

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service
Commission held at its office in
Jefferson City on the 27th day of
February, 2007.

In the Matter of the Application of L.W. Sewer Corporation (Missouri), LLC for Authority to Reorganize and Convert to a Nonprofit Sewer Company)))))	<u>Case No. SA-2007-0105</u>
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**ORDER GRANTING AUTHORITY TO REORGANIZE AND
CONVERT TO A NONPROFIT SEWER COMPANY**

Issue Date: February 27, 2007

Effective Date: March 9, 2007

Syllabus: This order grants L.W. Sewer Corporation, LLC, the authority to convert into a nonprofit sewer company, and cancels L.W. Sewer Corporation's certificate of convenience and necessity and tariff.

Procedural History

On September 18, 2006, L.W. Sewer Corporation, LLC (LWS) asked the Commission for authority to reorganize and convert to a nonprofit sewer company. In addition, LWS asked that the Commission cancel its certificate of convenience and necessity. On September 20, the Commission issued an Order and Notice and directed interested parties to file an application to intervene no later than October 10. No applications to intervene were filed.

Staff filed its initial Recommendation on November 9, claiming that LWS needed to file executed copies of its Articles of Conversion, Amendment and Acceptance and the

related shareholder consent. Further, Staff mentioned that LWS needed to file its proposed bylaws under which the proposed nonprofit sewer company would operate. Upon receiving those, Staff stated that it would file its final recommendation, including information from the Missouri Department of Natural Resources regarding whether LWS complies with DNR requirements.

As directed by the Commission, on December 12, LWS filed its Articles of Conversion, Amendment and Acceptance, its Amended and Restated Bylaws, and its Statement of Unanimous Consent to Action Taken in Lieu of a Special Meeting of the Sole Shareholder. Staff responded on January 18, stating that it recommended that the Commission grant LWS the requested relief but stated, among other things, that LWS had not yet made its third quarterly payment of its FY2007 assessment, which was due on January 15, 2007. Also, Staff stated that one additional filing must be made with the Secretary of State for LWS to accomplish its conversion. Finally, Staff stated that Section 4, Article II of LWS's bylaws conflict with Section 393.839.5, RSMo, inasmuch as the bylaws mandate a shorter notice time of member meetings than provided in the statute.

After LWS made a compliance filing on February 8, Staff responded on February 13, stating that LWS had satisfied the above Staff concerns. Staff recommends that the Commission grant LWS the authority to reorganize and convert into a nonprofit sewer company, cancel LWS's tariff and certificate of convenience and necessity, and close the case.

Decision

Section 393.827, RSMo 2000, allows for a sewer corporation to convert into nonprofit sewer company. Upon that conversion, Section 393.847, RSMo Supp. 2002,

states that the Commission has no jurisdiction over the nonprofit sewer company. Based upon the verified pleadings of LWS and Staff, the Commission finds that LWS has complied with Section 393.827 and, therefore, the Commission shall grant LWS its requested relief.

IT IS ORDERED THAT:

1. L.W. Sewer Corporation, LLC, is granted authority to reorganize and convert to a nonprofit sewer company to be known as L.W. Sewer Company.
2. The certificate of convenience and necessity the Commission issued to L.W. Sewer Corporation, LLC, in Case No. 17,314, effective November 8, 1972, is canceled.
3. The tariff of L.W. Sewer Corporation, P.S.C. Mo. No. 1, assigned tracking number JS-2002-0036, is canceled.
4. This order shall become effective on March 9, 2007.
5. This case shall be closed on March 10, 2007.

BY THE COMMISSION



Colleen M. Dale
Secretary

(S E A L)

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

Pridgin, Senior Regulatory Law Judge