

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 21st day of January, 2020.

In the Matter of Missouri-American Water Company's)
Application For a Certificate of Convenience)
and Necessity Authorizing it to Install, Own, Acquire,)
Construct, Operate, Control, Manage and Maintain)
A Sewer System in an area of Clinton County,)
Missouri (Clinton Estates))

File No. SA-2020-0132

**ORDER GRANTING CERTIFICATE OF
CONVENIENCE AND NECESSITY**

Issue Date: January 21, 2020

Effective Date: February 20, 2020

Procedural History

On November 8, 2019, Missouri-American Water Company (Missouri-American) applied for a certificate of convenience and necessity (CCN) to install, own, acquire, construct, operate, control, manage, and maintain a sewer system in Clinton County, Missouri, in a subdivision known as Clinton Estates near the town of Trimble, Missouri. The sewer utility assets to be acquired are presently owned and operated by Clinton Estates Homeowners Association, a non-regulated homeowners association, which contracts with a third party, Residential Sewage Treatment Company, to perform maintenance and repairs. The area involved is the Clinton Estates subdivision, containing 79.5 acres. The system provides sewer service to approximately 61 residential customers. Customers currently receive quarterly flat rate bills of \$120.00 for sewer service. The subdivision is substantially developed and significant additional connections are not anticipated. Missouri-American requested a waiver of the

Commission's 60-day notice requirement found in Commission Rule 20 CSR 4240-4.017(1).

The Commission set a deadline of November 27, 2019, to intervene in the case. No requests to intervene were received. The Staff of the Commission filed its Recommendation on January 10, 2020. Staff recommends that the Commission grant the certificate, subject to conditions.

Commission Rule 20 CSR 4240-2.080(13) states that parties have ten days to respond to pleadings unless otherwise ordered. The parties here were not otherwise ordered. Ten days have elapsed since Staff's recommendation. No party has objected to the recommendation. The Commission will take up the recommendation unopposed.

Decision

Missouri-American is a sewer corporation and a public utility subject to Commission jurisdiction.¹ The Commission may grant a 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 has stated five criteria that it will use to make this determination:

- 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

¹ Section 386.020 (43) and (49) RSMo 2016.

² Section 393.170, RSMo 2016.

³ *In re Tartan Energy Company*, 3 Mo. P.S.C. 173, 177 (1994).

Based on the verified pleadings and Staff's Recommendation and Memorandum, the Commission finds the application for a certificate of convenience and necessity to provide sewer service meets the above listed criteria, when subject to the conditions recommended by Staff. No party has objected to Missouri-American's being granted a CCN, to the recommended conditions, nor requested a hearing.⁴ The application will be granted, subject to the conditions recommended by Staff.⁵ The Commission makes no finding that would preclude the Commission from considering the ratemaking treatment to be afforded any matters pertaining to the granting of the CCN to Missouri-American, including expenditures related to the certificated service area, in any later proceeding.

Missouri-American requested a waiver of the 60-day notice of case filing requirements established by 20 CSR 4240-4.017(1). Commission Rule 20 CSR 4240-4.017(1)(D) states that a waiver may be granted for good cause, which includes "a verified declaration from the filing party that it has had no communication with the office of the commission within the prior 150 days regarding any substantive issue likely to be in the case." Missouri-American has had no communication with the office of the Commission within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed for record. Accordingly, for good cause shown, the Commission waives the 60-day notice requirement of Commission Rule 20 CSR 4240-4.017(1).

⁴ The requirement for a hearing is met when the opportunity for hearing is provided and no proper party requests the opportunity to present evidence. No party requested a hearing in this matter; thus, no hearing is necessary. *State ex rel. Deffenderfer Enterprises, Inc. v. Public Service Comm'n of the State of Missouri*, 776 S.W.2d 494 (Mo. App. W.D. 1989).

⁵ See Staff Memorandum, pp. 6-7.

THE COMMISSION ORDERS THAT:

1. The sixty day notice requirement of Commission Rule 20 CSR 4240-4.017(1) is waived.

2. Missouri-American is granted permission, approval, and a certificate of convenience and necessity to construct, install, own, operate, control, manage, and maintain a sewer system in the proposed Clinton Estates service area.

3. Missouri-American shall charge a monthly residential flat rate of \$38.75 to apply to Clinton Estates service area.

4. Missouri-American shall submit new and revised tariff sheets, to become effective before closing on the assets, that include;

- a. A service area map (sheet No. MP 19.1);
- b. A service area written description (Sheet No. CA 18.1);
- c. Sewer rates (Sheet No. RT 3.1);
- d. Pump unit rules (Sheet No. 13.4);
- e. Appropriate index modifications (Sheet Nos. IN 1.3, IN 1.4, IN 1.5),

as applicable to sewer services in its Clinton Estates service area, to be included in its EFIS sewer tariff P.S.C. MO No. 26.

5. Missouri-American shall notify the Commission of closing on the assets within five days after such closing.

6. If closing on the sewer system assets does not take place within thirty days following the effective date of this order, Missouri-American shall submit a status report within five days after this thirty-day period regarding the status of closing, and additional status reports within five days after each additional thirty-day period, until closing takes place, or until Missouri American determines the transfer of the assets will not occur.

7. If Missouri-American determines a transfer of the assets will not occur, Missouri-American shall notify the Commission of such no later than the date of the next status report, as addressed above, after such determination is made, and Missouri-American shall submit tariff sheets as appropriate and necessary that will cancel service area maps, descriptions, rates and rules applicable to the Clinton Estates service area in its sewer tariff.

8. Missouri-American shall keep its financial books and records for all utility capital related costs accounts and operating expenses in accordance with the NARUC Uniform System of accounts.

9. Missouri-American shall adopt for the Clinton Estates sewer assets the depreciation rates ordered for Missouri-American in Case No. WR-2017-0285.

10. Missouri-American shall provide training to its call center personnel regarding rates and rules applicable to the Clinton Estates customers.

11. Missouri-American shall include the Clinton Estates customers in its established monthly reporting to the Customer Experience Department (CXD) Staff on customer service and billing issues, on an ongoing basis, after closing on the assets.

12. Missouri-American shall distribute to the Clinton Estates customer an information brochure detailing the rights and responsibilities of the utility and its customers regarding its sewer service consistent with the requirements of Commission Rule 20 CSR 4240-13, within thirty days of closing on the assets.

13. Missouri-American shall provide to the CXD Staff an example of its actual communication with the Clinton Estates customers regarding its acquisition and operations of the sewer system assets, and how customers may reach Missouri-American, within ten days after closing on the assets.

14. Missouri-American shall provide to the CXD Staff a sample of ten (10) billing statements from the first month's billing within thirty days after closing on the assets.

15. Missouri-American shall file notice in this case outlining completion of the above-described training, customer communications, and notifications within ten days after such communications and notifications.

16. The Commission reserves all ratemaking treatment to be afforded any matters pertaining to the granting of the CCN, including expenditures related to the certificated service area, to a later proceeding(s).

17. This order shall be effective on February 20, 2020.



BY THE COMMISSION

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

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, and
Coleman, CC., concur.
Holsman, C., abstains.

Graham, Regulatory Law Judge

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 21st day of January 2020.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

January 21, 2020

File/Case No. SA-2020-0132

**Missouri Public Service
Commission**

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,



**Morris L. Woodruff
Secretary**

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.