission Staff filed its recommendation. Staff recommends that the Commission approve the application by joint applicants on the conditions following: that

¹Unless otherwise stated, all dates occur in 1992.

- (1) Buyer provide to Staff all final loan and financing documents and advise when the sale is closed,
- (2) Buyer verify the date when it obtains title to the realty upon which the sewage lagoons and pumping stations are located,
- (3) Buyer file new sewer tariffs for providing service at the same rates now charged by Seller and include therein a metes and bounds description and map of Seller's present service area,
- (4) On approval of Buyer's new tariff, the Commission cancel Seller's certificate and grant a certificate to Buyer, and
- (5) Joint Applicants be authorized to book two thousand two hundred dollars (\$2,200) (1/4 of the eight thousand eight hundred dollar (\$8,800) value of the pumping station lot) as a present addition to plant in service.

Having considered said joint application, and Staff's favorable recommendation, the Commission finds that said sale and transfer should be approved pursuant to Section 393.190, RSMo, 1986, that it is not detrimental to the public interest, and that said sale will promote both efficiencies of operation and investment in plant and rate base.

IT IS THEREFORE ORDERED:

1. That SLR Development Co., Inc. is hereby authorized to sell its presently certificated sewage collection and treatment facilities to KMB Utility Corporation for the sum, and pursuant to the conditions, contained in the Agreement to Purchase Assets attached to the verified application filed herein.
2. That Buyer KMB Utility Corporation shall provide to Staff all the materials and notification referenced in subsections (1) and (2) of this order.
3. That Buyer KMB Utility Corporation shall file, within 30 days of the effective date of this order, a new sewer tariff as provided by subsection (3) of this order.
4. That following the submission and approval of the new tariff to be submitted by KMB Utility Corporation, the present tariff and certificate of convenience and necessity of Seller SLR Development Co., Inc., shall be cancelled

and a new certificate of convenience and necessity shall be issued to the KMB Utility Corporation.

5. That notwithstanding the Commission's authorization for the booking of two thousand two hundred dollars (\$2,200) in the plant in service account, nothing in this order shall be considered as a finding by the Commission of the reasonableness of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed upon said properties by the signatories to the contract of sale.

6. That this order shall become effective on September 21, 1992.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

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