

At a session of the Public Service Commission held at its office in Jefferson City on the 28th day of November, 1995.

ORDER APPROVING APPLICATION TO SELL SEWER SYSTEM

On November 15, 1995, the Commission Staff filed a memorandum to the official case file. Staff states that the District plans to eliminate the Riverside treatment facility, construct a trunk sewer, and utilize a regional treatment facility owned and operated by the city of Hollister, Missouri. Staff states that there has been a need for increased capacity of the Riverside

treatment facility for several years as a result of additional customers. It can reasonably be inferred from the Staff's memorandum that it believes that the District plan represents an improvement from the existing situation with respect to treatment capacity.

Staff states that assuming average usage, customers' sewer bills will increase by approximately one and one-half percent as a result of moving from Riverside's \$22.00 per month flat rate to the District rates which are based on water usage. Staff states that if the transfer does not take place, Riverside would have to construct a new sewer treatment facility, which would result in a substantial rate increase for existing customers.

Staff states that the proposed sale is not detrimental to the public and that the Commission should authorize the sale of the sewer system. Staff suggests that Riverside should notify the Commission of the closing within one business day after the closing has occurred. Staff suggests that the Commission could then issue a second order canceling Riverside's sewer tariff and sewer certificate of convenience and necessity. Staff further recommends that Riverside file a copy of the journal entries recording the sale of assets within thirty days after closing.

On November 22, 1995, the Commission issued an Order Directing Responses. The Commission asked whether the customers subject to the proposed transfer would be voting constituents of the Taney County Regional Sewer District after the transfer.

On November 22, 1995, Riverside filed a cover letter stating that customers currently served by Riverside Utility Company who are subject to the proposed transfer of sewer facilities will be voting constituents of the Taney County Regional Sewer District after the transfer. Riverside attached a letter to its cover. The attachment is a letter from the Taney County Regional Sewer District Administrator to Rick Helms, Water Management Services. In the

letter, the District confirms that the citizens subject to the transfer (residents of Riverside Estates) would have the right to vote on any and all issues regarding the District. The Administrator points out that the District's boundaries are countywide and encompass the cities as well as the unincorporated areas of Taney County.

The Commission finds, based upon Riverside's application, the Staff's memorandum, and Riverside's filings of November 14 and November 22, 1995, that Riverside's application to sell the sewer system used by customers located in the Short Creek Improvement District of Taney County, Missouri, should be approved. No party has asserted that the transfer is detrimental to the public interest. The Commission finds that the sale is not detrimental to the public interest because of the benefits associated with developing a regional sewer treatment system and avoidance of costs associated with the construction of a new Riverside facility. The Commission finds that these benefits exceed the detriment associated with the approximate one and one-half percent rate increase to be borne by the affected sewer customers.

IT IS THEREFORE ORDERED:

1. That the application for authorization to sell the sewer system used by customers located in the Short Creek Improvement District of Taney County, Missouri, filed by Riverside Utility Company on April 11, 1995, be, and is, hereby approved.
2. That Riverside Utility Company shall notify the Commission of the occurrence of the closing after the closing occurs, but not more than five (5) business days after the closing.
3. That Riverside file a copy of the journal entries recording the sale of assets within thirty (30) days after the closing.

4. That this order shall become effective on the 8th day of
December, 1995.

BY THE COMMISSION

A handwritten signature in cursive script, reading "David L. Rauch".

David L. Rauch
Executive Secretary

(S E A L)

McClure, Kincheloe and Drainer,
CC., concur.
Mueller, Chm., and Crumpton, C.,
absent.