

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of the Transfer of Assets of)
Hillcrest Utilities Company from Blomeyer)
Investments, Inc. to Brandco Investments, LLC) **Case No. WM-2007-0261**

ORDER DIRECTING FILING

Issue Date: June 22, 2007

Effective Date: June 22, 2007

On January 5, 2007,¹ Blomeyer Investments, Inc. (“Blomeyer”; f/k/a M & W Development Co.) filed an application with the Missouri Public Service Commission requesting authority to transfer ownership of all the water utility assets of Hillcrest Utilities Company (“Hillcrest”) from Blomeyer to Brandco Investments, LLC (“Brandco”). On January 22, the Commission issued a Notice of Deficiency regarding that filing, to which Blomeyer responded on February 21 by supplying certain verified information as directed. On March 1, the Commission joined Hillcrest and Brandco as parties, issued notice, and established March 21 as the deadline for submission of requests to intervene. There were no requests for a hearing or to intervene, nor have any been filed since then.

On March 23, the Commission directed its Staff to file a recommendation on Blomeyer’s application. On June 6, Brandco filed an affidavit clarifying the application by indicating that if the Commission approved the proposed transfer of ownership, Brandco would own, operate, and maintain all the water utility assets of Hillcrest, which were

¹ All dates specified in this order refer to the calendar year 2007.

previously owned, operated, and maintained by Blomeyer. The affidavit also indicated that Brandco would like to have its own certificate of convenience and necessity to replace the one Hillcrest currently has, and that, at an unspecified later date, Brandco intends to file a notice adopting Hillcrest's current tariff for water service. After requesting and receiving three extensions of time, Staff filed its Recommendation Regarding Proposed Transfer of Utility Assets on June 11. Over ten days have now passed, and no party has filed an objection to Staff's recommendation, which was favorable.²

Among other things, Staff recommended that the Commission approve the asset transfer and authorize Brandco to begin providing water service in Hillcrest's existing service area immediately thereafter. However, since Brandco has neither filed the adoption notice mentioned in its June 6 affidavit nor obtained the Commission's approval thereof, accepting Staff's recommendations at this time would result in a situation where Brandco was providing water service without first having an approved tariff on file, which is inconsistent with the Commission's usual practice.³ Therefore, Brandco will be directed to submit a notice adopting Hillcrest's existing water tariff within 10 days of the effective date of this order, with that adoption notice to bear an effective date that is at least 30 days from the date it is filed. Furthermore, since Staff has already advised the Commission that it plans to "file a further recommendation regarding approval of the tariff adoption notices that Brandco will be submitting," Staff will be directed to file such a recommendation within 10

² According to Commission Rule 4 CSR 240-2.080(15), parties are "allowed not more than ten (10) days from the date of filing in which to respond to any pleading unless otherwise ordered by the commission."

³ See, e.g., Order Granting Certificate of Convenience and Necessity, *In the Matter of the Application of Timber Creek Sewer Company*, Case No. SA-2005-0467 (Jan. 5, 2006) (Commission prohibited company from providing sewer service to the proposed service area until it had effective, approved tariffs on file with the Commission to serve that area).

days of the date Brandco files the notice. At that point, the Commission will be in a position to take up and fully consider Blomeyer's application.

IT IS ORDERED THAT:

1. Brandco Investments, LLC shall file a notice adopting Hillcrest Utilities Company's existing water tariff by no later than July 2, 2007. The adoption notice shall bear an effective date that is at least 30 days from the date the notice is filed.

2. Within 10 days of the date the notice is filed, Staff shall file its recommendation regarding the tariff adoption notice submitted by Brandco Investments, LLC.

3. This order shall become effective on June 22, 2007.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

Benjamin H. Lane, Regulatory Law
Judge, by delegation of authority
under Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 22nd day of June, 2007.