

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

In the Matter of the Application of)	
Central Jefferson County Utilities, Inc.)	
for an Order Authorizing the Transfer)	
and Assignment of Certain Water and)	<u>Case No. SO-2007-0071, et al.</u>
Sewer Assets to Jefferson County)	
Public Sewer District and in Connection)	
Therewith, Certain Other Related)	
Transactions.)	

REPORT AND RECOMMENDATION
REGARDING FINAL DISPOSITION
OF CERTIFICATE AND TARIFF

COMES NOW the Staff of the Missouri Public Service Commission and, for its Report and Recommendation Regarding Final Disposition of Certificate and Tariff, states to the Missouri Public Service Commission as follows:

In a Report and Order that it issued on February 8, 2007, the Commission authorized Central Jefferson County Utilities, Inc. ("Central Jefferson") to transfer its water and sewer assets to Jefferson County Public Sewer District ("the Sewer District"). On June 7, 2007, Central Jefferson filed a document titled "Central Jefferson's Final Status Report" through which it notified the Commission that the transactions authorized by the Commission's February 8 order were completed and the asset transfer was closed on June 1, 2007. Also on June 7, 2007, the Commission ordered the Staff to confirm that the authorized transfer of assets is complete, and to provide the Commission with certain other information.

The transaction at issue is a three-party agreement that was executed on July 13, 2006. This agreement was entitled "Tri-Party Purchase and Sale Agreement" and was commonly

referred to as the “Tri-Party Agreement.” The parties to that agreement were Central Jefferson, the Sewer District, and Environmental Management Corporation (“EMC”).

On June 13, 2007, the undersigned counsel for the Staff spoke with Dean L. Cooper and Dana Hockensmith, attorneys who represented Central Jefferson in the subject transaction, with Melissa Smith-Groff, an attorney who represented EMC in the transaction, with Martin Toma, a former member of the board of the Sewer District, with Diane Shaw, a current member of the board of the Sewer District, and with Clyde Pratt, the current chairman of the board of the Sewer District. Each of these persons confirmed that, to the best of their knowledge, the Tri-Party Agreement closed on June 1, 2007, that all assets have been transferred as authorized, and that no further actions need to be taken. The undersigned counsel also spoke with Janet Wiesmann, an employee of the Hillsborough Title Company, which handled the closing. She stated that she recorded the transfer of the titles to all of the subject real estate on June 1, 2007.

The Staff therefore confirms that the authorized transfer of assets is complete.

The Commission granted Central Jefferson certificates of convenience and necessity to provide water service and sewer service through an order that was issued in Case No. WA-80-289, and which was effective on December 28, 1981.

Until June 1, 2007, when Central Jefferson transferred its assets to the Sewer District, Central Jefferson was providing water and sewer services under tariffs identified by tracking numbers JW-2002-0003 and JS-2002-0262, respectively. Central Jefferson’s water tariff was originally effective on March 4, 1982 and its sewer tariff was originally effective on May 14, 1982.

Central Jefferson has fully complied with the requirements of the Commission's Report and Order. The Staff therefore recommends that the Commission cancel Central Jefferson's tariffs and its certificates of convenience and necessity.

WHEREFORE, the Staff respectfully submits its Report and Recommendation Regarding Final Disposition of Certificate and Tariff for the Commission's consideration in this case.

Respectfully submitted,

/s/ Keith R. Krueger

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Certificate of Service

I hereby certify that copies of this Report and Recommendation have been mailed with first class postage, hand-delivered, transmitted by facsimile or transmitted via e-mail to all counsel and/or parties of record this 14th day of June 2007.

/s/ Keith R. Krueger