## STEWART & KEEVIL, L.L.C.

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March 27, 2003

**FILED**<sup>3</sup>

Missouri Public Service Commission Attn: Secretary of the Commission 200 Madison Street, Suite 100 P.O. Box 360 Jefferson City, Missouri 65102-0360

Missouri Public Service Commission

MAR 2 7 2003

Re:

Case No. WM-2003-0185

CAT-PAC Waterworks, Inc./Public Water Supply District No. 3 of Franklin County

Dear Mr. Roberts:

Please find enclosed for filing in the above-referenced case an original and eight (8) copies of Joint Applicant's Motion For Extension Of Time To Permit Customer Notice. A copy of this filing has on this date been mailed or hand-delivered to counsel for all parties of record. Thank you.

Sincerely,

CBS/bt

Enclosure

cc:

Cliff Snodgrass

Ruth O'Neill Dale Johansen Mark Piontek

FREDAL

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

MAR 2 7 2003

|   |   | Missouri Public<br>Service Commission |
|---|---|---------------------------------------|
| In the Matter of the Joint Application of | ) | - Wilde Commission                    |
| CAT-PAC Waterworks, Inc., and Public      | ) |                                       |
| Water Supply District No. 3 of Franklin   | ) | Case No. WM-2003-0185                 |
| County, Missouri, for Approval of         | ) |                                       |
| Transfer of Assets.                       | ) |                                       |

### MOTION FOR EXTENSION OF TIME TO PERMIT CUSTOMER NOTICE

COME NOW CAT-PAC Waterworks, Inc. and Public Water Supply District No. 3 of Franklin County, Missouri (collectively "Joint Applicants"), pursuant to 4 CSR 240-2.080, and for their Motion For Extension of Time To Permit Customer Notice, respectfully state as follows:

- 1. On March 17, 2003 the Commission Staff ("Staff") filed its Request For Extension of Time in which Staff indicated that it should be able to complete its recommendation, or in the alternative, file a Stipulation and Agreement by March 28, 2003. No party¹ opposed Staff's request and on March 21, 2003 the Commission issued its Order Granting Request For Extension of Time.
- 2. In subsequently discussing a possible Stipulation and Agreement, however, the parties discovered that the new March 28, 2003 deadline did not provide sufficient time for CAT-PAC to send out individual customer notices of the proposed transaction to CAT-PAC's customers prior to submitting a possible Stipulation and Agreement.
  - 3. Accordingly, the Staff has now prepared a customer notice which CAT-PAC will be

<sup>&</sup>lt;sup>1</sup> The only parties to this proceeding are the Joint Applicants, the Staff, and the Office of the Public Counsel.

sending to its customers within the next few days. A copy of the customer notice agreed to by the parties is attached hereto. Once the customer notice has been sent, and depending on the customer response, the parties are hopeful that either a Staff recommendation or a Stipulation and Agreement can be filed on or before May 1, 2003. For logistical reasons, counsel for Joint Applicants is filing this Motion only on behalf of Joint Applicants, rather than attempting to file a joint pleading on behalf of all parties, although counsel understands that no other party objects to this request for extension of time.

WHEREFORE, for the reasons stated above, Joint Applicants move the Commission to grant the parties an additional extension of time to May 1, 2003 in order to allow for customer notice of the proposed transaction to be sent to CAT-PAC's customers and for the subsequent filing of either a Staff recommendation, Stipulation and Agreement, or if necessary a proposed procedural schedule.

Respectfully submitted,

Charles Brent Stewart, MoBAR#34885

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ATTORNEY FOR JOINT APPLICANTS

#### CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing document was sent this date to counsel for all parties of record in Case No. WM-2003-0185 by depositing same in the U.S. Mail, first class postage pre-paid, or by hand-delivery, this 27th day of March, 2003.

### CUSTOMER NOTICE – TO BE PUT ON COMPANY LETTERHEAD

#### Month/Day/Year

#### Dear Customer:

On November 19, 2002, CAT-PAC Waterworks, Inc. (Company) and Public Water Supply District No. 3 of Franklin County (District) filed a Joint Application with the Missouri Public Service Commission (Commission), in which they requested that the Commission approve the sale of the Company's water utility system assets to the District.

If the Joint Application is approved, the Company's customers will become customers of the District, which is an entity that is not regulated by the Commission for purposes of setting rates and conditions of service. The District is regulated by the Missouri Department of Natural Resources for purposes of the State's safe drinking water regulations. As customers of the District, the customers will have voting rights when it comes to selecting the District's board of directors, which is the body that governs the District's operations, including the setting of the District's customer rates and establishing its policies regarding conditions of service.

The District currently provides water service to approximately 2,560 customers within its service area, which includes the Company's Commission-certificated service area. In the long-term, it is expected that the Company's customers will benefit from being a part of the District's large customer base. Additionally, as a part of its plans for purchasing the Company's system, the District has plans to make certain capital improvements to the system and believes those improvements will enhance the service that the Company's customers receive. In particular, the District has plans to increase the water storage capacity on the system, to replace certain distribution mains within the system and to replace the customer meters in the system.

Set out below is a billing comparison between the Company's current customer rates and the District's current customer rates. This comparison is based upon a quarterly bill for a customer using 18,000 gallons of water per quarter (6,000 gallons per month). Even though the comparison is shown on a quarterly basis, since that is the way the Company bills, it should be noted that the District bills on a monthly basis.

| Billing Components                          | Company Bill | District Bill |
|---|--------------|---------------|
| Quarterly Minimum Charge (see note 1 below) | \$29.10      | \$31.50       |
| Usage Charge (see note 2 below)             | \$27.84      | \$62.25       |
| Total Quarterly Bill                        | \$56.94      | \$93.75       |
|   |              |               |

Increase in Quarterly Bill = \$36.81 (64.65%)

- (1) The Company's minimum charge includes the first 6,000 gallons of usage. The District's minimum charge includes the first 3,000 gallons of usage (on a monthly basis the District's minimum charge is \$10.50, which includes the first 1,000 gallons of usage).
- (2) The Company's usage charge is \$2.32/1,000 gallons for usage over 6,000 gallons, which is 12,000 gallons in this example. The District's usage charge is \$4.15/1,000 gallons for usage over 3,000 gallons, which is 15,000 gallons in this example (on a monthly basis the District's usage charge would apply to usage over 1,000 gallons, which would be 5,000 gallons in this example).

The Staff of the Public Service Commission (Commission Staff) is conducting an independent investigation of the Joint Application and will soon be formulating a recommendation that it will present to the Commission. The Office of the Public Counsel (Public Counsel), a state agency that represents the interests of the consumer before the Commission, may also conduct its own investigation, but at a minimum will review the results of the Commission Staff's investigation. The Public Counsel will also present a recommendation regarding the Joint Application to the Commission.

Any customer who has questions or comments regarding the proposed sale of the Company's assets to the District should contact the Commission Staff and/or the Public Counsel, within 20 days of the date of this notice. To do so, please use the addresses, telephone numbers or fax numbers shown below. Regardless of how you provide your comments, please refer to Case No. WM-2003-0185.

Missouri Public Service Commission Attn: Water & Sewer Department P.O. Box 360 Jefferson City, MO 65102 Consumer Hotline: 800/392-4211

Fax: 573/751-1847

Office of the Public Counsel Attn: M. Ruth O'Neill P.O. Box 7800 Jefferson City, MO 65102

Phone: 573/751-4857 Fax: 573/751-5562

Based upon the response to this customer notice, the Commission Staff or the Public Counsel may request that the Commission hold a local public hearing to receive testimony from customers about the proposed sale of the Company's assets to the District. Therefore, please take the time to express your views about this matter to the Commission Staff and the Public Counsel.

Regardless of whether a local public hearing is eventually held, the sale of the Company's assets to the District cannot occur without the approval of the Public Service Commission.

Sincerely,

# Name of Company Representative Title of Company Representative

Copies: Dale Johansen – PSC Staff Ruth O'Neill – Public Counsel