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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 16th
day of September, 1998.

In the Matter of the Application of)
Savannah Heights Industrial Treatment,)
Inc. for Permission, Approval, and a)
Certificate of Convenience and Necessity)
Authorizing it to Construct, Install, Own,) Case No. SA-98-294
Operate, Control, Manage and Maintain a)
Sewer System for the Public, Located in an)
Unincorporated Area in Taney County,)
Missouri.)

ORDER GRANTING CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

On January 20, 1998, Savannah Heights Industrial Treatment, Inc.
(Applicant) filed an application with the Commission requesting
permission, approval and a certificate of public convenience and
necessity to operate, control, manage and maintain a sewer system for the
public in an unincorporated area in Taney County, Missouri, known as the
Savannah Place, Ltd. Subdivision. In addition to a map and metes and
bounds description of the proposed area, Applicant filed a feasibility
study and stated in its application that no other utility, regulated or
unregulated, currently operates a sewer or water system in the proposed
area.

On January 22, 1998 the Commission issued an Order and Notice and
directed interested parties to file an application to intervene no later
than February 23. No applications to intervene were filed, but on
February 20, approximately 18 Savannah Place homeowners submitted a

letter to the Commission stating their opposition to the application. On July 17, the Staff of the Missouri Public Service Commission (Staff) sent a letter to Applicant, and to the homeowners, outlining the position of the Staff with respect to the application. The homeowners did not respond to this letter, and Applicant agreed to all points.

The position of the Staff outlined in the July 17 letter was reiterated in the Staff Memorandum filed in the official case file on July 24. Staff states that it has reached an agreement with Applicant whereby Applicant will charge a rate for sewer service of \$32.15 per month. Staff notes that there may be, in a future case, a question of what property should be included in rate base. Staff recommends the Commission approve the application, approve a rate for sewer service of \$32.15 per month, order Applicant to file tariffs, order Applicant to maintain its books and records in accordance with the Uniform System of Accounts, and make no finding as to ratemaking treatment. Staff also recommends a review of rates and expenses within 18 months after Applicant is granted a certificate.

The Office of the Public Counsel has been served copies of the application and all subsequent pleadings but has not filed any pleadings. Since no one requested permission to intervene, and since there are no requests for a hearing, the Commission determines that no hearing is necessary. State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission, 776 S.W.2d 494, 496 (Mo. App. 1989).

The Commission finds it is in the public interest for Applicant to construct, install, own, operate, control, manage and maintain sewer facilities and to render sewer service for the public located in the unincorporated area of Taney County as described by the map and metes and

bounds description attached to the application filed by the Applicant on January 20. The Commission also finds that the proposed rate of \$32.15 per month is just and reasonable.

IT IS THEREFORE ORDERED:

1. That Savannah Heights Industrial Treatment, Inc. is granted a certificate of public convenience and necessity to construct, install, own, operate, control, manage and maintain sewer facilities and to render sewer service for the public located in the unincorporated area of Taney County as described by the map and metes and bounds description attached to its application filed on January 20, 1998.

2. That the certificate of convenience and necessity referenced in ordered paragraph 1 shall become effective on the effective date of this order; however, Savannah Heights Industrial Treatment, Inc. shall not provide service to customers until the tariffs referenced in ordered paragraph 3 herein are approved.

3. That Savannah Heights Industrial Treatment, Inc. shall file with the Commission tariff sheets describing the terms and conditions under which it will provide sewer service.

4. That nothing in this order shall be considered a finding by the Commission of the reasonableness of the expenditures herein involved, nor of the value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed on said property.

5. That the Commission reserves the right to consider the ratemaking treatment to be afforded the properties herein involved, and the resulting cost of capital, in any later proceeding.

6. That the Commission establishes an 18-month review period for the appropriateness of the sewer rates, and that Staff shall file its recommendation regarding the appropriateness of the sewer rates at the conclusion of the 18-month period.

7. That this order shall become effective on September 29, 1998.

BY THE COMMISSION



Dale Hardy Roberts
Secretary/Chief Regulatory Law Judge

(S E A L)

Crumpton, Murray, Schemenauer and Drainer, CC., concur.
Lumpe, Ch., absent.

Mills, Deputy Chief Regulatory Law Judge

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COMMISSION COUNSEL
SERVICE COMMISSION