

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

In the Matter of the Application of Bear Creek)	
Water & Sewer, LLC to Sell its Sewer System)	
in Taney County, Missouri to Table Rock Lake)	<u>Case No. WM-2010-0239</u>
Community Service, Inc., in Taney County,)	
Missouri.)	

STAFF'S RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and hereby states to the Missouri Public Service Commission (Commission) Staff's opinion that the proposed sale and transfer in this case is not detrimental to the public interest and should be approved with the conditions cited in Staff's attached Recommendation.

WHEREFORE, Staff respectfully requests that the Commission accept Staff's Recommendation in this matter.

Respectfully submitted,

/s/ Shelley Syler Brueggemann
Shelley Syler Brueggemann
Missouri Bar No. 52173

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Missouri Public Service Commission
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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 14th day of May 2010.

/s/ Shelley Syler Brueggemann

MEMORANDUM

**Case No. WM-2010-0239– Bear Creek Water & Sewer, LLC
Application to Sell Water System**

TO: Missouri Public Service Commission Official Case File

FROM: Jerry Scheible, P.E., Utility Regulatory Engineer- Water & Sewer Department

/s/ Jerry Scheible
Project Coordinator

May 14, 2010

/s/ Shelley Brueggemann
Staff Counsel's Office

May 14, 2010

SUBJECT: Staff Recommendation Regarding the Application of Bear Creek Water & Sewer, LLC to Sell its Water System in Taney County, Missouri to Public Water Supply District No. 3 of Taney County, Missouri.

DATE: May 14, 2010

CASE FILING SUMMARY

On February 11, 2010 (unless noted otherwise, all dates herein refer to the year 2010), Bear Creek Water & Sewer, LLC (Bear Creek or Company) filed an *Application* with the Commission seeking to sell its water utility assets to Public Water Supply District No. 3 of Taney County, Missouri (the District).

On February 22, the Commission issued its *Order Directing Notice and Setting Date for Submission of Intervention Requests* requiring that notice of the Application be sent to the general public and interested parties in the affected area. This order set March 15 as an intervention deadline for interested parties. No applications to intervene have been submitted by any party.

On April 15, Staff filed *Staff's Status Report* in the subject case, in which it stated that Staff needed until May 15 to file its *Recommendation* in this matter.

An *Amended Application* was filed on April 19 to clarify the purpose of the application and to provide vital information that was omitted in the original *Application*.

A separate *Application* was filed by Bear Creek on February 11, to transfer its sewer assets to Table Rock Lake Community Service, Inc., which will in turn immediately transfer the assets to Ozarks Clean Water Company. A separate filing in that case, SM-2010-0241, is being filed concurrently and will address the transfer of the sewer assets.

BACKGROUND

A Certificate of Convenience and Necessity (CCN) was issued by the Commission to Bear Creek to provide both water and sewer service on August 1, 2000 (Case No. WA-2000-321). The water tariff currently on file is designated Tariff No. JW-2002-0266. The area served includes primarily the Whitetail Crossing subdivision in Taney County, Missouri. Bear Creek currently provides water service to forty-eight residential customers and sewer service to thirty-four residential customers.

Water service facilities include a well, a ground storage tank, bladder-type pressure tanks and chlorine disinfection. The facility operates under Missouri Department of Natural Resources (DNR) Permit Number MO-5031241 and does not currently have any compliance-related issues.

The Company is current with regard to filing its annual reports and paying annual assessments with the Commission.

TRANSFER OF OWNERSHIP DETAILS

The buyer, the District, intends to purchase all the assets of the water system from Bear Creek. The closing of the sale is to take place within thirty days after the effective date of a Commission Order approving the sale. Upon closing, the District will begin the rendition of water service without interruption to the current customers.

The District was created in 1973 as a non-profit water supply district and is in good standing with the Missouri Secretary of State (SOS). The District is recognized by the DNR as a legal entity that can own and operate water supply systems.

The District has proposed to continue to charge the current customers the rate for water service of \$10 for the first 1,000 gallons plus a commodity charge of \$3 for each additional 1,000 gallons, as is currently effective in Tariff No. JW-2002-0266, so there will be no immediate rate impact on the customers. Further, the proposed sale of assets will not impact the tax revenues in Taney County, Missouri, as stated by the County Office of the Assessor in a document dated January 12.

STAFF'S CONCLUSIONS

The Staff, based upon its review, believes that the proposed sale and transfer of assets is not detrimental to the public interest, and therefore recommends approval.

STAFF'S RECOMMENDATIONS

Based upon the above, Staff recommends that the Commission issue an order that:

- 1) Grants Bear Creek Water and Sewer, LLC the authority to sell and transfer all of its water utility assets to Public Water Supply District No. 3 of Taney County, Missouri, as requested in the *Application*;
- 2) Makes no ratemaking determination regarding any potential future regulatory oversight, if any;
- 3) Requires the parties to submit notice to the Commission regarding evidence of the transfer of assets to the District within three (3) business days after the transfer to the District;
- 4) That after the above notice of transfer is received, require the parties to file a motion requesting the Certificate of Convenience and Necessity held by, and water tariff JW-2002-0266 on file for, Bear Creek Water and Sewer LLC be cancelled, and grant such request.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

AFFIDAVIT OF JERRY SCHEIBLE, P.E.

STATE OF MISSOURI)
) SS **CASE NO. WM-2010-0239**
COUNTY OF COLE)

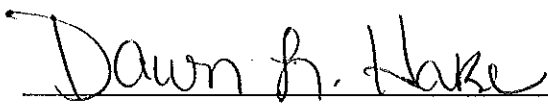
COMES NOW Jerry Scheible, P.E., being of lawful age, and on his oath states the following:

(1) that he is a Utility Regulatory Engineer in the Missouri Public Service Commission's Water & Sewer Department; (2) that he participated in the preparation of the foregoing Staff Recommendation Memorandum; (3) that he has knowledge of the information presented in the foregoing Staff Recommendation Memorandum; and (4) that the information presented in the foregoing Staff Recommendation Memorandum is true and correct to the best of his knowledge, information and belief.

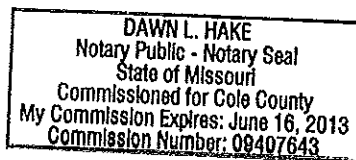


Jerry Scheible, P.E.

Subscribed and sworn to before me this 14th day of May 2010.



Notary Public



My Commission Expires: _____