

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a Session of the Public Service
Commission held at its office in
Jefferson City on the 24th day of
September, 2002.

In the Matter of the Application of Environmental Utilities,)
LLC, for Permission, Approval, and a Certificate of)
Convenience and Necessity Authorizing It to Construct,)
Install, Own, Operate, Control, Manage and Maintain) **Case No. WA-2002-65**
A Water System for the Public Located in Unincorporated) Tariff No. JW-2003-0238
Portions of Camden County, Missouri (Golden Glade)
Subdivision)

**ORDER SUSPENDING TARIFF, SCHEDULING A PREHEARING
CONFERENCE, AND DIRECTING THE PARTIES TO FILE A PROPOSED
PROCEDURAL SCHEDULE**

On June 27, 2002, the Commission issued a report and order that held that Environmental Utilities, LLC, could be granted a certificate of convenience and necessity to provide water service to the Golden Glade subdivision. The report and order provided, however, that a certificate would not be issued to Environmental Utilities until it filed a pleading proving to the satisfaction of the Commission that it had arranged to provide wholesale water to Osage Water Company for the use of Osage Water Company's customers in the Eagle Woods subdivision.

On September 1, 2002, Environmental Utilities issued a tariff that would establish rules for the provisioning of service in its requested service area. That tariff carries an effective date of October 1, 2002. On September 11, 2002, Environmental Utilities filed a Notice of Water Supply Agreement. The water supply agreement that was attached to that

notice indicates that Environmental Utilities has signed a contract with Osage Water Company to supply water for the Eagle Woods subdivision.

On September 12, 2002, the Commission issued an order that directed Staff, and permitted other parties, to file a recommendation regarding whether the water supply agreement submitted by Environmental Utilities satisfies the requirements for issuance of a certificate of convenience and necessity previously established by the Commission. The Commission's order required that all such recommendations be filed on or before September 20.

Staff filed its recommendation and memorandum on September 20. Staff indicates that it has no objection to the proposed tariff submitted by Environmental Utilities. However, Staff concludes that the proposed water supply agreement with Osage Water Company does not satisfy the requirements of the Commission's report and order. Because Environmental Utilities does not have a certificate of convenience and necessity, and will not be issued such a certificate until the Commission approves the proposed water supply agreement, Staff recommends that the proposed tariff be suspended until November 30, 2002, to allow Environmental Utilities an opportunity to correct the problems with the water supply agreement.

The Office of the Public Counsel also filed a recommendation on September 20, 2002. Public Counsel argues that the proposed water supply agreement between Osage Water and Environmental Utilities does not satisfy the requirements set out in the Commission's report and order. Public Counsel recommends that the Commission not issue a certificate of convenience and necessity to Environmental Utilities at this time.

On September 18, 2002, Hancock Construction Company, an intervenor in this case, filed a response regarding the water supply agreement submitted by Environmental Utilities. Hancock Construction also argues that the Commission should not issue a certificate of convenience and necessity to Environmental Utilities.

Given the opposition of Staff, Public Counsel, and Hancock Construction, the Commission will not issue a certificate of convenience and necessity until it has had an opportunity to hear further evidence regarding whether the water supply agreement submitted by Environmental Utilities satisfies the requirements established in the Commission's report and order. To that end, the Commission will direct the parties to submit a proposed procedural schedule, and will schedule a prehearing conference to facilitate the preparation of that procedural schedule.

Given the uncertainties surrounding the water supply agreement and the fact that Environmental Utilities does not currently have a certificate of convenience and necessity by which it can operate, the Commission will suspend the proposed tariff submitted by Environmental Utilities for a period of 120 days as permitted by Section 393.150, RSMo 2000.

IT IS THEREFORE ORDERED:

1. That the tariff issued on September 1, 2002, by Environmental Utilities, LLC, and assigned Tariff No. JW-2003-0238, is suspended for a period of 120 days beyond October 1, 2002, to January 29, 2003, or until otherwise ordered by this Commission. The tariff suspended is:

PSC Mo. – No. 1

2. That a prehearing conference shall be held on October 7, 2002, beginning at 10:00 a.m. The prehearing conference will be held at the Commission's offices at the

Governor Office Building, 200 Madison Street, Jefferson City, Missouri. This hearing will be held in a building that meets accessibility standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in this hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or 1-800-829-7541 (TDD) prior to the hearing.

3. That the parties shall file a proposed procedural schedule no later than October 15, 2002. The procedural schedule shall include dates for the filing of testimony and for a hearing.

4. That this order shall become effective on October 4, 2002.

BY THE COMMISSION

Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Simmons, Ch., Murray, Lumpe and Forbis, CC., concur
Gaw, C., not participating

Woodruff, Senior Regulatory Law Judge