

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the application of Lochmead)
Enterprises, Inc. d/b/a Crest View Acres) Case No. WA-91-236
Water Company for authority to operate as a)
water utility.)

APPEARANCES: William M. Barvick, Attorney at Law, 231 Madison Street,
Suite 301, Jefferson City, Missouri 65101, for Lochmead
Enterprises, Inc., d/b/a Crest View Acres Water Company.

William K. Haas, Assistant General Counsel, Missouri Public
Service Commission, P.O. Box 360, Jefferson City, Missouri
65102, for Staff of the Missouri Public Service Commission.

HEARING
EXAMINER: Michael F. Pfaff

REPORT AND ORDER

Procedural History

On December 20, 1990, Lochmead Enterprises, Inc., d/b/a Crest View Acres Water Company (Applicant or Company) filed a verified Application seeking a certificate of public convenience and necessity authorizing it to provide water service in Franklin County, Missouri.

On January 8, 1991, the Commission gave Notice of Company's Application and established an intervention deadline of February 8, 1991. None sought to intervene or requested a hearing. This matter comes to the Commission on the verified petition by Applicant and on the filed recommendation of the Commission Staff.

Findings of Fact

Having considered all the competent and substantial evidence upon the whole record, the Missouri Public Service Commission makes the following findings of fact.

Applicant is a Missouri corporation, organized and existing under the laws of the State of Missouri with its principal place of business and offices located in Pacific, Missouri. Applicant's mailing address is P.O. Box 810, Eureka, Missouri 63025. Applicant has requested a certificate of convenience and necessity pursuant to Sections 393.140 and 393.170, RSMo 1986.

Applicant is currently operating a water system serving 54 dwelling units, a church and school, a liquor store tavern combination, and a truck garden in the Crest View Acres Subdivision in Franklin County, Missouri. A metes and bounds description of the Applicant's proposed service area was attached to the Company's Application as Exhibit B.

On July 23, 1991, the Commission Staff (Staff) recommended that Company's Application for water authority be approved. Staff performed an audit of Company's books and on the basis thereof recommended that the rates shown below for water service be approved on an interim basis by this Order, subject to review within 18 months of the effective date thereof. Having considered Staff's recommendations regarding both certification and rates, the Commission finds that said recommendations should be approved.

Staff recommends a total annual revenue of \$12,210 for Applicant's proposed system. The rates required to produce this amount would be as follows:

For the first 2000 gallons of water	\$12.85/month
For usage above 2000 gallons of water	\$1.36/1000 gallons

Both Applicant and the Commission Staff have advised the Commission that the water system proposed herein lies completely within an area previously certificated to another water system, Evergreen Lakes, Inc., d/b/a Evergreen Lakes Water Company. The Staff advises that Applicant's system is distinctly separate from that presently being operated by Evergreen Lakes.

Staff further advises that Evergreen Lakes is not financially able to acquire or operate the system herein proposed by Crest View, and that the owner of the Crest View Water System has been unable to acquire the Evergreen Lakes System. As a result, on March 8, 1991, the president of the Evergreen Water Company, Mr. Walter Ficken, filed with this Commission a document entitled, "Consent to Transfer a Portion of Certificated Service Area" wherein Evergreen has agreed to forego both its right and obligation to serve within that portion of its certificated area which will be certificated to Applicant. By the same document, Evergreen also indicates its desire to assist and facilitate Applicant's efforts to obtain the certification sought herein.

Having examined Evergreen's filed Consent to Transfer, the Commission finds that it is in the public interest to certificate Applicant herein and thereby absolve Evergreen of its present obligation to serve the area which Applicant proposes to serve.

The Commission also finds that Applicant is qualified and financially able to operate the water system described in its Application, and has also determined that there is now and will be a future need for adequate water service in the proposed service area. The Commission also finds that the rates recommended by the Commission Staff, and set out above, are reasonable and should be adopted. The Commission therefore finds that it is in the public interest to grant Applicant a certificate of public convenience and necessity.

Conclusions of Law

The Missouri Public Service Commission has arrived at the following conclusions. The Commission has jurisdiction over this Application by virtue of Sections 393.150 and 393.170 RSMo, 1986. Section 393.170 empowers the Commission to grant certificates of public convenience and necessity when it

has found that such a grant will be in the public interest. Section 393.150 authorizes the Commission to set just and reasonable rates.

The Commission has determined that a hearing is not necessary in the instant case. The requirements of a hearing have been met when all those having a desire to be heard are given such an opportunity. *State ex rel. Deffenderfer Enterprises, Inc. v. P.S.C.*, 776 S.W.2d 494, 496 (Mo. App. 1989). Although notice was given, no interventions or motions for hearing were filed. Applicant submitted its evidence by verified statement. Since there has been no objection to the evidence, the Commission has concluded that pursuant to Section 536.070(12), the affidavit is sufficient foundation to grant the requested authority.

IT IS THEREFORE ORDERED:

1. That Lochmead Enterprises, Inc., d/b/a Crest View Acres Water Company, is hereby granted a certificate of public convenience and necessity to construct, install, own, operate, control, manage and maintain a water system for the public in Franklin County, Missouri.

2. That the rates prescribed by this Report and Order are hereby approved, on an interim basis, for water service in the area described, and shall be subject to a Staff review and audit within 18 months of the effective date of this Order.

3. That Lochmead Enterprises, Inc., d/b/a Crest View Acres Water Company, shall, within 30 days of the effective date of this Report and Order, file tariffs which reflect the rates and charges authorized in this Order and which contain a metes and bounds description of the area to be served. Said tariffs shall also contain the rules and regulations concerning the utility's operations and service, all of which shall comply with the Commission's published rules.

4. That Lochmead Enterprises, Inc., d/b/a Crest View Acres Water Company, shall keep its books and records in accordance with the Uniform System of Accounts.

5. That within 60 days of the effective date of this Report and Order, Evergreen Lakes, Inc. d/b/a Evergreen Lakes Water Company, shall file new tariffs which contain a metes and bounds description of that portion of its service area reserved to Evergreen Lakes by its Consent to Transfer to Lochmead Enterprises, Inc., Applicant herein.

6. That this Report and Order shall be effective on the 13th day of September, 1991.

BY THE COMMISSION

Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

Mueller, Rauch, McClure and
Perkins, CC., concur.
Steinmeier, Chm., absent.

Dated at Jefferson City, Missouri,
on this 3rd day of September, 1991.