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**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 27th
day of May, 1998.

In the Matter of the Application of)
Silverleaf Resorts, Inc. for Authority)
to: (1) Sell and Transfer its Franchise)
Works or System Relating to the Holiday)
Hills Resort Sewer System in Taney County,) Case No. SM-98-147
Missouri, to the Taney County Regional)
Sewer District; (2) Authorizing Silverleaf)
Resorts, Inc. to Discontinue Providing)
Service in that Area; and (3) Canceling)
its Certificate and Tariff for that Area.)

ORDER APPROVING SALE OF SYSTEM

On October 6, 1997, Silverleaf Resorts, Inc. (Silverleaf) filed a verified Application requesting that the Commission: approve the sale and transfer of certain assets¹ from Silverleaf to Taney County Regional Sewer District (District); authorize Silverleaf to discontinue providing sewer service in Holiday Hills as of the date of the sale and transfer of its franchise, works and system to the District; cancel the certificate of public convenience and necessity for sewer service issued to Silverleaf in Case No. WA-94-60; cancel the sewer tariff filed by Silverleaf to serve the Holiday Hills area; and authorize Silverleaf to do and perform other acts as may be necessary to fully effectuate the transaction.

Silverleaf states that the District, in conjunction with Taney County, is constructing wastewater collection facilities in Taney County,

¹ Specifically, assets owned by Silverleaf associated with sanitary sewage collection, pumping, treatment and associated easements in Holiday Hills Resort located in Taney County, Missouri.

and the sale of Silverleaf's wastewater treatment and collection system to the District should result in economies of scale and more efficient service to the residents of the area. Silverleaf states that the proposed transfer will have no impact on the tax revenues of the political subdivisions in which Silverleaf's facilities are located.

On January 26, 1998, the Staff of the Commission (Staff) filed its memorandum in the official file in this case. Staff states that the District's rate for residential customers is \$17.50 per month, somewhat higher than Silverleaf's rate of \$14.04 per month. Staff notes, however, that Silverleaf has a rate case on file with the Commission under 4 CSR 240-2.200 which could result in rates that are considerably higher than the District's rates. Staff believes that, in general, customers are better served by larger utilities like the District than by smaller developer-owned utilities such as Silverleaf. Staff points out that Silverleaf will continue to own and operate other water and sewer properties. Staff concludes that the sale and transfer as proposed is not detrimental to the public interest, and will have no negative impact upon Silverleaf's ability to continue providing the remaining authorized utility services.

The requirement of a hearing has been fulfilled when all those having a desire to be heard are offered an opportunity to be heard. If no proper party is granted intervention and neither the Commission's Staff nor the Office of the Public Counsel requests a hearing, the Commission may grant the relief requested based on the verified application. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989). No applications to intervene have been filed, and no party has requested a hearing. Therefore, the Commission determines that the relief requested in the verified application may be granted without a hearing.

The Commission has reviewed the verified application with attachments filed by Silverleaf and the memorandum filed by Staff. The Commission determines that the proposed sale of assets is not detrimental to the public interest. Therefore, the Commission will approve the application and authorize Silverleaf to sell, transfer and assign part of its franchise, works or system to the District pursuant to the terms and conditions contained in the Agreement attached to the application as Exhibit 1.

IT IS THEREFORE ORDERED:

1. That Silverleaf Resorts, Inc. is authorized to sell, transfer and assign part of its franchise, works or system to Taney County Regional Sewer District pursuant to the terms and conditions contained in the Agreement attached as Exhibit 1 to the application filed on October 6, 1997.

2. That Silverleaf Resorts, Inc. shall file with the Commission revised tariff sheets, with an effective date at least 30 days after the issue date and the same as the date of the sale and transfer, reflecting the change in its service area as a result of the transfer authorized herein.

3. That Silverleaf Resorts, Inc. is authorized to discontinue providing sewer service in that part of its certificated area described in the application as of the date of the sale and transfer of the franchise, works or system to Taney County Regional Sewer District.

4. That Silverleaf Resorts, Inc. is authorized to execute, enter into, deliver and perform any agreements, and to do any and all other things not contrary to law or the rules and regulations of the Commission incidental, necessary or appropriate to the performance of any and all acts specifically authorized in this order.

5. That this order shall become effective on June 9, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Lumpe, Ch., Murray, and Drainer, CC., concur.
Crumpton and Schemenauer, CC., absent.

Mills, Deputy Chief Regulatory Law Judge

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COMMISSION COUNSEL
PUBLIC SERVICE COMMISSION