

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

In the Matter of the Joint Application of)
South Jefferson County Utility Company)
and the Summer Set Property Owners)
Association for Cancellation of a Certificate)
of Convenience and Necessity and)
Associated Tariff Sheets)

Case No. WD-2006-0157

RECOMMENDATION FOR APPROVAL OF JOINT APPLICATION

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its Recommendation for Approval of Joint Application states the following to the Missouri Public Service Commission ("Commission").

1. On October 11, 2005¹, the South Jefferson County Utility Company ("Company") and the Summer Set Property Owners Association ("POA") filed their Joint Application for cancellation of the Company's certificates of convenience and necessity and tariffs pertaining to the Company's provision of its Commission-regulated water and sewer utility services.

2. On October 19, the Commission issued its **Order Directing Filing** ("Order") in which it ordered the Staff to file its recommendation for this case on or before November 1.

3. For the Commission's information, the following Staff members participated in the Staff's review of the Joint Application and the development of this recommendation, in addition to the undersigned counsel: Greg Meyer of the Auditing Department; Dale Johansen of the Water & Sewer Department; Jim Russo of the Water & Sewer Department; and Jim Merciel of the Water & Sewer Department.

¹ Unless noted otherwise, all dates herein refer to the year 2005.

4. Based on its review of the Joint Application, discussions with Company/POA representatives and its knowledge of the Company's operations, the Staff has determined the following:

(a) That all members of the POA are customers of the utility and all customers of the utility are members of the POA, and that the POA will operate the utility only for the benefit of its customers;

(b) That the voting rights for the POA are based on one (1) vote per lot and that all multiple lot owners receive water and sewer service at each lot they own;

(c) That the POA owns all the shares of stock issued in the Company's name;

(d) That the POA presently controls the day-to-day operations of the utility and issues the monthly utility billings, and has historically done so, and that there will thus be no changes with regard to the operation and management of the utility; and

(e) That upon approval of the Joint Application, the Company's assets will be transferred to the POA and the Company will be dissolved.

5. In addition to the above, the Staff also notes that the Company and POA will need to take the actions necessary to transfer all of the Department of Natural Resource permits from the Company to the POA. Also, the Staff believes it would be appropriate for the POA to send notice of the asset transfer to the customers, with that notice to include a statement that the rates and charges for water and sewer service will no longer be regulated by the Commission.

WHEREFORE, the Staff respectfully recommends that the Commission issue an order that:

(a) Authorizes the Company to transfer its water and sewer utility assets to the POA;

- (b) Directs the Company/POA to send notice of the subject asset transfer to the customers as discussed in Paragraph 5 above, and to file a copy of that notice in this case;
- (c) Directs the Company/POA to file a notice of its applications to the DNR for transfer of the Company's permits to the POA in this case;
- (d) Directs the Company/POA to file a notice of the closing of the subject asset transfer in this case;
- (e) Directs the Company/POA to file notice of the dissolution of the Company's corporate standing in this case; and
- (f) Cancels the Company's certificates and tariffs effective upon the notices of the closing of the subject asset transfer and the dissolution of the Company being filed in this case.

Respectfully Submitted,

DANA K. JOYCE
General Counsel

/s/ Keith R. Krueger

Keith R. Krueger
Deputy General Counsel
Missouri Bar No. 23857

Attorney for the Staff of the
Missouri Public Service Commission

P.O. Box 360
Jefferson City, MO 65102
573-751-4140 (telephone)
573-751-9285 (facsimile)
keith.krueger@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 1st day of November 2005.

/s/ Keith R. Krueger