

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 26th day of August, 2015.

In the Matter of the Application of)
Branson Cedars Resort Utility Company LLC for) File No. WA-2015-0049
Certificates of Convenience and Necessity)
Related to Water and Sewer Systems)

**ORDER GRANTING CERTIFICATES OF CONVENIENCE AND
NECESSITY WITH CONDITIONS**

Issue Date: August 26, 2015

Effective Date: September 5, 2015

The Missouri Public Service Commission is granting the *Application*¹ of Branson Cedars Resort Utility Company LLC's ("BCRU") for a certificate of convenience and necessity ("certificate") to provide sewer service ("sewer application"). The Commission is also granting BCRU's *First-Amended Application*² for a certificate to provide water service ("water application"). The Commission is conditioning both certificates on the filing of tariffs and a rate case.

The standard for deciding the sewer application and the water application ("the applications") is public convenience and necessity,³ and the Commission may impose

¹ Electronic Filing Information System ("EFIS"), File No. SA-2015-0107, No. 1 (October 29, 2014) *Application*. The Commission consolidated that file with this file. EFIS No. 4 (November 6, 2014) *Order Extending Time To File Recommendation, Consolidating Actions, and Amending Style*. All other EFIS entries refer to this File No. WA-2015-0049.

² EFIS No. 8 (October 29, 2015) *First-Amended Application*. Earlier applications for a water certificate named a different entity as applicant.

³ Section 393.170.3, RSMo 2000.

reasonable and necessary conditions on the certificates.⁴ The Commission will base its rulings on the verified documents in the file. On that basis, the Commission independently finds and concludes as follows.

BCRU is a Missouri limited liability company.⁵ BCRU proposes to serve an area in Taney County south of the City of Hollister (“service territory”) that includes 52 rental cabins and 12 commercial customers, and a planned build-out ultimately of 400 units.⁶ BCRU’s proposed services are necessary and convenient for the public, so the Commission will grant the applications.

Staff recommends conditioning the certificates on the filing of tariffs as described in Staff’s revised recommendation⁷ and a “rate review” within 18 months of the effective date of this order.⁸ BCRU and the Office of the Public Counsel (“OPC”) voice no objection, but OPC suggests a general rate action in lieu of the rate review.⁹ No party disagreed with that suggestion, and the intervenor, lot-owners’ association Branson Cedars, Inc.,¹⁰ endorsed OPC’s suggestion,¹¹ adding only that the general rate action should occur no sooner than 12 months from the effective date of this order.¹² No party objected to that additional condition.

⁴ Section 393.170.3, RSMo 2000.

⁵ EFIS No. 8 (October 29, 2014) *First-Amended Application* first page, paragraph 2.

⁶ EFIS No. 34 (August 3, 2015) *Staff’s Revised Recommendation* page 5 paragraph a; EFIS No. 19 (March 31, 2015) *Staff’s Recommendation* page 10 paragraph a, Attachment A, and Attachment B.

⁷ EFIS No. 34 (August 3, 2015) *Staff’s Revised Recommendation* page 6, paragraph b through h.

⁸ EFIS No. 34 (August 3, 2015) *Staff’s Revised Recommendation* page 4 through 5.

⁹ EFIS No. 37 (August 10, 2015) *Office of the Public Counsel’s Response to Staff’s Revised Recommendation* page 2, paragraphs 5 through 10.

¹⁰ EFIS No. 14 (December 17, 2014) *Order Granting Intervention*.

¹¹ EFIS No. 39 (August 14, 2015) *Branson Cedars, Inc.’s Response to Staff’s Revised Recommendation*.

¹² EFIS No. 39 (August 14, 2015) *Branson Cedars, Inc.’s Response to Staff’s Revised Recommendation* second paragraph.

Therefore, the Commission will grant the applications, and order the filing of tariffs and rate cases, as follows.¹³

THE COMMISSION ORDERS THAT:

1. The applications, as described in the body of this order, are approved. Certificates of convenience and necessity (“certificates”) shall be issued to Branson Cedars Resort Utility Company LLC (“BCRU”) for water service and sewer service as described in the applications. The certificates shall be conditioned on BCRU’s compliance with paragraphs 2 and 3 of this order.

2. BCRU shall file new complete tariffs for water service and sewer service within 20 days after the effective date of this order. The provisions of the tariffs shall include the following.

- a. Monthly residential flat rates of \$56.29 for water service and \$48.26 for sewer service, with factored flat rates for various commercial customers; and a metered rate consisting of \$37.14 monthly customer charge and \$13.79 per 1,000 gallons commodity charge for one specific existing customer with established historical water usage; all as shown on Attachment B to the revised recommendation described in the body of this order;
- b. Service charges that include a \$5 optional late charge applicable to either a water bill or combined water and sewer bill; a \$25 trip charge for turn-on, turn-off, or service or investigative work undertaken by BCRU; and actual

¹³ The Commission’s regulations for a small utility rate action are at 4 CSR 240-3.050.

cost of emergency or requested repair work to a customer-owned sewer STEP unit undertaken by BCRU or a contractor hired by BCRU;

- c. A master meter on each of BCRU's two wells, and water meters for all commercial customers, within six months after the effective date of this order; monthly meter reading; retaining meter plant records; and maintenance of meter read records for each metered customer;
- d. A proposed 30-day effective date;
- e. Water and sewer depreciation rates as included with Staff's initial recommendation of March 31, 2015;
- f. Financial books and records for plant-in-service and operating expenses kept in accordance with the NARUC Uniform System of Accounts; and
- g. Operations records including those for customer complaints or inquiries, vehicle, equipment and telephone use records, maintenance activity, service calls and customer account records.

3. BCRU shall file general rate actions, which may be small utility rate actions, between 12 and 18 months after the effective date of this order.

4. Nothing in this order shall preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the subject certificates, including expenditures related to the certificated service territory, in any later proceeding.

5. This order shall be effective on September 5, 2015.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Hall, Chm., Stoll, Kenney,
and Rupp, CC., concur;
Coleman, C., absent.

Jordan, Senior Regulatory Law Judge