

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

In the Matter of the Application of Tri-States)
Utility, Inc., for a Certificate of Convenience)
and Necessity Authorizing It to Enlarge and)
Extend Its Service Area and to Construct,)
Install, Own, Operate, Control, Manage and)
Maintain a Water System for the Public)
Located in an Unincorporated Area in Taney)
County, Missouri)

Case No.WA-2006-0241

**STAFF RECOMMENDATION FOR APPROVAL OF
APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY**

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel, and for its Recommendation for Approval of Application for Certificate of Convenience and Necessity ("Recommendation") states the following to the Missouri Public Service Commission ("Commission").

1. On December 6, 2005, Tri-States Utility, Inc. ("Company") submitted an Application requesting a certificate of convenience and necessity ("certificate") to expand its existing service into a described area in Taney County, Missouri.

2. On December 7, 2005, the Commission issued its **Order Directing Notice and Setting Date for Submission of Intervention Requests**, in which it established December 28, 2005 as the deadline for interventions and directed that notice be sent to interested parties. No requests for intervention have been filed and the Staff has received no comments about the Company's proposal.

3. The Company is currently a certificated water utility, having filed several certificate cases and sale cases for portions of its service area since the 1970s. The Company currently provides water service to about 2,900 customers in Taney County, Missouri, in and around Branson.

4. The area in which the Company proposes to provide service includes several single-family residences and commercial properties, and there are pending proposals to develop additional residential and commercial properties. The Company's water system, consisting of two wells, two storage facilities and pipelines of up to eight-inch diameter, has adequate capacity to serve the existing and proposed service areas. The Company is able to provide service within the proposed area by using its existing main extension rule in its tariff. Consequently, granting the requested certificate will not directly require the Company to make any additional investment in its plant, and the expansion of the Company's certificated service area is thus financially feasible.

5. In the Staff's opinion, there is a need for the service that the Company seeks to provide, because if the Company does not provide such service, it is probable that those who are developing the area would obtain a water supply by drilling multiple wells into the aquifer. Such actions could have a negative impact on the quality of the aquifer that provides a source of drinking water to all residents of the area.

6. In the Staff's opinion, the Company has provided safe and adequate service to its customers in the past, and is also presently doing so, and its history of successfully handling expansion and new construction in recent years demonstrates that the Company has adequate technical, managerial, and financial capacity to provide service in the proposed service area.

7. The Staff has reviewed the Company's compliance with Commission requirements to submit annual reports and pay annual assessments, and found that there are no deficiencies with regard to either of these matters. The annual report review covers calendar years 1997 through 2004, and the assessment review covers the fiscal year 2000 through the third quarter of fiscal year 2006.

8. The Company's application indicates that a small part of the existing service area territory to be located in Stone County, Missouri. However, the Company's existing service area does not extend into Stone County. Additionally, during the Staff's review of this case, the Company indicated that it has no intention of extending its service area into Stone County. To be sure this matter is clear, attached hereto as Exhibit A is a correct map of the proposed service area (with a portion of the existing area) that was provided to the Staff informally by the Company, and Exhibit B is a correct metes and bounds description that describes both the existing and proposed service area which was prepared by the Staff, and with which the Company agrees is correct.

9. The Staff has reviewed the Company's Application and supporting documents and finds them to be in all other respects proper, and recommends that the request for the additional service area, as modified, be granted.

10. Subsequent to Commission approval of a certificate, the Company will need to submit new tariff sheets reflecting the amended service area. The Staff proposes that the Company submit tariff sheets with a map and metes and bounds description depicting both the existing and new service area, which would replace the current tariff sheets showing the existing service area.

11. Staff members involved in the investigation of the Company's Application included Dale Johansen, Jim Merciel and Bill Nickle of the Commission's Water & Sewer Department, and the undersigned counsel.

WHEREFORE, the Staff respectfully recommends that the Commission issue an order that approves the Company's Application for a certificate to provide water service in that portion of the territory described in the Company's Application that lies in Taney County, Missouri, and requires the Company to submit revised tariff sheets reflecting its authorized service area, as amended by the Commission's order in this case.

Respectfully Submitted,

/s/ **Robert S. Berlin**

Robert S. Berlin
Associate General Counsel
Missouri Bar No. 51709

Attorney for the Staff of the
Missouri Public Service Commission

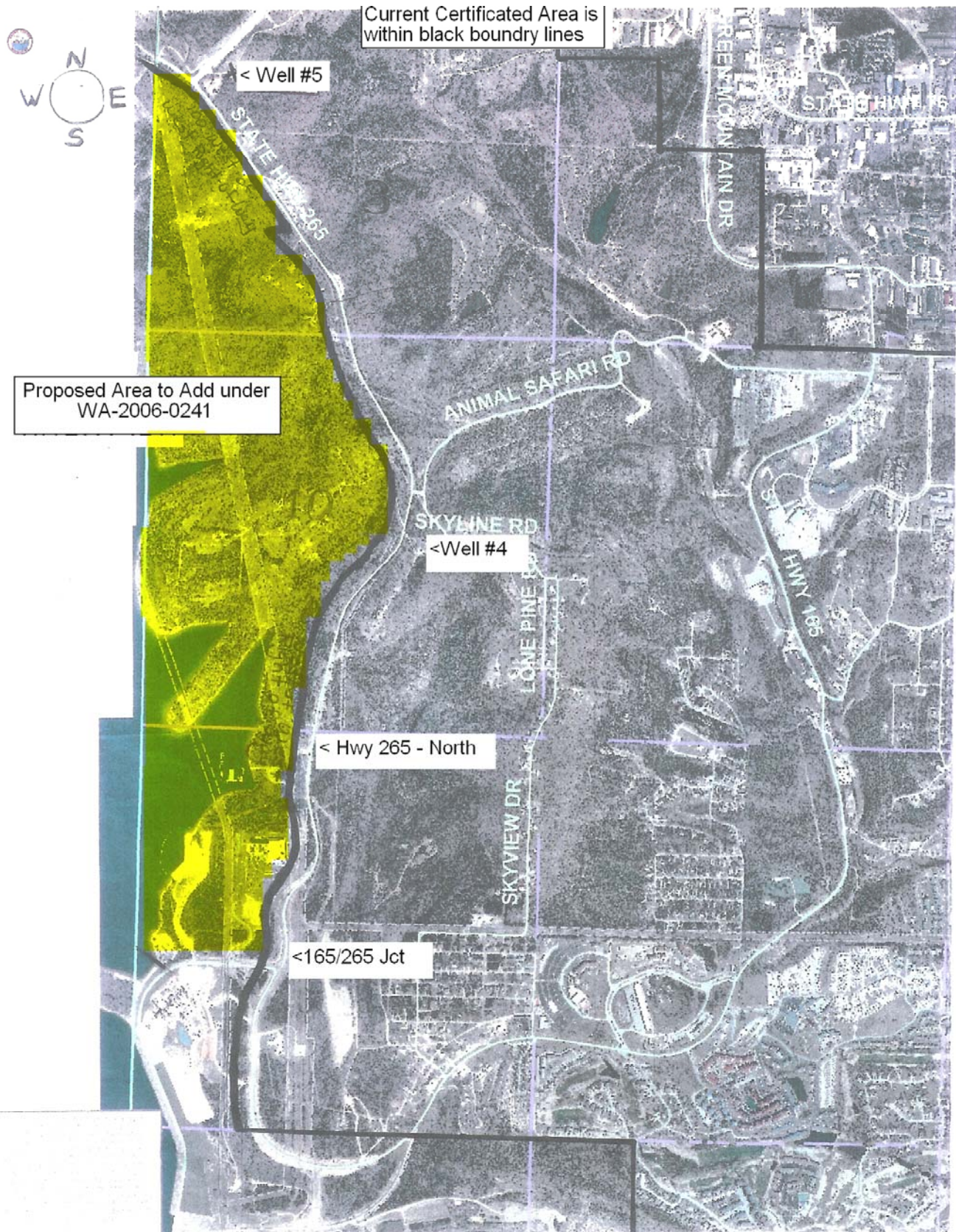
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bob.berlin@psc.mo.gov (e-mail)

CERTIFICATE OF SERVICE

I hereby certify that copies of this Recommendation have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 10th day of February 2006.

/s/ **Robert S. Berlin**

Tri-State Utility, Inc.
Proposed new area in WA-2006-0241



Tri-State Utility, Inc.

Existing service area combined with proposed new area in WA-2006-0241

A parcel of land situated in sections 1, 2, 3, 10, 11, 12, 13, 14, 15 and 23 in township 22 north, range 22, west, and section 7, township 21 north, range 22 west, all in Taney County, Missouri and being described as follows:

Beginning at the northeast corner of the se quarter of the se quarter of said section 1, thence west along the north line of the south one-half of the south one-half of said section 1 to the northeast corner of the southeast quarter of the southeast quarter of said section 2, thence south along the east line of said section 2 to the southeast corner of said section 2, thence, west along the south line of said section 2 to the southwest corner of the se quarter of said section 2, thence north along the west line of the southeast quarter of said section 2 to the northeast corner of the southwest quarter of said section 2, thence west along the north line of said southwest quarter of section 2, thence north along east line of the west half of lot 1 of the fractional northwest quarter of said section 2. thence west along the south line of the west half of lot 2 of the fractional northwest quarter of said section 2 to the east line of section 3, thence north along the east line of said section 3 to the northeast corner of said section 3. thence west along the north line of said section 3 to the west line of section 3, thence south along the west line of section 3, the west line of section 10, and the west line of section 15 to the south line of said section 15, thence east along the south line of said section 15 to the southwest corner of the southeast quarter of the southwest quarter of said section 14, thence south to a point on the north bank of Lake Taneycomo, thence in a generally easterly and northerly direction along the north bank of said Lake Taneycomo to the east line of said section 13, thence north approximately 1,600 feet along said east line of sections 13 and 12, thence easterly approximately 1,000 feet in section 7, township 21 north range 22 west, thence north approximately 1,500 feet, thence west to the east line of said section 12, thence north along said east line of section 12 and the east line of said section 1 to the point of beginning.

AFFIDAVIT OF JAMES A. MERCIEL, JR.

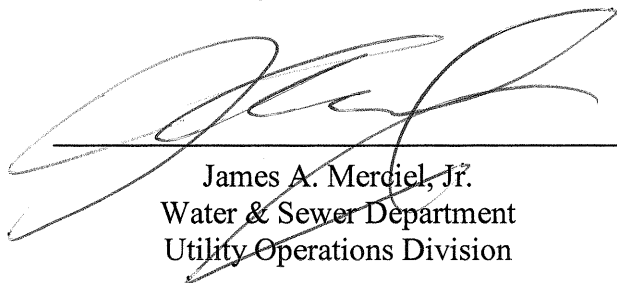
STATE OF MISSOURI)

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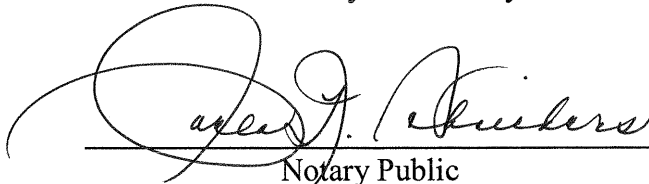
Case No. WA-2006-0241

COUNTY OF COLE)

James A. Merciel, Jr., of lawful age, on his oath states: (1) that he is a member of the Staff of the Missouri Public Service Commission; (2) that he participated in the preparation of this Recommendation for Approval of Application for Certificate of Convenience and Necessity ("Recommendation") and the Exhibits attached thereto; (3) that he has knowledge of the matters set forth in this Recommendation; and (4) that the matters set forth in this Recommendation are true and correct to the best of his knowledge, information and belief.


James A. Merciel, Jr.
Water & Sewer Department
Utility Operations Division

Subscribed and sworn to before me this 10th day of February 2006.


Notary Public

My Commission Expires: June 7, 2008

