

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

In the Matter of the Application of)	
Highway H Utilities, Inc. for a)	
certificate of convenience and necessity)	
authorizing it to construct, install, own,)	Case No. _____
operate, control, manage and maintain)	
water and sewer systems for the public in)	
an unincorporated area of Pulaski)	
County, Missouri.)	

APPLICATION

COMES NOW Highway H Utilities, Inc. (“Highway H” or “Company”), in accordance with 4 CSR 240-3.305, 4 CSR 240-3.600 and 4 CSR 240-2.060, and, for its application for a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain water and sewer systems for the public in an unincorporated area of Pulaski County, Missouri, states to the Missouri Public Service Commission (“Commission”) as follows:

BACKGROUND

1. Highway H is a Missouri corporation duly organized and existing under the laws of the State of Missouri with its principal office and place of business located at Post Office Box 308, H Highway East Outer Road, Waynesville, Missouri. Highway H is engaged in the provision of water and sewer service pursuant to certificates of convenience and necessity issued by this Commission in Cases Nos. WA-90-26, WA-91-127, WA-91-128 and WA-2004-0588. Highway H is a public utility as that term is defined in Section 386.020(32), RSMo 2000. As such, Highway H is subject to the jurisdiction, regulation, supervision, and control of the Commission insofar as it provides water and sewer service to the public in the State of Missouri. A certified copy of Highway H's Certificate of Corporate Good Standing as issued by the

Secretary of State of the State of Missouri was submitted in Case No. WA-2004-0588 and is incorporated by reference in accordance with Commission Rule 4 CSR 240-2.060(1)(G).

Highway H has no pending action or final unsatisfied judgments or decisions against it from any state or federal agency or court which involve customer service or rates. Highway H has no annual report or assessment fees which are overdue.

2. Correspondence, communications, orders and decisions regarding this matter should be addressed to the undersigned attorney and:

Mr. Jerry Laughlin
Highway H Utilities, Inc.
P. O. Box 308
Waynesville, MO 65583
(573) 774-5300
(573) 774-5565 facsimile

APPLICATION

3. By this application, the Company seeks permission, approval and a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain water and sewer systems for the public in an unincorporated area of Pulaski County, Missouri. The area is known as the "Northern Heights Estates 2 Subdivision." There is no other same or similar utility service, regulated or nonregulated, available in the area which is the subject of this application.

4. The proposed certificated area is located just north of Waynesville and east of Missouri Highway 17, in Pulaski County, in a portion of Section 12, Township 36 North, Range 12 West. The area encompasses approximately 160 acres, which will be developed into approximately 225 single family home lots. Attached hereto as **Appendix 1** is a description of the entire area proposed to be served. Attached hereto as **Appendix 2** is map of the area proposed to be served.

5. Marked as **Appendix 3**, attached hereto, and made a part hereof for all purposes, is a feasibility study for the sewer system containing specifications for the utility system and the estimated cost of the construction during the first three years of construction; plans for financing; proposed rates and charges; and an estimate of the number of customers, revenues and expenses during the first three (3) years of operations.

6. Marked as **Appendix 4**, attached hereto, and made a part hereof for all purposes, is a feasibility study for the water system containing specifications for the utility system and the estimated cost of the construction during the first three years of construction; plans for financing; proposed rates and charges; and an estimate of the number of customers, revenues and expenses during the first three (3) years of operations.

7. Highway H is qualified to manage the proposed water and sewer system. Highway H has actual experience in this area as it has operated regulated utility systems in Pulaski County, Missouri subject to the Commission's jurisdiction since 1990.

8. As described in the feasibility study, there are plans for construction of facilities to establish the proposed systems.

9. The names and addresses of ten residents and/or land owners in the area proposed to be served is attached hereto as **Appendix 5**.

10. There are no municipalities located within the proposed service area. No consent by franchise from a county is required for the completion of this project. Thus, no approval from affected governmental bodies is required. Highway H does have construction applications pending with the Missouri Department of Natural Resources for both the water and sewer systems.

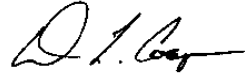
11. The granting of this application is in the public interest because it will present an opportunity for the public in the area proposed to be served to obtain and utilize safe and adequate water and sewer service regulated by the Commission.

WHEREFORE, Highway H Utilities, Inc. respectfully requests that the Commission issue its order:

(a) Granting Highway H Utilities, Inc. permission, approval and a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain water and sewer systems for the public in an unincorporated area of Pulaski County, Missouri, as is more particularly described herein; and,

- (b) Granting such further relief as the Commission deems appropriate.

Respectfully submitted,



Dean L. Cooper #36593
BRYDON, SWEARENGEN & ENGLAND P.C.
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(573) 635-7166
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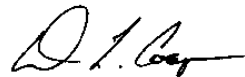
ATTORNEYS FOR HIGHWAY H UTILITIES, INC.

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by electronic mail on this 5th day of March, 2009, to:

Missouri Public Service Commission
Governor Office Building, 8th Floor
Jefferson City, MO 65102
gencounsel@psc.mo.gov


The Office of the Public Counsel
Governor Office Building, 6th Floor
Jefferson City, MO 65102-7800
opcservice@ded.mo.gov



AFFIDAVIT


State of Missouri)
) ss
County of Cole)

I, Jerry Laughlin, having been duly sworn upon my oath, state that I am the authorized agent of Highway H Utilities, Inc., that I am duly authorized to make this affidavit on behalf of the Highway H Utilities, Inc. and that the matters and things stated in the foregoing Application and appendices thereto are true and correct to the best of my information, knowledge and belief.



Jerry Laughlin

Subscribed and sworn before me this 26th day of February, 2009.



Notary Public

My Commission expires:

7/31/11

Shantell Taylor
Notary Public - Notary Seal
STATE OF MISSOURI
Cole County
Commission #07387135
My Commission Expires July 31, 2011

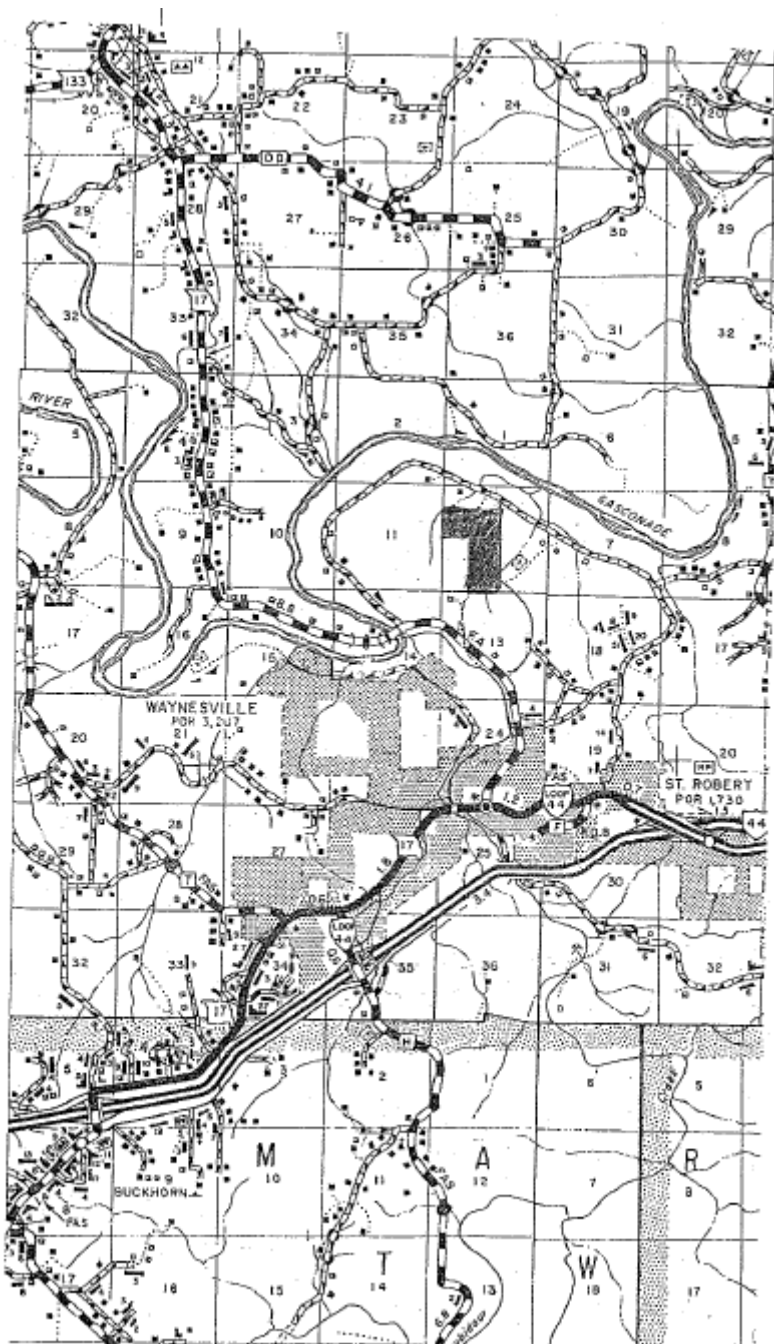
APPENDIX 1

LEGAL DESCRIPTION OF AREA TO BE CERTIFICATED

The following described lots, tracts or parcels of land, lying, being and situate in the County of Pulaski and State of Missouri, to wit:

All of the South half of the Northwest quarter and all of the East half of the Southwest quarter of Section 12, Township 36 North, Range 12 West of 5th P.M.; containing 160 acres, more or less. Subject to any easements of record.

APPENDIX 2
MAP OF THE
AREA TO BE CERTIFICATED



APPENDIX 3
FEASIBILITY STUDY
SEWER SYSTEM

1. Specifications for the utility system - See the attached Exhibit A.
2. Initial customers will be served from existing facilities. However, Highway H estimates that it will have a cost of construction during the first three years for additional facilities in the amount of \$100,000.
3. Plans for financing - Loan from Four J Land And Cattle Company.
4. Proposed rates and charges - Highway H initially plans to provide service in accordance with its currently approved tariffs, which are on file with the Public Service Commission, until such time as any changes to those tariffs are approved by the Commission.
5. Estimate of the number of customers, revenues and expenses during the first three (3) years of operations -
 - A. Highway H believes that the approximately 225 “buildable” lots will be sold within three (3) years and that homes will be built, and a customer located on approximately 225 lots within three (3) years.
 - B. At Highway H’s current rates, this will result in \$15.46 per customer per month, or, annual revenues of \$41,742 for the area proposed to be certificated on a going forward basis.
 - C. Estimated annual operating expenses for the area proposed to be certificated are as follows:

<u>Category</u>	<u>Amount</u>
Billing	\$5,400.00 (\$2 per bill)
Electric	\$6,000.00
Office Expenses	\$4,000.00
Taxes & Insurance	\$4,000.00
Labor	\$10,000.00

D. Revenues v. Expenses for the first three years:

	Year 1	Year 2	Year 3
REVENUES	\$18,552	\$29,682	\$41,742
	100 Customers	160 Customers	225 Customers
EXPENSES			
Operating Expenses	\$26,400	\$27,840	\$29,400
Property Tax	\$500	\$500.00	\$500.00
TOTAL EXPENSE	\$26,900	\$28,340	\$29,900

APPENDIX 4

FEASIBILITY STUDY

WATER SYSTEM

1. Specifications for the utility system - See Exhibit B.
2. Initial customers will be served from existing facilities. However, Highway H estimates that it will have a cost of construction during the first three years for additional facilities in the amount of \$250,000.
3. Plans for financing - Loan from Four J Land And Cattle Company.
4. Proposed rates and charges - Highway H initially plans to provide service in accordance with its currently approved tariffs, which are on file with the Public Service Commission, until such time as any changes to those tariffs are approved by the Commission.
5. Estimate of the number of customers, revenues and expenses during the first three (3) years of operations -
 - A. Highway H believes that the approximately 225 “buildable” lots will be sold within three (3) years and that homes will be built, and a customer located on approximately 225 lots within three (3) years.
 - B. It is estimated that the average customer will utilize gallons per month resulting in \$10.50 per customer per month, or, annual revenues of \$28,350 for the area proposed to be certificated on a going forward basis.
 - C. Estimated annual operating expenses for the area proposed to be certificated are as follows:

<u>Category</u>	<u>Amount</u>
Reading & Billing	\$5,400.00 (\$2.00 per read)
Electric	\$4,500.00
Office Expenses	\$4,000.00
Taxes & Insurance	\$4,000.00
Labor	\$4,000.00

D. Revenues v. Expenses for the first three years:

	Year 1	Year 2	Year 3
REVENUES	\$12,600	\$20,160	\$28,350
	100 Customers	160 Customers	225 Customers
EXPENSES			
Operating Expenses	\$18,900.00	\$20,340.00	\$21,900.00
Property Tax	\$500.00	\$500.00	\$500.00
TOTAL EXPENSE	\$19,400.00	\$20,840.00	\$22,400.00

APPENDIX 5

Names and Addresses of ten residents and/or landowner in the proposed certificated area follow (all are Waynesville, MO 65583):

Liz Serrano	20480 Leisure Lane
Charles Best	19443 Lambert Lane
Tammy Rase	29574 Lewellyn Lane
Kristen McNeely	19468 Lambert Lane
Jessica Cortes	20406 London Lane
Jamie Pearce	20300 London Lane
Karen Toney	19725 Luxury Lane
Diane Valencia	20424 London Lane
Linley	20511 Luna Lane
Julie Ervin	20611 London Lane