

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 29<sup>th</sup> day of September, 2021.

In the Matter of Mid Mo Sanitation LLC for a )  
Certificate of Convenience and Necessity )  
(Line Certificate) Authorizing it to Own, ) **File No. SA-2022-0029**  
Operate, Maintain, Control and Manage a )  
Sewer System in Callaway County, Missouri )

**ORDER GRANTING CERTIFICATE OF  
CONVENIENCE AND NECESSITY**

Issue Date: September 29, 2021

Effective Date: October 29, 2021

On August 4, 2021,<sup>1</sup> Mid-MO Sanitation, LLC (Mid-MO) filed an application for a certificate of convenience and necessity (CCN) under Section 393.170.1, RSMo<sup>2</sup> to operate, control, manage, and maintain the portion of its sewer system outside of its existing service territory, including its land application equipment, and the full exercise of all rights and privileges granted under an operating permit issued by the Missouri Department of Natural Resources (Application). Mid-MO also requested a waiver of the 60-day notice requirements of Rule 20 CSR 4240-4.017(1).

Mid-MO provides sewer service to approximately 28 customers in Callaway County, Missouri, pursuant to a certificate of convenience and necessity previously granted by the Commission in Case No. SA-2009-0319. The area where the land application equipment is located and effluent is applied is outside the service area granted to Mid-MO in Case No. SA-2009-0319. No other sewer service is available in the area,

---

<sup>1</sup> All date references will be to 2021 unless otherwise indicated.

<sup>2</sup> All references to RSMo will be to the 2016 edition unless otherwise indicated.

but Mid-MO is not seeking to provide retail sewer service in the area of its land application system. Instead, Mid-MO is seeking authority “to install, acquire, build, construct, own, operate, control, manage, and maintain a sewer system (line certificate) for the public within” the area identified in Exhibit A of Mid-MO’s Application. There is a single owner of the real estate on which the application equipment is located, and no residents.

In 2015, the Missouri Department of Natural Resources issued a new wastewater discharge permit for Lake Breeze Estates, which is within Mid-MO’s current service area, granted in File No. SA-2009-0319. Mid-MO developed an Engineering Facility Plan that identified a “no-discharge—land application system” as the best, most affordable option. The Missouri Department of Natural Resources approved Mid-MO’s proposed land application system. Mid-MO subsequently constructed and placed it into service.

On August 12, the Commission issued its Order Directing Notice and Establishing Time for Filings. The Commission Staff (Staff) filed its Recommendation on September 10. No applications to intervene were filed. Staff recommended that the Commission enter an order deciding that Mid-MO does not need a CCN to continue to operate, maintain, control, and manage the portion of its sewer system already within its service area. Staff recommended the Commission conclude it is authorized by statute to grant an area certificate to operate, maintain, control, and manage the portion of its sewer system, including the land application equipment outside of its currently existing service area, and to exercise all parts of the operating permitted granted to Mid-MO by the Missouri Department of Natural Resources. Staff recommended the Commission grant Mid-MO a CCN authorizing it to operate, maintain, control, and manage the portion of its

sewer system outside of its currently existing service area, to include the land application area, with the following conditions and actions:

1. Require Mid-MO to submit newly created and/or revised tariff sheets, to become effective upon approval from the Commission, that include an updated map and legal description to reflect its authority to operate its sewer system in the land application area:
  - a. P.S.C. MO No. 1 1st Revised Sheet No. 3 Cancelling Original Sheet No. 3;
  - b. P.S.C. MO No. 1 1st Revised Sheet No. 4 Cancelling Original Sheet No. 4;
  - c. P.S.C. MO No. 1 1st Revised Sheet No. 5 Cancelling Original Sheet No. 5.
2. Require Mid-MO to keep its financial books and records for plant-in-service and operating expenses in accordance with the NARUC Uniform System of Accounts;
3. Adopt the Depreciation Rates for Mid-MO as outlined in Attachment C to Staff's Memorandum attached to the September 10 Staff Recommendation;
4. Require a modification of the proposed lease agreement between William Bright and Mid-MO that addresses use activity limitations on the land application area in accordance with Mid-MO's Operating Permit; and
5. Make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the CCN to Mid-MO, including expenditures related to the certificated service area, in any later proceeding.

Mid-MO asks for authority to "operate, maintain, control and manage a sewer system." Mid-MO is a sewer corporation and public utility as defined by Section 386.020,

RSMo and as such is under the jurisdiction of the Public Service Commission. The authority to operate the system and exercise the permit granted by the Missouri Department of Natural Resources is an authority the Commission is authorized to grant under Section 393.170.2, and the Commission concludes that liberally construed, Mid-MO's application invokes the Commission's authority under Section 393.170.2. Accordingly, the Commission is authorized by statute to grant Mid-MO a certificate to operate, maintain, control, and manage the portion of its sewer system, including the land application equipment outside of its currently existing service area, and to exercise all parts of the operating permit granted to Mid-MO by the Missouri Department of Natural Resources.

The Commission may grant a sewer corporation a CCN to operate after determining that the construction and operation are either "necessary or convenient for the public service."<sup>3</sup> The Commission articulated the specific criteria to be used when evaluating applications for utility CCNs in the case *In re Intercon Gas, Inc.*, 30 Mo. P.S.C. (N.S.), 561 (1991). *Intercon* combined the standards used in several similar certificate cases and set forth the following criteria: (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.<sup>4</sup>

---

<sup>3</sup> Section 393.170.3, RSMo.

<sup>4</sup> The factors have been referred to as the "Tartan Factors" or the "Tartan Energy Criteria." See Report and Ord, *In re Application of Tartan Energy Company, L.C., d/b/a Southern Missouri Gas Company, for a Certificate of Convenience and Necessity*, Case No. GA-94-127, 3 Mo. P.S.C. 3d 173 (September 16, 1994), 1994 WL 762882, \*3 (Mo. P.S.W.C.).

The Commission finds there is both a current and future need for sewer service in the certificated area. Mid-MO will continue to serve customers only within its currently existing service area. While the land application system is located outside of that service area, the system is necessary to continue serving the customers in Mid-MO's existing service area. No other sewer utilities, such as a public sewer district, are available to provide service.

The Commission finds that Mid-MO has the requisite qualifications to provide the service. Mid-MO has demonstrated technical and managerial qualifications to develop and operate its sewer system, which serves fewer than fifty customers, in that it has been doing so effectively for twelve years. The owner of Mid-MO owns and operates a successful electrical contracting business, providing him additional experience in business operations, and has contracted with an established certified operator to run the sewer system.

The Commission finds that Mid-MO has the financial ability to provide the service. Based upon Staff's investigation and recommendation, the Commission finds that the initial investment in the Mid-MO sewer treatment facilities, prior to the recent upgrades, has been recouped in the sale of commercial and residential lots. Mid-MO has funded the land application system upgrades through bank financing and its owners' funding support. Staff opines and the Commission finds that Mid-MO will generate sufficient revenues to remain viable with the approval of just and reasonable rates resulting from its pending rate case, Case No. SR-2021-0372. Staff has reviewed the likely rate impact of the land application equipment in Mid-MO's currently pending rate case and states the rates resulting from the additional land application equipment will be just and reasonable;

and based upon Staff's review and conclusions, the Commission finds that providing the service is economically feasible.

Finally, based upon Staff's investigation and recommendation, the Commission finds that expanding the CCN service area promotes the public interest. The plant currently located outside of Mid-MO's service territory is necessary for compliance with ammonia limits and the operation of Mid-MO's existing central sewer system, and, thus, necessary for the provision of safe and adequate service. The expansion of the service area to include the land application system ensures safe and adequate service for the future, and achieves compliance with DNR regulations.

The Commission makes no finding that will preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the joint application in any later proceeding.

No objections have been filed with respect to the application or Staff's recommendation. No party requested an evidentiary hearing in this matter, and no law requires one; so the Commission may grant the application's request based upon the verified application and Staff's verified recommendation.<sup>5</sup> Based upon its review of the application and Staff's recommendation, the Commission will grant the application subject to the conditions stated herein and will grant Mid-MO a CCN. The Commission finds good cause to grant Mid-MO's request for a waiver of the 60-day notice requirements of Rule 20 CSR 4240-4.017(1).

---

<sup>5</sup> See *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. 1989).

**THE COMMISSION ORDERS THAT:**

1. Mid-MO's request for a waiver of the 60-day notice requirements of Rule 20 CSR 4240-4.017(1) is granted.
2. Mid-MO is granted a CCN authorizing it to operate, maintain, control, and manage the portion of its sewer system outside of its currently existing service area to include the land application area set out in Attachments A and B of Staff's Memorandum attached to Staff's Recommendation.
3. Mid-MO shall satisfy all CCN conditions and actions as set out in the body of this order, and, specifically shall submit newly created and/or revised tariff sheets that include an updated map and legal description to reflect its authority to operate its sewer system in the land application area.
4. This Order shall be effective on October 29, 2021.
5. This file may be closed on October 30, 2021.



**BY THE COMMISSION**

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff  
Secretary

Silvey, Chm., Rupp, Coleman, Holsman, and  
Kolkmeier CC., concur.

Graham, Regulatory Law Judge


**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

**I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.**

**WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 29<sup>th</sup> day of September, 2021.**



  
**Morris L. Woodruff**  
**Secretary**



**MISSOURI PUBLIC SERVICE COMMISSION**

**September 29, 2021**

**File/Case No. SA-2022-0029**

**Missouri Public Service  
Commission**

Staff Counsel Department  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
staffcounsel@psc.mo.gov

**Office of the Public Counsel**

Marc Poston  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102  
opc@opc.mo.gov

**Mid MO Sanitation, LLC**

Dean L Cooper  
312 East Capitol  
P.O. Box 456  
Jefferson City, MO 65102  
dcooper@brydonlaw.com

**Missouri Public Service  
Commission**

Curtis Stokes  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
curtis.stokes@psc.mo.gov

**Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).**

*Sincerely,*



**Morris L. Woodruff  
Secretary**

---

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.