

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Holtgrewe Farms)
Water Company, LLC, for a Certificate of Convenience)
and Necessity Authorizing it to Construct, Install, Own,) **Case No. WA-2010-0281**
Operate, Control, Manage, and Maintain a Water)
System for the Public, Located in an Unincorporated)
Area of Franklin County, Missouri.)

In the Matter of the Application of Holtgrewe Farms)
Sewer Company, LLC, for a Certificate of Convenience)
and Necessity Authorizing it to Construct, Install, Own,) **Case No. SA-2010-0282**
Operate, Control, Manage, and Maintain a Sewer)
System for the Public, Located in an Unincorporated)
Area of Franklin County, Missouri.)

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), by and through counsel, and recommends, subject to the conditions contained herein, that the Missouri Public Service Commission (“the Commission”) grant to Holtgrewe Farms Water Company, LLC and Holtgrewe Farms Sewer Company, LLC (collectively referred to hereinafter as “Holtgrewe Farms” or “the Companies”) Certificates of Convenience and Necessity (“CCN”) to provide, regulated water and sewer services in a portion of Franklin County, Missouri. In support of this recommendation, Staff states as follows:

1. On April 8, 2010, Holtgrewe Farms Water Company, LLC filed an *Application* with the Commission, seeking authority to own, operate, maintain, control and manage a water system in Franklin County, Missouri. This matter was designated by the Commission as Case No. WA-2010-0281. Also on April 8, 2010, Holtgrewe Farms Sewer Company, LLC filed an *Application* with the Commission, seeking authority to own, operate, maintain, control and

manage a sewer system in the same location. This matter was designated by the Commission as Case No. SA-2010-0282.

2. On April 9, 2010 the Commission issued in both cases an *Order and Notice*, ordering that notice of Holtgrewe Farm's requests be provided to certain interested entities and setting an intervention deadline of April 29, 2010. No parties intervened in either case.

3. On May 14, 2010, the Commission issued in both cases an *Order Directing Staff to File a Recommendation*, ordering Staff to file recommendations regarding Holtgrewe Farm's requests no later than April 14, 2010.

4. Pursuant to Section 393.170, RSMo (2000)¹, no water and/or sewer corporation shall provide service to consumers without first having obtained approval from the Commission. In determining whether or not to grant such approval the Commission has traditionally applied the five "Tartan Energy Criteria" established in *In the Matter of Tartan Energy Company, et al.*, 3 Mo. PSC 3d 173, 177 (1994). These criteria are further explained in the attached Staff Memorandum, labeled Appendix A and incorporated by reference herein.

5. As explained in the attached Memorandum, Staff conducted an investigation into the Companies' requests, including but not limited to a review of the feasibility studies provided by the Companies and an evaluation of their estimated capital costs and proposed operating expenses. Based upon this review Staff has determined that the Companies fulfill the requirements of the Tartan Energy Criteria, including the requirement that each proposal promote the public interest.

6. In addition, because Holtgrewe Farms Water Company, LLC and Holtgrewe Farms Sewer Company, LLC are newly-formed corporations, pursuant to the Companies'

¹ Unless otherwise noted, all statutory reference refer to the Missouri Revised Statutes, 2000, as currently supplemented.

applications Staff has engaged in an investigation in order to determine a just and reasonable rate that should be charged to their future customers. Pursuant to Staff's investigation it is Staff's recommendation that the Company include in a subsequently-filed tariff the following rates:

- A. Water (Case No. WA-2010-0281):
Customer Charge: \$15.10 per month
Commodity Charge: \$4.66 per 1,000 gallons
- B. Sewer (Case No. SA-2010-0282):
Flat Rate (Residential): \$38.41 per month

7. In conclusion, based upon its investigation it is Staff's recommendation that the Commission issue an order, or orders, that:

- A. Grant Holtgrewe Farms Water Company, LLC and Holtgrewe Farms Sewer Company, LLC Certificates of Convenience and Necessity for water service, and sewer service, respectively;
- B. Approve rates for water service and sewer service, as described herein, as well as a CIAC charge of \$1,600 at the time a new water connection is made and a CIAC charge of \$1,600 at the time a new sewer connection is made;
- C. Require Holtgrewe Farms to submit a new water tariff and a new sewer tariff, each with rates and provisions consistent with this recommendation and the order, bearing an effective date that is at least thirty (30) days after submission, to be submitted no more than sixty (60) days after the effective date of the Commission's order and to be approved before service is provided and rates charged to customers;
- D. Approve depreciation accrual rates, as shown on the attached depreciation schedules, Attachments C for water (Case No. WA-2010-0281) and Attachment D for sewer (Case NO. SA-2010-0282);
- E. Authorize the Staff to conduct a rate review within two (2) years of actual operations of the Holtgrewe utility systems; and,
- F. Except for specific noted conditions, make no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the requested certificate, including future expenditures by Holtgrewe Farms, in any later proceeding.

8. Staff commits to file a further recommendation regarding approval or denial of the tariff sheets that Holtgrewe will be submitting in accordance with any Commission order granting the requested certificates.

WHEREFORE, Staff submits this *Staff Recommendation* for the Commission's information and requests that the Commission issue an Order granting Holtgrewe Farms Water Company, LLC and Holtgrewe Farms Sewer Company, LLC Certificates of Convenience and Necessity, subject to the conditions contained herein.

Respectfully submitted,

/s/ Eric Dearmont

Eric Dearmont
Assistant General Counsel
Missouri Bar No. 60892

Attorney for the Staff of the
Missouri Public Service Commission
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Jefferson City, MO 65102
(573) 751-5472 (Telephone)
(573) 751-9285 (Fax)
eric.dearmont@psc.mo.gov

Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 13th day of August, 2010.

/s/ Eric Dearmont

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. WA-2010-0281 Holtgrewe Farms Water Company, LLC
Case No. SA-2010-0282 Holtgrewe Farms Sewer Company, LLC

FROM: James A. Merciel, Jr. – Water & Sewer Department
Roberta Grissum – Auditing Department
Art Rice – Engineering & Management Services Department
Shana Atkinson – Financial Analysis Department

<u>/s/ Jim Busch</u>	<u>8/13/2010</u>
Water and Sewer Department	Date

<u>/s/ Eric Dearmont</u>	<u>8/13/2010</u>
Staff Counsel’s Office	Date

SUBJECT: Staff’s Recommendation for Granting Certificates of Convenience and Necessity

DATE: August 13, 2010

BACKGROUND

On April 8, 2010, Holtgrewe Farms Water Company, LLC and Holtgrewe Farms Sewer Company, LLC (collectively referred to hereinafter as “Holtgrewe” or “the Companies”) submitted one *Application* seeking a Certificate of Convenience and Necessity (“Certificate”) to provide regulated water service and one *Application* seeking a Certificate of Convenience and Necessity (“Certificate”) to provide regulated sewer service. These resulting cases were designated as Case Nos. WA-2010-0281 and SA-2010-0282, respectively. On April 9, 2010, the Commission issued in both cases an *Order and Notice*, setting April 9, 2010 as the date by which interested parties should submit applications to intervene. No parties sought to intervene in these cases. On May 4, 2010, the Commission issued in each case an *Order Directing Staff Status Report*, directing the Staff to file a pleading indicating when it expected to file its recommendation regarding the individual applications. In compliance with that order, the Staff filed in each case a *Status Report* on May 13, 2010, indicating that the Staff expected to file a recommendation by August 14, 2010. The Commission then issued an *Order Directing Staff to File a Recommendation* in each case, setting August 14, 2010 as the date by which the Staff should file its recommendation.

THE STAFF'S INVESTIGATION, FINDINGS AND CONCLUSIONS

The Staff has reviewed the feasibility studies submitted in these cases, including detailed evaluations of the estimated capital costs and operating expenses as proposed by the Companies. The Staff has also visited the subdivision site, and met and discussed various matters related to this case with the owner of the companies and the consulting engineer.

The service area requested by the Companies is in an unincorporated area of Franklin County near Washington, MO, in a new forty-seven (47) lot single-family residential subdivision that is under construction, known as Holtgrewe Farms. When constructed, the water system will consist of a single well, a ground storage tank, distribution system, and individual customer meters. The well and tank are designed to provide adequate capacity for all forty-seven (47) lots, while the distribution system will be constructed in two phases consisting of twenty-one (21) lots in phase one and twenty-six (26) lots in phase two. The sewer system will consist of a gravity collection system and a re-circulating packed media bed filter treatment facility. Similar to the water system, the treatment facility is designed with adequate capacity to provide service to all 47 lots, and the collection system will be constructed in the same two phases.

There are no customers at present. In its feasibility studies, Holtgrewe provided a customer growth forecast that contemplates all forty-seven (47) lots to be occupied after five (5) years. The Staff recommends rates that are approximately those that Holtgrewe requested in its applications. However, for its rate calculations the Staff used a customer level of forty (40) connections, on the basis that it is very possible not all lots will be sold or have homes built upon them. The Staff notes its belief that substantial build-out, to the level of approximately 40 customers, is necessary in order for these proposed water and sewer utility operations to be economically feasible. The Staff believes that the utility will be able to collect sufficient revenue in order to meet its "out of pocket" expenses, meaning those for which money needs to be paid out such as electric bills, payment of the operations contractor, and basic maintenance and repairs, when it has approximately fourteen (14) customers. Other expenses such as return on investment, depreciation, and management salaries may become realized as the Companies grow beyond those 14 customers, and will be able to fully recover those expenses for those items when it reaches forty (40) customers.

Pursuant to its audit and investigation, the Staff is recommending rates as follows:

Water (Case No. WA-2010-0281)

Customer Charge: \$15.10 per month
Commodity Charge: \$4.66 per 1,000 gallons
(typical monthly usage of 5,000 gallons would result in a water bill of \$38.41)

Total design annual revenue for water is \$18,439.

Sewer (Case No. SA-2010-0282)

Flat rate (Residential): \$39.25 per month

Total design annual revenue for sewer is \$18,842

The expenses and rate calculations are shown on Attachment A for water (Case No. WA-2010-0281), and Attachment B for sewer (Case No. SA-2010-0282).

The Staff recommends a per-customer Contribution-in-aid-of Construction (CIAC) charge of \$1,600 for water and \$1,600 for sewer, each to be paid once at the time a new home is connected to the respective utility system. These CIAC charges will be treated as contributions to capital. Although these charges would appear in the companies' tariffs, the Staff is recommending the developer invest these funds up front for all 47 lots, subject to reimbursement as customers connect to the systems through collection of the two (water and sewer) CIAC charges proposed by the Staff.

Rate base for the water system includes the well, well house, storage tank, land on which these facilities are located, and customer meters. Rate base for the sewer system includes the treatment facility and the land upon which it is located. These rate base amounts are based on plant assets expected to be in-service in year five (5) and reflect the corresponding depreciation reserve and cash CIAC amounts mentioned previously in this memorandum. Water distribution pipelines, company-owned service lines and sewer collection pipelines including manholes are considered as contributed plant assets for ratemaking purposes.

The Staff is recommending a rate of return of 9.76%. The Staff believes this rate of return is appropriate for the projected expenses and capital structure in the Companies' year 5 projections, which is the time for which the Staff is calculating rates. The Companies' capital is projected to consist of 63.73% equity and 36.27% debt. The Staff is recommending depreciation expense using depreciation schedules as shown on Attachments C and D.

The Staff believes that there are no practical alternatives to providing water and sewer service to this subdivision at the present time. A water district provides service in the area. Considering the distance involved to extend and connect the water district's distribution system to this subdivision, the cost of obtaining service from the water district would likely be similar to or greater than the cost of construction of the well and tank. There are also easement and other issues with regard to such service, according to the developer of the subdivision. The City of Washington also provides water and sewer service in the general vicinity, but service cannot readily or economically be obtained from this source. The Staff believes that at some point in time in the future acquisition by either the City of Washington or the water district or in some combination could occur. Additionally, the subdivision developer proposes a homeowners association, which could acquire the water and sewer systems in the future if the Companies are no longer willing or able to provide the service.

THE TARTAN ENERGY CRITERIA

As is normal procedure, the Staff has analyzed the Companies' abilities to meet the "Tartan Energy Criteria," as slightly modified by the Staff. These criteria have historically been used by the Commission in evaluating service area certificate applications. The Tartan Energy Criteria, with Criterion No. 1 modified by the Staff, are as follows:

1. Is there a need for the proposed services, and is there a need for the Company to provide the proposed services?

The Staff believes that a need for the proposed service clearly exists, since it is desirable for the new proposed homes to have water and sewer service. The Staff has also reviewed information that indicates the Franklin County Zoning Regulations require a dense subdivision to provide a central water and sanitary sewer system.

2. Is the Company qualified to provide the proposed service?

Based on its investigation, the Staff believes the companies are capable of providing the proposed service. The owner is experienced in development in the area, is undertaking design and construction of the utility systems using qualified consultants, and appears to be proceeding in a professional manner.

3. Does the Company have the financial ability to provide the proposed services?

The Staff believes the Companies will be adequately financed. The utility will be financed through the owner in the context of subdivision development, using a combination of bank financing and owner equity.

4. Is the Company's proposal economically feasible?

The Companies' proposals are economically feasible because they will be able to provide service at rates that are comparable to other regulated utility rates. However, as indicated above, ongoing viability of the Companies depends upon the success of the subdivision development.

5. Does the Company's proposal promote the public interest?

The water and sewer service is necessary and capable of providing service in the area, and as such, it is in the public interest. Additionally, the presumption in these types of cases is that if the other four criteria are met then this criterion is also met.

ADDITIONAL INFORMATION

Since the Companies are new entities and have no regulatory history, there are no issues with respect to the submission of annual reports or assessments. The Companies are in good standing with the Missouri Secretary of State. Since the facilities are not yet completed and not operating there are no operational issues or violations as noted by the Missouri Department of Natural Resources.

STAFF'S POSITIONS & CONDITIONS

The Staff recommends that the Commission issue Holtgrewe Farms Water Company, LLC and Holtgrewe Farms Sewer Company, LLC Certificates of Convenience and Necessity to provide water service and sewer service, respectively, subject to the conditions contained below. As the rates recommended by the Staff herein are based on pro-forma estimates, the Staff recommends that a rate review be conducted within two years after the Companies begin actual operations, to determine the reasonableness of expenses and rate calculations. For all future rate reviews and all future rate increase requests, the Staff recommends that plant investment levels used for rate calculations be based on a minimum of forty (40) customers, and that cash contribution of the CIAC charges be based on all forty-seven (47) subdivision lots. These conditions could be changed at such time that these systems are sold to or consolidated with utilities with other customers. In order to properly record and justify expenses and capital items, the owners and operators of Holtgrewe should maintain: (1) a very detailed check register of all payments for expenditures related to water and sewer utility operation; (2) all invoices of all payments for expenditures related to water and sewer utility operations; (3) very detailed records regarding all collections of revenues, CIAC fees and any other service charges collected to establish and maintain utility service; (4) establish and maintain a very detailed system of time sheet reporting for any individual(s) who incur wages, a salary, or other payment in the operation of the utilities, including a description of the work performed, the type of utility and the number of hours; (5) usage logs so mileage and hours of usage can be verified if vehicles and heavy duty equipment are used in water and sewer utility operations; and (6) establish and maintain a competitive bid process or some other method of determining whether fair and competitive costs are being incurred for significant expenditures in the operation of the water and sewer systems. Holtgrewe will also need to submit Schedules of Rates, Rules and Regulations (tariffs) as is required of all regulated utilities. The Staff will make itself available for assistance in preparing and filing tariffs, and for proper set-up of necessary utility records systems.

In conclusion, the Staff Recommends the Commission issue orders in each of these cases that:

1. Grant Holtgrewe Farms Water Company, LLC and Holtgrewe Farms Sewer Company, LLC Certificates of Convenience and Necessity for water service, and sewer service, respectively;

2. Approves rates for water service and sewer service, as described herein, as well as a CIAC charge of \$1,600 at the time a new water connection is made and a CIAC charge of \$1,600 at the time a new sewer connection is made;
3. Requires Holtgrewe to submit a new water tariff and a new sewer tariff, each with rates and provisions consistent with this recommendation and the order, bearing an effective date that is at least thirty (30) days after submission, to be submitted no more than sixty (60) days after the effective date of the Commission's order and to be approved before service is provided and rates charged to customers;
4. Approves depreciation accrual rates, as shown on the attached depreciation schedules, Attachments C for water (Case No. WA-2010-0281) and Attachment D for sewer (Case NO. SA-2010-0282);
5. Authorizes the Staff to conduct a rate review within two years of actual operations of Holtgrewe's utility systems; and,
6. Except for specific noted conditions, makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the requested certificate, including future expenditures by Holtgrewe, in any later proceeding.

The Water & Sewer Department Staff will file a further recommendation regarding approval of the new tariffs that Holtgrewe will be submitting in accordance with the Commission's order granting the certificate. This case should thus remain open for consideration of those tariffs and the Staff's recommendation thereon.

Attachments: A – List of Expenses and Rate Calculations for Water
B - List of Expenses and Rate Calculations for Sewer
C – Depreciation Schedule for Water Plant
D – Depreciation Schedule for Sewer Plant

Holtgrewe Rate Calculation
 WA-2010-0281
 WATER

\$ 58,610 net plant
 \$ 2,025 annual depreciation expense

fixed	vari		total expense		out of pocket
	\$ 1,600		\$ 1,600	Power and Other Utility \$ 0.55 per 1,000 gal	500
			\$ -	Chemicals and Treatment	
	\$ 1,621		\$ 1,621	Monitoring /Sample Collection	\$ 1,621
\$ 225			\$ 225	Materials, Supplies and Parts	
\$ 567	\$ 189		\$ 756	Miscellaneous*	
\$ 450	\$ 450		\$ 900	management salaries	
\$ 831			\$ 831	Office Supplies and Postage*	
\$ 1,400			\$ 1,400	Insurance (Vehicles, Liability and Workers Comp)	\$ 1,400
\$ 1,126			\$ 1,126	Legal and Accounting**	
	\$ 500		\$ 500	Contractor Services/Professional Services1	\$ 500
\$ 100			\$ 100	Miscellaneous*	
\$ 1,000	\$ 1,025		\$ 2,025	Depreciation rate base	
\$ 1,000	\$ 5,723		\$ 6,723	return on investment & inc 11.47% \$ 58,610	
\$ 392			\$ 392	other taxes 9.76	\$ 392
\$ 100			\$ 100	other fees	
\$55	\$85		\$ 140	assessment (factored up) 0.7578%	33
\$ 7,246	\$ 11,193		\$ 18,439	Total expenses	\$ 4,446

40 customers customers 10
 5000 gallons per month use per customer
 2,400,000 gal annual use

customer monthly \$ 15.10	commodity per 1,000 \$ 4.66
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\$ 38.41 typical bill for 5,000 gal

notes:

based on 40 customers, assuming there might not ever be a total build-out of all 47 lots
 CIAC of \$1,600 for water, to be paid by developer up front for all 47 lots, and reimbursed by the utility as
 customers connect and pay at the time of connection
 Electric usage for water is based on water horsepower calculation
 87 gpm, 330 tdh, 7.22 water horsepower, 7.4 hours runtime per day, 1603 kwh per month, at 8c 128.27 electric bill
 Management salary is included
 PSC assessment is calculated on these listed expenses, then factored up to include assessment revenue

Holtgrewe Rate Calculation
 SA-2010-0282
 SEWER

\$ 54,186 net plant
 \$ 1,906 annual depreciation expense

based on 85% of year 5 customer 40 customers

flat rate

out-of-pocket

\$ 1,200	Power and other utility	\$ 0.50 per 1,000 gal	\$ 1,200
\$ 1,283	Monitoring /Sample Collection		\$ 1,283
\$ 225	Materials, Supplies and Parts		
\$ -			
\$ -			
\$ -			
\$ 756	Miscellaneous		
\$ 900	management salaries		
\$ 831	Office Supplies and Postage		
\$ -			
\$ 1,400	Insurance (Vehicles, Liability and Workers Comp)		\$ 1,400
\$ 1,126	Legal and Accounting		
\$ 563	Contractor Services/Professional Services1		\$ 563
\$ 900	Permit Fees		\$ 900
\$ -			
\$ 113	Miscellaneous		
\$ 1,178	Depreciation	rate base	
\$ 6,215	return on investment & inc tx	11.47% \$ 54,186	
\$ 392	other taxes		\$ 392
1,760	assessment (factored up)	9.3426%	\$ 536
\$ 18,842	Total expenses		\$ 6,274
	40 customers	customers	14
\$ 39.25			
monthly			

requested:

4,000 gallons would be \$44
 \$24 first 1,000 gal, plus \$5 per 1000

notes:

based on 40 customers, assuming there might not ever be a total build-out of all 47 lots
 CIAC of \$1,600 for sewer, to be paid by developer up front for all 47 lots, and reimbursed by the utility as customers connect and pay at the time of connection
 Electric usage sewer is based on electric expense of other utilities with recirculating filter plants
 Management salary is included
 PSC assessment is calculated on these listed expenses, then factored up to include assessment revenue

Holtgrewe Farms Water Company, LLC
SCHEDULE of DEPRECIATION RATES
(WATER Class D)
WA-2010-0281

USOA

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
Source of Supply				
314	Wells & Springs	2.0%	50	
Pumping Plant				
321	Structures & Improvements (pump house)	2.5%	40	
325.1	Submersible Pumping Equipment	10.0%	10	
325.2	High Service or Booster Pumping Equip.	6.7%	15	
Water Treatment Plant				
331	Structures & Improvements (Chlorine house)	2.5%	40	
332	Water Treatment Equipment	2.9%	35	
Transmission and Distribution				
342	Distribution Reservoirs & Standpipes	2.5%	40	
343	Transmission & Distribution Mains	2.0%	50	
345	Services	2.5%	40	
346	Meters	10.0%	10	
347	Meter Installations	2.5%	40	
348	Hydrants	2.0%	50	
General Plant				
372	Office Furniture & Equipment	5.0%	20	
372.1	Office Electronic & Computer Equip.	20.0%	5	
373	Transportation Equipment	13.0%	7	9%
379	Other General Equipment (tools, shop equip., backhoes, trenchers, etc.)	6.7%	13	13%

Attachment C

Holtgrewe Farms Sewer Company, LLC
SCHEDULE of DEPRECIATION RATES
(SEWER Class C and D)
SA-2010-0282

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	DEPRECIATION RATE	AVERAGE SERVICE LIFE (YEARS)	NET SALVAGE
Land and Structures				
311	Structures & Improvements	3.0%	33	0%
Collection Plant				
352.2	Collection Sewers (Gravity)	2.0%	50	0%
354	Services	2.0%	50	0%
355	Flow Measurement Devices	3.3%	30	0%
Pumping Plant				
Treatment and Disposal				
373	Treatment & Disposal Facilities	5.0%	20	0%
General Plant				
391	Office Furniture & Equipment	5.0%	20	0%
391.1	Office Electronic & Computer Equip.	20.0%	5	0%
392	Transportation Equipment	13.0%	7	9%
393	Other General Equipment (tools, shop equip., backhoes, trenchers, etc.)	6.7%	13	13%

Attachment D

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

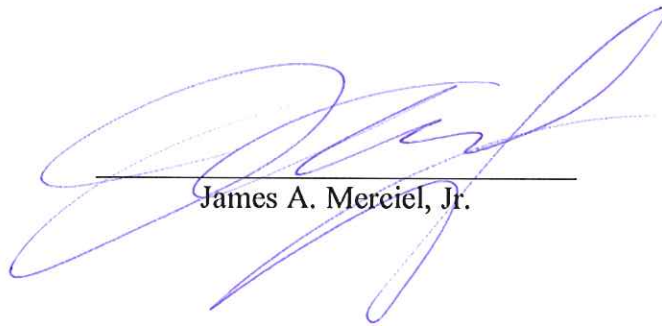
In the Matter of the Application of Holtgrewe Farms)
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and Sanitary Sewer System for the Public, Located in)
an Unincorporated area of Franklin County, Missouri.)

Case No. WA-2010-0281
and SA-2010-0282

AFFIDAVIT OF JAMES A. MERCIEL, JR., PE

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

James A. Merciel, Jr., of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of his knowledge and belief.

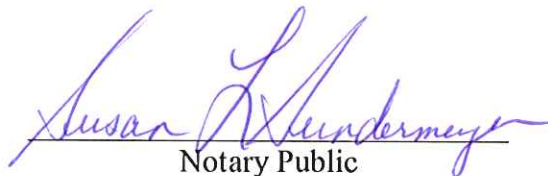


James A. Merciel, Jr.

Subscribed and sworn to before me this 12th day of August, 2010.



SUSAN L. SUNDERMEYER
My Commission Expires
September 21, 2010
Callaway County
Commission #06942086



Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of the Application of Holtgrewe Farms)
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and Necessity Authorizing it to Construct, Install,)
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and Sanitary Sewer System for the Public, Located in)
an Unincorporated area of Franklin County, Missouri.)

Case No. WA-2010-0281
and SA-2010-0282

AFFIDAVIT OF ROBERTA A. GRISSUM

STATE OF MISSOURI)
COUNTY OF St. Louis) ss.

Roberta A. Grissum, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of her knowledge and belief.

Roberta A. Grissum
Roberta A. Grissum

Subscribed and sworn to before me this 12th day of August, 2010.

LISA K. HANNEKEN
Notary Public - Notary Seal
State of Missouri
Commissioned for Franklin County
My Commission Expires: April 27, 2014
Commission Number: 10967138

Lisa K. Hanneken
Notary Public

BEFORE THE PUBLIC SERVICE COMMISSION

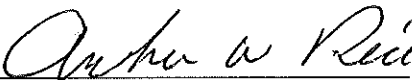
OF THE STATE OF MISSOURI

In the Matter of the Application of Holtgrewe Farms)
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and Necessity Authorizing it to Construct, Install,) Case No. WA-2010-0281
Own, Operate, Control, Manage, and Maintain Water) and SA-2010-0282
and Sanitary Sewer System for the Public, Located in)
an Unincorporated area of Franklin County, Missouri.)

AFFIDAVIT OF ARTHUR W. RICE, PE

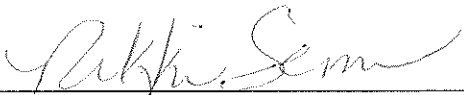
STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

Arthur W. Rice, of lawful age, on his oath states: that he has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by him; that he has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of his knowledge and belief.



Arthur W. Rice

Subscribed and sworn to before me this 10th day of August, 2010.



Notary Public

NIKKI SENN
Notary Public - Notary Seal
State of Missouri
Commissioned for Osage County
My Commission Expires: October 01, 2011
Commission Number: 07287016


BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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and Necessity Authorizing it to Construct, Install,) Case No. WA-2010-0281
Own, Operate, Control, Manage, and Maintain Water) and SA-2010-0282
and Sanitary Sewer System for the Public, Located in)
an Unincorporated area of Franklin County, Missouri.)

AFFIDAVIT OF SHANA ATKINSON

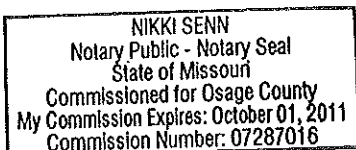
STATE OF MISSOURI)
) ss.
COUNTY OF Caldwell)


Shana Atkinson, of lawful age, on her oath states: that she has participated in the preparation of the foregoing Staff Recommendation in memorandum form, to be presented in the above case; that the information in the Staff Recommendation was developed by her; that she has knowledge of the matters set forth in such Staff Recommendation; and that such matters are true and correct to the best of her knowledge and belief.



Shana Atkinson

Subscribed and sworn to before me this 12th day of August, 2010.





Notary Public