STATE OF MISSOURI PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held at its office in Jefferson City on the 19th day of June, 2013.

In the Matter of Cedar Green Land Acquisition, LLC for a Certificate of Convenience and Necessity Authorizing it to Own, Operate, Maintain, Control and Manage Water Systems in Camden County, Missouri))
In the Matter of Cedar Green Land Acquisition, LLC for)
a Certificate of Convenience and Necessity Authorizing) <u>File No. SA-2013-0354</u>
it to Own, Operate, Maintain, Control and Manage Sewer)
Systems in Camden County, Missouri)

ORDER APPROVING UNANIMOUS STIPULATION AND AGREEMENT AND GRANTING CERTIFICATES OF CONVENIENCE AND NECESSITY

Issue Date: June 19, 2013

Effective Date: July 19, 2013

On September 25, 2012, Cedar Green Land Acquisition, L.L.C. ("Cedar Green") filed an application requesting that the Commission grant it a Certificate of Convenience and Necessity ("CCN") to provide water service to Cedar Green Luxury Condominiums located in Camden County, Missouri. On January 15, 2013, Cedar Green filed an application requesting that the Commission grant it a CCN to provide sewer service to the condominiums.¹ The Commission ordered that notice of the application be given to the public and interested parties. The Commission did not receive any requests to intervene.

¹ Cedar Green submitted the applications in response to a pending formal complaint that was filed by Staff, WC-2013-0087, in which Staff alleges that Cedar Green is presently operating as a public utility and is subject to the jurisdiction of the Public Service Commission. Except for this case, there are no other matters pending before the Commission that would affect, or be affected by, the granting of a CCN to Cedar Green.

On February 26, 2013, the Commission's Staff filed a recommendation advising the Commission to approve the applications, subject to certain conditions. On March 28, 2013, the Office of the Public Counsel ("OPC") filed a response to Staff's recommendation questioning the ownership and control of the water and sewer systems and objecting to the cost of service reflected in Staff's recommendation. On June 4, 2013, Cedar Green, Staff and OPC filed a Unanimous Stipulation and Agreement ("Agreement"), which was subsequently corrected on June 18, 2013. The Agreement is intended to resolve all issues identified by the parties and recommends that the Commission grant Cedar Green's applications for water and sewer CCNs, subject to the conditions stated in the Agreement.

The Commission may grant a water or sewer corporation a certificate of convenience and necessity to operate after determining that the construction and operation are either "necessary or convenient for the public service."² The Commission articulated the specific criteria to be used when evaluating applications for utility CCNs in the case *In Re Intercon Gas, Inc.*, 30 Mo P.S.C. (N.S.) 554, 561 (1991). The *Intercon* case combined the standards used in several similar certificate cases, and set forth the following criteria: (1) there must be a need for the service; (2) the applicant must be qualified to provide the proposed service; (3) the applicant must have the financial ability to provide the service; (4) the applicant's proposal must be economically feasible; and (5) the service must promote the public interest.³

Based on the Commission's independent and impartial review of the verified filings, the Commission determines that Cedar Green has satisfied all necessary criteria for the

² Section 393.170.3, RSMo 2000.

³ The factors have also been referred to as the "Tartan Factors" or the "Tartan Energy Criteria." See Report and Order, *In re Application of Tartan Energy Company, L.C., d/b/a Southern Missouri Gas Company, for a Certificate of Convenience and Necessity*, Case No. GA-94-127, 3 Mo. P.S.C. 3d 173 (September 16, 1994), 1994 WL 762882, *3 (Mo. P.S.C.).

grant of the applied-for CCNs. Cedar Green's provision of water and sewer service to the service area described is in the public interest, and the Commission will grant the request for the certificates and approve the Agreement.

THE COMMISSION ORDERS THAT:

1. Cedar Green Land Acquisition, L.L.C. is granted certificates of convenience and necessity to own, operate, maintain, control and manage the water and sewer systems located in Camden County, Missouri, as more particularly described in its applications and in the parties' Unanimous Stipulation and Agreement.

2. The Unanimous Stipulation and Agreement, as corrected, is approved. The parties are ordered to comply with the Unanimous Stipulation and Agreement, which is incorporated herein in its entirety as if fully set forth. The Unanimous Stipulation and Agreement shall be attached to this order as Appendix A.

3. The certificates of convenience and necessity are granted subject to the conditions set out in the Unanimous Stipulation and Agreement.

4. This order shall become effective on July 19, 2013.

BY THE COMMISSION

Morris I Woodruff

Morris L. Woodruff Secretary

R. Kenney, Chm., Jarrett and W. Kenney, CC., concur. Stoll, C., absent.

Bushmann, Regulatory Law Judge