

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION
Jefferson City

February 28, 1979

CASE NO. WA-79-112

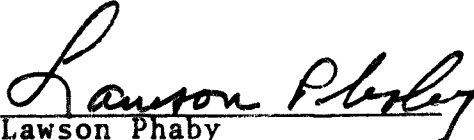
Gentlemen:

Enclosed find certified copy of Report and/or Order in the
above numbered case.

Stoneshire Water Co.
Don D. Anderson
5425 Southwood Rd.
Springfield, Missouri 65804

Anthony McConnell
Attorney at Law
P. O. Box 158
Ozark, Missouri 65721

Sincerely,


Lawson Phaby
Acting Secretary

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

CASE NO. WA-79-112

In the matter of the application of Stoneshire Water Co., for a certificate of convenience and necessity authorizing it to construct, install, operate and maintain a water system and to supply and render water service to the public located in an unincorporated area in Christian County, Missouri.

When no public water supply is available in an area being developed, the public convenience and necessity justifies the approval of an application to render service if it is under such conditions as appear to be reasonable and proper.

APPEARANCES: ANTHONY McCONNELL, Attorney at Law, Post Office Box 158, Ozark, Missouri 65721, for Applicant, Stoneshire Water Co.

GARY W. DUFFY, Assistant General Counsel, Missouri Public Service Commission, Post Office Box 360, Jefferson City, Missouri 65102, for the Staff of the Commission.

REPORT AND ORDER

By an application filed November 6, 1978, Stoneshire Water Co. seeks a certificate of public convenience and necessity to build, construct, operate and maintain a water distribution system in an unincorporated area in Christian County, Missouri. By notice to potentially interested persons, including landowners in the proposed service area, the matter was set for hearing in the Commission's hearing room on the tenth floor of the Jefferson State Office Building, Jefferson City, Missouri, at 10:00 AM on the 17th day of January, 1979.

Findings of Fact

Stoneshire Water Co. (hereinafter, Applicant) is a Missouri corporation with its office at Route 1, Box 163A, Highlandville, Missouri, within the proposed service area. All of the Applicant's stock is owned by Don D. Anderson and his wife, who reside in Springfield, Missouri, and own the land in the proposed service area. Anderson will be responsible for the day-to-day operations of the company, along with his son-in-law who resides in the service area, where the customers will be able to pay bills and report breakdowns in equipment.

The proposed service area is approximately 18 miles south of Springfield, Missouri, and consists of 2,160 acres, including the platted subdivision of Stoneshire, having 54 lots of three acres, twenty of which have been sold. In addition to the home of Anderson's daughter, seven houses were in various stages of construction at the time of the hearing. No other water supply is available and

the Applicant has asked that the service area include all of the land owned by Anderson, and intends to serve anyone who purchases land in the area and requests service.

Anderson, as developer, will advance funds for the initial construction consisting of a well, a 10,000 gallon pressure storage tank, and approximately 10,000 feet of mains. Since the company only expects to have 66 customers at the beginning of its fifth year and will operate at a loss for the first four years, Anderson has agreed to guarantee the water company sufficient cash on which to operate during that time.

The company has agreed to several modifications, proposed by the Commission Staff, to the installation of the system and the proposed rates. The company expects no difficulty in conforming to the Commission's record keeping and reporting requirements, and is aware of the necessity of securing approval of its system from the Department of Natural Resources.

The Commission Staff, upon review of the company's proposal, is of the opinion that it is reasonable and practical, and recommends that it review the company's operating results after eighteen months to determine whether the rates proposed on an interim basis should be adjusted. The company has agreed to the Staff's recommendation that the minimum rate be reduced from the proposed \$10.00 to \$4.21 plus \$1.28 per thousand gallons of use.

The Commission finds that there is a public need for water service within the area proposed and that the Applicant's proposed method of service is reasonable and proper.

Conclusions

No water corporation shall begin construction of a water system without first having obtained the permission and approval of this Commission.

The Commission shall have the power to grant the permission and approval whenever it shall, after due hearing, determine that such construction is necessary or convenient for the public interest.

The Commission may by its order impose such condition or conditions as it may deem reasonable and necessary. When no public water supply is available in an area being developed, the public convenience and necessity justifies the approval of an application to render service if it is under such conditions as appear to be reasonable and proper.

The Commission is of the opinion that, subject to the conditions herein-after ordered, interim approval of the application herein presented should be granted.

It is, therefore,

ORDERED: 1. That Stoneshire Water Co., Route 1, Box 163A, Highlandville, Missouri 65669, be, and it is, hereby granted an interim certificate of public convenience and necessity authorizing it to build, construct, operate and maintain a water distribution system distributing water to the public in an area described as follows:

Beginning at the NW Corner of SW 1/4 of Section 6, Township 25, Range 21, Christian County, Missouri, thence East to the NE Corner of said SW 1/4, thence South to the NE Corner of the SE 1/4 SW 1/4 said Section thence East along the North line of the SW 1/4 SE 1/4 said Section to the NE Corner of said SW 1/4 SE 1/4, thence South to the Southeast corner of said SW 1/4 SE 1/4, being the North line of Section 7, Township 25, Range 21, thence East along the Section line of said Section 7 to the Northeast corner of said Section 7, thence South to the Northeast Corner of the SW 1/4 of said Section 7, thence East to the Northeast Corner of the West Half of the SW 1/4 of Section 8, Township 25, Range 21, thence South to the Northeast Corner of SW 1/4 SW 1/4 of said Section 8, thence East to the Northeast Corner of the SW 1/4 SE 1/4 of said Section 8, thence South to the South section line of said Section 8, thence East along the South section line of said Section 8, and along the North section line of Section 16, Township 25, Range 21 to the Northeast Corner of said Section 16, thence South to the Southeast Corner of said Section 16, thence West along the South line of said Section 16, to the Southwest Corner of the SE 1/4 of said Section 16, thence North to the NW Corner of the S 1/2 of SE 1/4 of said Section 16, thence West along the North line of the S 1/2 of SE 1/4 of said Section 16, to the East Section line of Section 17, Township 25, Range 21, thence South to the Southeast Corner of said Section 17, thence West along the South line of said Section 17, to the SW Corner of said Section 17, thence North along the West line of said Section 17, to the Northwest Corner of said Section 17, thence West along the South line of the SE 1/4 SE 1/4 of Section 7, Township 25, Range 21, to the SW Corner of said SE 1/4 SE 1/4 Section 7, thence North to the NW Corner of said SE 1/4 SE 1/4, thence West to the West Section line of said Section 7 and continuing West to the SW Corner of the NE 1/4 SE 1/4 Section 12, Township 25, Range 22, thence North to the NW Corner of said NE 1/4 SE 1/4 Section 12, thence East to the West Section line of Section 7, Township 25, Range 21, thence North along the West Section lines of said Section 7 and 6 to the point of beginning.

ORDERED: 2. That prior to rendering the service herein authorized, the Applicant shall submit to the Commission and shall receive approval of its proposed tariff, which shall include rates for service and the rules and regulations governing that service.

ORDERED: 3. That the Applicant shall, within thirty (30) days from the effective date of this Report and Order, submit to the Commission evidence of its submission of the system plans, for approval, to the Missouri Department of Natural Resources, and shall submit evidence of such approval within thirty (30) days after its receipt.

ORDERED: 4. That eighteen (18) months following the commencement of the service herein authorized, the Commission Staff shall review the Applicant's

operating history and shall, if appropriate, recommend a revision to the company's rate structure.

ORDERED: 5. That this Report and Order shall become effective on the 20th day of March, 1979.

BY THE COMMISSION

Lawson Phaby

Lawson Phaby

Acting Secretary

(S E A L)

Fraas, Chm., Sprague, Jones and
McCartney, CC., Concur.
Slavin, C., Absent.

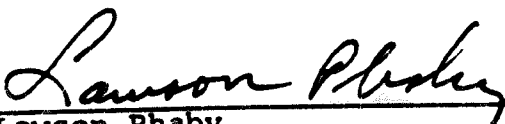
Dated at Jefferson City, Missouri,
on this 28th day of February, 1979.

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, this 28th day of February 1979.



Lawson Phaby
Acting Secretary