

M E M O R A N D U M

TO: Case File SM 87-52
FROM: Jim Marciel *Jm*
SUBJECT: Staff Recommendation
DATE: December 3, 1986

M.P.B. Inc. proposes to purchase the assets of L&K Sewer System Inc. L&K is a sewer company that was started by the developer of the subdivision known as Villa Ridge Estates, because service was not available elsewhere. M.P.B. is a utility company that exists for the sole purpose of being in the sewer utility business and its owners have the ability and expertise in providing good sewer service. As stated in the application, M.P.B. presently operates under the jurisdiction of the Commission and the Water and Sewer Department is familiar with the company and its personnel.

Assuming that there will be no interventions filed by the January 5, 1987 filing date, the Staff recommends approval of this transfer without hearing. Although the application did not address rates, Staff recommends that M.P.B. adopt the existing rates of L&K Sewer Systems, Inc., which is \$12.11 per month, applicable to customers in the Villa Ridge Estates service area. M.P.B. has agreed with the Staff that after this transfer is accomplished, it will file a complete new tariff which will include approved rates for each service area and service area descriptions.

FILED
DEC 9 1986
PUBLIC SERVICE COMMISSION