BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the matter of the application of (Crystal Springs Development Co., Inc. (CASE NO. SM-89-114) to transfer its works and system to (CASE NO. SM-89-114) to cancel its certificate of public (Convenience and necessity.

APPEARANCES:

Willard C. Reine, Attorney at Law, 314 East High Street, Jefferson City, Missouri 65101, for Crystal Springs Development Co., Inc.

Paul F. Niedner, Attorney at Law, 131 Jefferson Street, St. Charles, Missouri 63301, for Crystal Springs Development Co., Inc.

HEARING

EXAMINER:

C. Gene Fee

REPORT AND ORDER

By application filed on December 15, 1988, Crystal Springs Development Co., Inc. requested authority to transfer its sewer works and system to the City of St. Charles, Missouri.

Notice of the proposed transfer was made and no persons intervened to protest. The Commission determined that a hearing was not necessary to resolve the matter and allowed the Applicant to submit its case by verified statements. Those statements and the Commission Staff's recommendation have become the basis for this Report and Order.

Findings of Fact

The Missouri Public Service Commission, having considered all of the competent and substantial evidence upon the whole record, makes the following findings of fact:

Crystal Springs Development Co., Inc. (Applicant) is a Missouri corporation with its principal office and place of business located at 1708 S. 5th Street, St. Charles, Missouri 63301. It is a sewer utility subject to the jurisdiction of this Commission.

The City of St. Charles (City) is a municipality and a political subdivision of the State of Missouri. It has the legal authority to offer sewer service to the public.

Applicant is requesting this Commission to: (1) approve the transfer of its sewer works system, real estate and easements, necessary and useful in the rendition of such service to its customers in its certificated area to City; (2) authorize Applicant to discontinue providing sewer service in its certificated area as of the date of transfer of said works and system, real estate and easements; and (3) cancel Applicant's certificate of public convenience and necessity.

The Commission Staff (Staff) has reviewed the proposed transfer. Based upon the application, and exhibits attached thereto, the Staff determined that there would be no projected adverse effects on the customers of Applicant and that the proposed transfer would be in the public interest.

On December 14, 1988, the Applicant notified all of its customers of the proposed transfer, solicited comments or inquiries by December 27, 1988. In response to the notice the Commission has received no objections to the proposed transfer.

The Commission Staff's recommendation indicates that the Applicant has been working diligently to eliminate a storm water backup problem prior to the transfer. The Staff's recommendation indicates that certain modifications in response to Staff's suggestions have apparently corrected the storm water problem. Staff also recommends approval of the transfer because the City of St. Charles has a capable sewer department.

In the Commission's opinion, the Staff's recommendation should be adopted in disposition of this matter.

Conclusions

The Missouri Public Service Commission has arrived at the following conclusions:

The Commission, under Section 393.190, RSMo 1986, must give approval to any sale or transfer of assets of a public utility under its jurisdiction. Based upon the verified application filed by the Applicant, the supporting exhibits and the recommendation of the Staff, the Commission concludes that the requested approval and authorization should be granted.

It is, therefore,

ORDERED: 1. That the transfer of Crystal Springs Development Co., Inc. sewer works system, real estate and easements, necessary and useful in the rendition of such service to its customers in its certificated area to the City of St. Charles, Missouri, be, and is, hereby authorized and approved.

ORDERED: 2. That Crystal Springs Development Co., Inc. be, and is, hereby authorized to discontinue providing sewer service in its certificated area as of the date of transfer of said works and system, real estate and easements.

ORDERED: 3. That Applicant's Certificate of Public Convenience and Necessity be, and is, hereby canceled, along with its tariff.

ORDERED: 4. That this Report and Order shall become effective on December 29, 1988.

BY THE COMMISSION

Tarney S. Hally

(SEAL)

Harvey G. Hubbs

Secretary

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

Dated at Jefferson City, Missouri, this 28th day of December, 1988.