BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Application of Foxfire Utility Company for Authority to Transfer Certain Water and Sewer Assets Located in Stone County, Missouri to Ozark Clean Water Company, and in Connection Therewith, Certain Other Related Transactions

File No. WM-2022-0186 & SM-2022-0187

ORDER CONSOLIDATING CASES, DIRECTING NOTICE, AND DIRECTING FILING

Issue Date: March 16, 2022

Effective Date: March 16, 2022

On March 15, 2022 Foxfire filed applications pursuant to Section 393.190, RSMo 2016, 20 CSR 4240-2.060, and 10.105 with the Missouri Public Service Commission (Commission) seeking authority to sell its water and sewer assets to Ozark Clean Water Company. Foxfire currently provides water and sewer service to approximately 258 billed locations in an unincorporated area of Stone County, Missouri. Foxfire also requests to be relieved of its responsibilities as a water and sewer corporation, cancelation of its certificates of convenience and necessity granted in File No. WA-95-31, and cancellation of its tariff sheets. The applications represent that the transfer of assets should have no impact on the tax revenues of relevant political subdivisions. Foxfire filed the applications as both a water matter and a sewer matter in separate cases.

Also on March 15, 2022, Foxfire filed a motion to consolidate the separate water and sewer applications. Both applications share common questions of law and fact. Further, keeping the two applications separate would result in duplication of effort and could create confusion. Therefore, the Commission will consolidate the two files for all purposes.

Section 393.190.1, RSMo 2016, requires that when transactions such as those described in the applications are submitted to the Commission for approval, the Commission must send notice "to the county clerk of each county in which any portion of a political subdivision which will be affected by such disposition is located." The applications state that the water and sewer facilities being sold are located in Stone County, Missouri. The Commission will direct its Data Center to send a copy of this order to the county clerk and county commission of Stone County. The Commission will also establish deadlines for persons wishing to intervene, and will direct a preliminary response from its Staff on the matter of Foxfire's applications.

THE COMMISSION ORDERS THAT:

1. File No. SM-2022-0187 is consolidated into File No. WM-2022-0186 for all purposes, with WM-2022-0186 being the lead case.

2. The Commission's Data Center shall transmit this notice and order, with a copy of the applications, to the county clerk and county commission of Stone County, Missouri.

3. The Commission's Public Policy and Outreach Department shall make notice of this order available to the members of the General Assembly representing the residents of Stone County and to the news media serving those residents.

4. Any application to intervene shall be filed no later than April 5, 2022.

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5. The Staff of the Missouri Public Service Commission shall file either its recommendation on Foxfire's applications, or a pleading stating when it anticipates filing its recommendation, no later than April 15, 2022.

6. This order shall be effective when issued.



BY THE COMMISSION annis a

Morris Woodruff Secretary

Ross Keeling, Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri, on this 16th day of March, 2022.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Application of Foxfire Utility Company for Authority to Transfer Certain Water and Sewer Assets Located in Stone County, Missouri to Ozark Clean Water Company, and in Connection Therewith, Certain Other Related Transactions.

File Nos.

WM-2022-0186 SM-2022-0187

APPLICATION

COMES NOW Foxfire Utility Company ("Foxfire" or "Company"), pursuant to Section 393.190, RSMo, 20 CSR 4240-2.060, and 20 CSR 4240-10.105, and hereby states the following to the Missouri Public Service Commission (Commission):

BACKGROUND INFORMATION

1. Foxfire is a Missouri corporation, active and in good standing with the Missouri Secretary of State, with its principal office and place of business at 3478 Smyrna Road, Rogersville, Missouri 65742. A Certificate of Good Standing from the Office of the Missouri Secretary of State is attached hereto as <u>Appendix A</u>.

2. Foxfire currently provides water and sewer service to approximately 258 billed locations in an unincorporated area in Stone County, Missouri, pursuant to certificates of convenience and necessity (CCN) granted by the Commission in Case No. WA-95-31.

3.. Foxfire is a "water corporation," a "sewer corporation," and a "public utility" as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law. Foxfire has no pending action or final unsatisfied judgment or decision against it from any state or federal agency or court that involves customer service or rates, which action, judgment or decision has occurred within the last three years. Foxfire has no overdue Commission annual reports or assessment fees.

3. Ozark Clean Water Company ("OCWC") is a Missouri non-profit corporation with its principal office and place of business located at 11 Oak Drive, P.O. Box 973, Kimberling City, Missouri 65686.

4. OCWC is a Missouri 501(c)(3) water and sewer corporation that was formed in March of 2004 for the specific purpose of owning and operating individual and clustered wastewater systems. OCWC was formed in accordance with sections 393.825 to 393.861 of the Missouri Revised Statutes. OCWC is a not-for-profit corporation with voluntary membership. Membership is gained by applying for and receiving services from OCWC. The Missouri Department of Natural Resources has approved OCWC as an acceptable entity to receive funding from the State Revolving Fund, which is a low interest loan program.

5. OCWC is not now subject to the jurisdiction of the Commission, nor will it be after the consummation of the proposed *Agreement for Sale and Purchase of Assets*.

6. Subsequent to the consummation of the proposed *Agreement for Sale and Purchase of Assets*, Foxfire will no longer hold any assets subject to the jurisdiction of the Commission.

4. Communications in regard to this Application should be addressed to the undersigned counsel.

THE TRANSACTION

5. Foxfire and OCWC have entered into an *Agreement for Sale and Purchase of Assets* dated December 10, 2019 (*Agreement*), a copy of which is marked <u>Appendix B</u>, and attached hereto. Pursuant to the *Agreement*, OCWC agrees to obtain and acquire substantially all of the water and sewer assets of Foxfire under the terms and provisions described in the *Agreement*.

6. Because Foxfire is a water and sewer corporation doing business in the State of Missouri, it is subject to the provisions of Section 393.190.1, RSMo, which states, in pertinent part,

that "no . . . water corporation or sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public . . . without having first secured from the Commission an order authorizing it so to do."

ADDITIONAL INFORMATION

7. A certified copy of the resolutions of the Board of Directors of Foxfire and OCWC authorizing the sale and purchase of the subject assets and related transactions contemplated by the *Agreement* are marked as <u>Appendix C</u> and <u>Appendix D</u>, attached hereto, and made a part hereof for all purposes.

8. The transfer of assets should have no impact on the tax revenues of relevant political subdivisions.

PUBLIC INTEREST

9. The proposed sale of the specified assets of Foxfire and the related transactions are not detrimental to the public interest of the State of Missouri. The assets of Foxfire will be acquired by OCWC. As described above, OCWC is an organization that was formed for the purpose of owning and responsibly managing wastewater and drinking water facilities throughout the Ozarks and protecting water quality and public health. After the proposed sale is consummated, neither Foxfire nor OCWC will be subject to the jurisdiction of the Commission.

10. OCWC is fully qualified, in all respects, to own and operate the systems currently being operated by Foxfire and to otherwise provide safe, reliable and affordable service. OCWC will continue to utilize the rates, rules and regulations that are determined by its members/customers to be appropriate. OCWC received sewer assets pursuant to a similar transaction that was approved by the Commission in Files Nos. SO-2008-0094 and WO-2015-0113.

WHEREFORE, Foxfire Utility Company respectfully requests that the Commission issue

its order:

(A) authorizing Foxfire to sell the assets identified herein;

(B) authorizing Foxfire to perform in accordance with the terms described in the *Agreement for Sale and Purchase of Assets* that is attached to this Application and to take any and all other actions which may be reasonably necessary and incidental to the performance of the sale;

(C) authorizing Foxfire Utility Company, effective upon the closing of the transaction, to terminate its responsibilities as a water and sewer corporation in Stone County, Missouri, and cancelling Foxfire's certificates of convenience and necessity granted in Case No. WA-95-31 and its filed tariff sheets concerning the Stone County service area; and,

(D) granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the *Agreement* and the Application and to consummate related transactions in accordance with the *Agreement*.

Respectfully submitted,

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Dean L. Cooper MBE #36592 Jesse W. Craig MBE #71850 BRYDON, SWEARENGEN & ENGLAND P.C. 312 E. Capitol Avenue P. O. Box 456 Jefferson City, MO 65102 (573) 635-7166 voice/(573) 635-0427 facsimile dcooper@brydonlaw.com jcraig@brydonlaw.com

ATTORNEYS FOR FOXFIRE UTILITY COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following this 15th day of March, 2022:

Office of the General Counsel staffcounselservice@psc.mo.gov

Office of the Public Counsel opcservice@opc.mo.gov

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VERIFICATION

State of Missouri) County of <u>Christian</u>

I, Garah Helms, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am the President of Foxfire Utility Company (Foxfire), that I am duly authorized to make this affidavit on behalf of Foxfire, that I have knowledge of the matters stated herein, and that said matters are true and correct to be best of my knowledge and belief.

Garah Helms

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 16th day of March, 2022.



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Morris L. Woodruff Secretary

MISSOURI PUBLIC SERVICE COMMISSION

March 16, 2022

File/Case No. WM-2022-0186 and SM-2022-0187

Missouri Public Service	Office of the Public Counsel	County of Stone, Missouri
Commission	Marc Poston	County Commission Clerk
Staff Counsel Department	200 Madison Street, Suite 650	PO Box 45
200 Madison Street, Suite 800	P.O. Box 2230	Stone County Courthouse
P.O. Box 360	Jefferson City, MO 65102	Galena, MO 65656
Jefferson City, MO 65102 staffcounselservice@psc.mo.gov	opcservice@opc.mo.gov	scocelmore@gmail.com

Foxfire Utility Company

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Missouri Public Service Commission

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Ozark Clean Water Company

Legal Department 11 Oak Drive P.O. Box 636 Kimberling City, MO 65686 contact@ozarkswaterwatch.org

Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

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Morris L. Woodruff Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.