

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 14th day of September, 2022.

In the Matter of Carl Richard Mills')
Request to Transfer Water System at)
Carriage Oaks Estate)

File No. WM-2022-0144

ORDER APPROVING TRANSFER OF UTILITY ASSETS

Issue Date: September 14, 2022

Effective Date: September 24, 2022

On November 30, 2021, Carl R. Mills (Mills) filed an application for an order authorizing the transfer and assignment of his water system assets to Carriage Oaks Estates Water and Sewer Not-For-Profit (Carriage Oaks). Mills is a “water corporation” and a “public utility,” as those terms are defined in Section 386.020 RSMo. The Commission granted a certificate of convenience and necessity to Mills in File No. WA-2018-0370, which authorized the company to provide water service to customers in the Carriage Oaks Estates subdivision in Stone County, Missouri. Mills is also party to a pending rate case, File No. WR-2021-0177, and a complaint case, File No. WC-2021-0223, both of which concern this water system. Section 393.190, RSMo requires a water corporation obtain the Commission’s authorization prior to the sale or transfer of its franchise, works, or system. Mills also seeks a waiver of the 60-day notice requirement of Commission Rule 20 CSR 4240-4.017.

Mills entered into an agreement to transfer its water assets to Carriage Oaks, a Missouri non-profit corporation, to manage the water assets for the benefit of the Carriage Oaks Estates homeowners. Carriage Oaks is not subject to the jurisdiction of the Commission.

The Commission issued an order directing notice, setting an intervention deadline, and directing the Staff of the Commission (Staff) to file a recommendation. No applications to intervene were received. On August 25, 2022, Staff filed its recommendation. Staff filed an amended recommendation on September 6, 2022. Staff recommends the Commission approve the transfer of the water utility assets with conditions.

Carl Mills developed Carriage Oaks Estates Subdivision and owns the Mills water system, providing water service to seven customers. The water system consists of a single well with current production capacity of 55 gallons per minute, a master meter, a ground storage tank, two high service booster pumps, and a water main consisting of 4-inch PVC pipe for all of the 32 lots in the developed area.¹ There is a chlorination system that is used to disinfect the storage tank, but the water is not routinely chlorinated. The water system is in good condition, and Carriage Oaks has no plans for future capital investments in the water system at this time.

On August 31, 2022, Missouri Department of Natural Resources confirmed that it reviewed Carriage Oaks' articles of incorporation and bylaws and determined that they are consistent with the requirements of 393.900 RSMo. This prompted Staff to file an amendment to its recommendation removing a contingency from its previous recommendation. The Commission set a time for responses to Mills' application, request for waiver, and Staff's recommendations. No responses were received

Having reviewed the filings, the Commission finds that the proposed transfer to Carriage Oaks is not detrimental to the public interest. The Commission will approve the

¹ There are currently only seven customers, there are no houses currently under construction, and there are no plans to begin future construction at this time.

transfer of the water assets for the Mills system to Carriage Oaks. So the parties may effectuate the transfer quickly, which will resolve other pending actions before the Commission and in the Circuit Court of Stone County, the Commission finds it reasonable to make this order effective in less than 30 days.

THE COMMISSION ORDERS THAT:

1. Mills is authorized to transfer its system water utility assets to Carriage Oaks.

2. Mills shall notify the Commission of closing on the transfer of the water assets to Carriage Oaks within five days after such closing.

3. Mills is authorized to cease providing water service immediately after closing on the assets.

4. If closing does not take place within 30 days of the effective date of this order, Mills shall submit a status report in this file within five days after this 30 day period regarding the status of closing, and additional status reports within five days after each additional 30 day period, until the closing takes place, or until Mills determines that the transfer of the assets will not occur.

5. If Mills determines that a transfer of the assets will not occur, the company shall notify the Commission.

6. After the above notice of the transfer of the water assets to Carriage Oaks is received from Mills, the water CCN applying to Mills' Carriage Oaks Estates Subdivision shall be cancelled.

7. This order shall be effective on September 24, 2022.



BY THE COMMISSION

Morris L. Woodruff

Morris L. Woodruff
Secretary

Silvey, Chm., Coleman, Holsman, and
Kolkmeier CC., concur.
Rupp, C., absent.

Clark, Senior Regulatory Law Judge

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 14th day of September, 2022.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

September 14, 2022

File/Case No. WM-2022-0144

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

Sincerely,



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.