BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of the Application of Foxfire Utility Company for Authority to Transfer Certain Water and Sewer Assets Located in Stone County, Missouri to Ozark Clean Water Company, and in Connection Therewith, Certain Other Related Transactions.

File Nos.

WM-2022-0186 SM-2022-0187

APPLICATION

COMES NOW Foxfire Utility Company ("Foxfire" or "Company"), pursuant to Section 393.190, RSMo, 20 CSR 4240-2.060, and 20 CSR 4240-10.105, and hereby states the following to the Missouri Public Service Commission (Commission):

BACKGROUND INFORMATION

1. Foxfire is a Missouri corporation, active and in good standing with the Missouri Secretary of State, with its principal office and place of business at 3478 Smyrna Road, Rogersville, Missouri 65742. A Certificate of Good Standing from the Office of the Missouri Secretary of State is attached hereto as <u>Appendix A</u>.

2. Foxfire currently provides water and sewer service to approximately 258 billed locations in an unincorporated area in Stone County, Missouri, pursuant to certificates of convenience and necessity (CCN) granted by the Commission in Case No. WA-95-31.

3.. Foxfire is a "water corporation," a "sewer corporation," and a "public utility" as those terms are defined in Section 386.020, RSMo, and is subject to the jurisdiction and supervision of the Commission as provided by law. Foxfire has no pending action or final unsatisfied judgment or decision against it from any state or federal agency or court that involves customer service or rates, which action, judgment or decision has occurred within the last three years. Foxfire has no overdue Commission annual reports or assessment fees.

3. Ozark Clean Water Company ("OCWC") is a Missouri non-profit corporation with its principal office and place of business located at 11 Oak Drive, P.O. Box 973, Kimberling City, Missouri 65686.

4. OCWC is a Missouri 501(c)(3) water and sewer corporation that was formed in March of 2004 for the specific purpose of owning and operating individual and clustered wastewater systems. OCWC was formed in accordance with sections 393.825 to 393.861 of the Missouri Revised Statutes. OCWC is a not-for-profit corporation with voluntary membership. Membership is gained by applying for and receiving services from OCWC. The Missouri Department of Natural Resources has approved OCWC as an acceptable entity to receive funding from the State Revolving Fund, which is a low interest loan program.

5. OCWC is not now subject to the jurisdiction of the Commission, nor will it be after the consummation of the proposed *Agreement for Sale and Purchase of Assets*.

6. Subsequent to the consummation of the proposed *Agreement for Sale and Purchase of Assets*, Foxfire will no longer hold any assets subject to the jurisdiction of the Commission.

4. Communications in regard to this Application should be addressed to the undersigned counsel.

THE TRANSACTION

5. Foxfire and OCWC have entered into an *Agreement for Sale and Purchase of Assets* dated December 10, 2019 (*Agreement*), a copy of which is marked <u>Appendix B</u>, and attached hereto. Pursuant to the *Agreement*, OCWC agrees to obtain and acquire substantially all of the water and sewer assets of Foxfire under the terms and provisions described in the *Agreement*.

6. Because Foxfire is a water and sewer corporation doing business in the State of Missouri, it is subject to the provisions of Section 393.190.1, RSMo, which states, in pertinent part,

that "no . . . water corporation or sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public . . . without having first secured from the Commission an order authorizing it so to do."

ADDITIONAL INFORMATION

7. A certified copy of the resolutions of the Board of Directors of Foxfire and OCWC authorizing the sale and purchase of the subject assets and related transactions contemplated by the *Agreement* are marked as <u>Appendix C</u> and <u>Appendix D</u>, attached hereto, and made a part hereof for all purposes.

8. The transfer of assets should have no impact on the tax revenues of relevant political subdivisions.

PUBLIC INTEREST

9. The proposed sale of the specified assets of Foxfire and the related transactions are not detrimental to the public interest of the State of Missouri. The assets of Foxfire will be acquired by OCWC. As described above, OCWC is an organization that was formed for the purpose of owning and responsibly managing wastewater and drinking water facilities throughout the Ozarks and protecting water quality and public health. After the proposed sale is consummated, neither Foxfire nor OCWC will be subject to the jurisdiction of the Commission.

10. OCWC is fully qualified, in all respects, to own and operate the systems currently being operated by Foxfire and to otherwise provide safe, reliable and affordable service. OCWC will continue to utilize the rates, rules and regulations that are determined by its members/customers to be appropriate. OCWC received sewer assets pursuant to a similar transaction that was approved by the Commission in Files Nos. SO-2008-0094 and WO-2015-0113.

WHEREFORE, Foxfire Utility Company respectfully requests that the Commission issue

its order:

(A) authorizing Foxfire to sell the assets identified herein;

(B) authorizing Foxfire to perform in accordance with the terms described in the *Agreement for Sale and Purchase of Assets* that is attached to this Application and to take any and all other actions which may be reasonably necessary and incidental to the performance of the sale;

(C) authorizing Foxfire Utility Company, effective upon the closing of the transaction, to terminate its responsibilities as a water and sewer corporation in Stone County, Missouri, and cancelling Foxfire's certificates of convenience and necessity granted in Case No. WA-95-31 and its filed tariff sheets concerning the Stone County service area; and,

(D) granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the *Agreement* and the Application and to consummate related transactions in accordance with the *Agreement*.

Respectfully submitted,

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Dean L. Cooper MBE #36592 Jesse W. Craig MBE #71850 BRYDON, SWEARENGEN & ENGLAND P.C. 312 E. Capitol Avenue P. O. Box 456 Jefferson City, MO 65102 (573) 635-7166 voice/(573) 635-0427 facsimile dcooper@brydonlaw.com jcraig@brydonlaw.com

ATTORNEYS FOR FOXFIRE UTILITY COMPANY

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail to the following this 15th day of March, 2022:

Office of the General Counsel staffcounselservice@psc.mo.gov

Office of the Public Counsel opcservice@opc.mo.gov

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VERIFICATION

State of Missouri) County of <u>Christian</u>

I, Garah Helms, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am the President of Foxfire Utility Company (Foxfire), that I am duly authorized to make this affidavit on behalf of Foxfire, that I have knowledge of the matters stated herein, and that said matters are true and correct to be best of my knowledge and belief.

Garah Helms