

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 22<sup>nd</sup> day  
of October, 2015.

In the Matter of the Application of Peaceful Valley            )  
Service Company for Authority to Reorganize                 )  
and Convert to a Nonprofit Water and Sewer Company        )     **File No. SA-2016-0030**

In the Matter of the Application of Peaceful Valley            )  
Service Company for Authority to Reorganize                 )  
and Convert to a Nonprofit Water and Sewer Company        )     **File No. WA-2016-0031**

**ORDER RECOGNIZING NONPROFIT STATUS**

Issue Date: October 22, 2015

Effective Date: November 2, 2015

On August 10, 2015, Peaceful Valley Service Company (“Peaceful Valley”) filed an *Application for Authority to Reorganize and Motion for Expedited Approval* (“Application”). Peaceful Valley provides water and wastewater disposal and treatment services for residents in the Peaceful Valley Lake Estates subdivision near Owensville, Missouri. As a corporation under the Commission’s jurisdiction, Peaceful Valley was first certificated by the Commission to provide water and sewer services in Gasconade County, Missouri, in 1975.

In its Application, Peaceful Valley states that it converted to a nonprofit water and sewer company pursuant to sections 393.825 and 393.861, RSMo.<sup>1</sup> By converting to a nonprofit company, Peaceful Valley will no longer be subject to the Commission’s jurisdiction.<sup>2</sup>

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<sup>1</sup> All statutory references are to the Missouri Revised Statutes 2000, unless otherwise noted.

<sup>2</sup> Section 393.847.3, RSMo. (Cum.Supp. 2013) States that “[t]he public service commission shall not have jurisdiction over the construction, maintenance or operation of the wastewater facilities, service, rates

The Commission issued an order setting a deadline for the Staff of the Commission to file a recommendation on Peaceful Valley's application and directed notice be provided to the County Commission of Gasconade County, Missouri, and the Missouri Department of Natural Resources. No applications to intervene were received. Staff timely filed its recommendation.

Peaceful Valley submitted a copy of its Articles of Conversion with the Missouri Secretary of State, which the Secretary of State filed in his records on April 21, 2015. Section 393.915.2, RSMo., states that the articles shall be in effect upon the filing of the articles in the records of the office of the Secretary of State. In its recommendation, Staff states that although Peaceful Valley's Application requests the Commission grant it authority to reorganize and convert to a nonprofit water and sewer company, since Peaceful Valley properly converted to a nonprofit sewer and water company on April 21, the company does not require the Commission's approval under sections 393.190 and 393.250, RSMo.<sup>3</sup> Staff points out that sections 393.825 to 393.861, RSMo., do not specify any role for the Commission in the conversion process. It is Staff's position that the Commission does not have authority under section 393.847.3, RSMo., (Cum.Supp. 2013). to require Peaceful Valley to submit additional documents beyond the already submitted Articles of Conversion and that the Commission's jurisdiction ceased once the Secretary of State accepted Peaceful Valley's Articles of Conversion.

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financing, accounting or management on any nonprofit sewer company." Section 393.933.3, RSMo. (Cum.Supp. 2013) makes the same provision for nonprofit water companies. Section 393.903, RSMo. (Cum.Supp. 2013) states that any corporation that converts to a nonprofit water company shall be subject to sections 393.900 to 393.951.

<sup>3</sup> Section 393.190.1 requires a water or sewer corporation obtain the Commission's approval before selling, assigning, transferring, or otherwise disposing of the whole or any part of its franchise, works or system. Section 393.250.1 grants the Commission jurisdiction over the reorganization of a water or sewer corporation.

Staff does recommend the Commission recognize the conversion from a for-profit corporation to a nonprofit utility, “and grant approval if the Commission deems this action to be necessary.” The Commission issued an order setting a deadline for the filing of a response to Staff’s recommendation, but no responses were received.

Section 393.933.3, RSMo., (Cum.Supp. 2013) states that the Commission shall not have jurisdiction over the maintenance, operation, service, rates, financing, accounting or management of any nonprofit water company, except that, the commission shall have authority to approve the reorganization of any existing company regulated by the commission.

To the extent that Commission approval is warranted for Peaceful Valley’s conversion to a nonprofit water company, the Commission will grant Peaceful Valley’s application. The Commission will recognize that Peaceful Valley converted to a nonprofit utility on April 21, 2015 and cancel the company’s Certificates of Convenience and Necessity.

**THE COMMISSION ORDERS THAT:**

1. The Commission approves and recognizes the conversion of Peaceful Valley Service Company to a nonprofit utility on April 21, 2015.
2. The Certificates of Convenience and Necessity, granted to Peaceful Valley Service Company in Case Numbers 18,124 and 18,125 and effective on April 18, 1975 are canceled.
3. Peaceful Valley Service Company’s tariffs (Tracking Nos: YS-2014-0425 and YW-2014-0426) are canceled.

4. This order shall be effective on November 2, 2015.



**BY THE COMMISSION**

*Morris L. Woodruff*

Morris L. Woodruff  
Secretary

Hall, Chm., Stoll, Kenney,  
Rupp, and Coleman, CC., concur.

Burton, Regulatory Law Judge.