

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

In the matter of the Application of Central	)	
Jefferson County Utilities, Inc. for an order	)	
authorizing the transfer and assignment	)	Case No. SO-2007-0071
of certain water and sewer assets to Jefferson	)	
County Public Sewer District and in connection	)	
therewith, certain other related transactions.	)	

**STATEMENT OF POSITION**

Comes now Central Jefferson County Utilities, Inc. (Central Jefferson), and, for its Statement of Position, states the following to the Missouri Public Service Commission (Commission) concerning the issues contained in the Proposed List of Issues, Order of Witnesses and Order of Cross-Examination filed on December 4, 2006:

1. The Proposed List of Issues, Order of Witnesses and Order of Cross-Examination identified the following two "Ultimate Issues:"

**Would the proposed transfer of the Company's water and sewer assets to the Sewer District be detrimental to the public interest?**

**If the transfer of assets, as proposed, would be detrimental to the public interest, could the Commission impose conditions such that the transfer, as approved, would not be detrimental to the public interest?**

2. **Company Position as to the Ultimate Issues:** The proposed transfer will not be detrimental to the public interest and may, in fact, benefit the public interest. Subject to the terms and conditions of a Tri-Party Purchase and Sale Agreement by and between Central Jefferson, the Jefferson County Public Sewer District (Sewer District) and Environmental Management Corporation (EMC), dated July 13, 2006, Central Jefferson proposes to transfer and assign to

the Sewer District and the Sewer District will acquire from Central Jefferson, all physical assets comprising the Central Jefferson water and sewer businesses.

The Sewer District has approved a long-term operation, maintenance and capital improvements agreement, for which the Sewer District will compensate EMC, and additionally the Sewer District will provide sufficient revenue to compensate EMC for certain capital improvements. EMC is a Missouri corporation, in good standing, that has over twenty-five years of experience in managing water and wastewater systems.

The Sewer District's ownership should not result in any reduced level of service or reliability for the involved customers presently being served by Central Jefferson. Nor will those customers see any interruption in their day-to-day utility service due to the transaction.

As to future customers, an expansion of the systems is necessary to provide service to future residents. Presently, Central Jefferson has no funds and no method to finance the cost of expansion of the water system. EMC will provide up to \$1,800,000.00 in capital improvements for a waste water treatment plant expansion and for a water system expansion. These improvements will provide more reliable service to existing customers and will enable future customers to connect to the water and sewer system.

The Sewer District Trustees are appointed by the County Commission, a publicly elected governmental body. The elected County Commission has ultimate control over the Sewer District, having various powers, to include the "power to pass all necessary rules and regulations for the proper management and conduct of the business of the sewer district." Section 249.515, RSMo. Thus, the rates and conditions of service will


be developed and administered by a political subdivision controlled by a publicly-elected Commission.

For these reasons, the proposed transfer will “not [be] detrimental to the public interest.” *State ex rel. Fee Fee Trunk Sewer, Inc. v. Litz*, 596 S.W.2d 466, 468 (Mo. App. E.D. 1980).

3. **Company Position on Preliminary Issues:** Central Jefferson believes that the answers to the “Preliminary Issues” identified in the Proposed List of Issues will not necessarily be determinative or, in the alternative, will not change the ultimate conclusion described above.

WHEREFORE, Central Jefferson respectfully requests that the Commission consider this Statement of Position.

Respectfully submitted,



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## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing was sent via U.S. Mail or electronic mail on this 8<sup>th</sup> day of December, 2006, to:

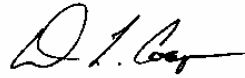
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