

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 28th day of
February, 2008.

In the Matter of the Application of The Meadows)
Water Company, North Suburban Public Utility)
Company and the City of Willard, Missouri, for)
an Order Authorizing the Sale, Transfer and)
Assignment of Water and Sewer Assets to the)
City of Willard and in Connection Therewith)
Certain Other Related Transactions.)

Case No. WO-2007-0424

ORDER APPROVING TRANSFER OF ASSETS

Issue Date: March 3, 2008

Effective Date: March 13, 2008

On May 1, 2007, The Meadows Water Company, North Suburban Public Utility Company and the City of Willard, Missouri, filed an application with the Commission requesting authority for The Meadows to sell its water and sewer assets, and for North Suburban to sell its related real estate, to the City of Willard, Missouri. The Meadows is a water and sewer company subject to the jurisdiction of the Public Service Commission.

The Commission sent an Order and Notice on May 3, giving interested parties until May 23 to request intervention. Only the City of Springfield filed an application to intervene, which the Commission granted.

After the Commission ordered a procedural schedule and the parties filed testimony, on January 4, 2008, the City of Springfield stated that it did not oppose the application, and would not request a hearing. Staff then filed a Recommendation, stating that it believed the Commission should approve the transaction. Staff further states that the

parties should submit notice to the Commission regarding evidence of the transfer to Willard within three business days after the transaction takes place and, once the transaction is completed, Staff further recommends that the Commission cancel The Meadows' water and sewer tariffs.

On February 4, 2008, the Commission ordered the parties to explain what plans, if any, Willard had to annex The Meadows' service territory. On February 13, 2008, Willard stated that it and The Meadows Homeowner's Association held a public meeting on April 25, 2007 to discuss the transfer. Approximately 100 people in the service area attended. Willard stated that there was no organized or substantial opposition to the proposed transfer, and that many residents seemed to favor the stability the transfer could provide. Further, Willard stated that it and Springfield have resolved their differences about annexing the service territory, and that Willard does intend to annex it. Finally, Willard stated that between the time of the transfer and annexation, it intends to create a Utility Board which would include customers from The Meadows' service area. This board would make recommendations to the Board of Aldermen concerning utility policy.

Springfield responded on February 21, stating that it still does not oppose the transfer, and does not request a hearing. Further, Springfield stated that Willard's annexation plans are governed by an agreement between Springfield and Willard. Springfield submitted the agreement for the Commission's review.

The Office of the Public Counsel stated that it did not object to Staff's Recommendation. Because no party requests a hearing, the Commission may grant the applicants' request based upon the application and Staff's recommendation.¹

Findings of Fact and Conclusions of Law

The Meadows Water Company is a Missouri corporation and a water and sewer corporation regulated by the Commission pursuant to Section 386.020, RSMo. It serves approximately 1,129 water customers and 280 sewer customers in an area between Springfield and Willard, in Greene County, Missouri. North Suburban owns the capital stock of The Meadows; North Suburban is not regulated by the Commission. The City of Willard is a fourth class city as described in Chapter 79, RSMo, and is a political subdivision of the state.

Willard has agreed to buy all of The Meadows' assets, which are a water and sewer system as described in The Meadows Purchase Agreement. Further, Willard has agreed to buy North Suburban's tracts of real estate and buildings as described in the North Suburban Purchase Agreement. If approved, Willard would not be subject to Commission regulation for setting municipal utility rates. Also, if approved, this transfer of assets would cause a property tax abatement of approximately \$29,541.

The Commission may approve this transaction per Section 393.190, RSMo, if it finds that such a transaction will not be detrimental to the public interest. The transfer will not be detrimental to the public interest because the systems' customers will not suffer any

¹ See *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494, 496 (Mo. App. W.D. 1989).

reduced level of service or reliability, and they will see no interruption to their day-to-day water and sewer services. Further, this transfer will not be detrimental to the public interest because the Department of Natural Resources has noted no violations against The Meadows, and has no concerns about Willard's ability to safely and adequately provide service to these new customers.

The Commission has considered the application, Staff's recommendations, and the verified Official Case File Memorandum prepared by Staff, including the documents accompanying them, which are hereby admitted into evidence. The Commission will approve the application to transfer The Meadows' utility assets, and North Suburban's related real estate, to Willard, subject to the conditions contained within Staff's Recommendation.

IT IS ORDERED THAT:

1. The Meadows Water Company, North Suburban Public Utility Company and the City of Willard, Missouri, are authorized to perform in accordance with the terms of the Purchase Agreements more specifically described in the Joint Application for Approval of Transfer of Assets and its appendices.

2. The Meadows Water Company and North Suburban Public Utility Company are authorized to sell, and the City of Willard, Missouri, is authorized to buy, the water and sewer utility assets and related real estate situated in Greene County, Missouri, as more specifically described in the Joint Application for Approval of Transfer of Assets and its appendices.

3. The Meadows Water Company, North Suburban Public Utility Company and the City of Willard, Missouri, are authorized to enter into, execute and perform in accordance with the terms of all other documents which may be reasonably necessary and incidental to the performance of the transactions which are the subject of the executed Purchase Agreements and the Joint Application for Approval of Transfer of Assets and its appendices.

4. The Meadows Water Company shall file a pleading in this case informing the Commission of the completion of the transfer of assets described in paragraphs one, two and three of this order within three business days of the transfer.

5. This order shall become effective on March 13, 2008.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'Colleen M. Dale', is written over a horizontal line.

Colleen M. Dale
Secretary

(S E A L)

Davis, Chm., Murray, Clayton,
Appling, and Jarrett, CC., concur.

Pridgin, Senior Regulatory Law Judge