

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 6th
day of July, 1981.

Case No. WM-81-321

In the matter of the application of Missouri Cities Water Company for authority to transfer to the City of St. Charles, Missouri a water distribution system within the Scarsdale Development and to relinquish to said city Applicant's right to provide water service within said development.

ORDER APPROVING TRANSFER

On May 11, 1981, Missouri Cities Water Company (Applicant) filed its Application in this case seeking authority to transfer to the City of St. Charles, Missouri Applicant's water distribution system located within the Scarsdale Development and to relinquish to said city its right to provide water service to residents within said development. On June 26, 1981, the City of St. Charles, Missouri (City) filed its Motion for Leave to Intervene and Response to the Application in this case, asserting that if the Commission approves the proposed transfer, the City will accept said transfer and will provide safe and adequate water service to the residents presently receiving water service in the service area in question and to any other residents requesting service, and that such service will be provided upon the same terms and conditions under which water service is provided other residents of the City of St. Charles from its municipal water system.

The Commission, having considered the verified Application of the Company and the verified Motion of the City, as well as the recommendations of the Commission Staff, determines that a hearing is not necessary to the disposition of this matter, and makes the following findings and conclusions:

Missouri Cities Water Company is a corporation organized and existing under the laws of the State of Missouri, having been organized under the laws of this state on March 16, 1956 as Consolidated Water Corporation. Subsequently, its name was changed to Missouri Cities Water Company. A certified copy of Applicant's Articles of Incorporation and Certificates amendatory thereof are on file with the Commission. Applicant is a water corporation and public utility subject to the jurisdiction of this Commission under chapters 386 and 393, RSMo 1978. Applicant furnishes water for public and private use in the cities of Mexico, Brunswick, Parkville, Platte Woods, Houston Lake, Northmoor, Riverside and Warrensburg, Missouri, in the unincorporated areas of Platte County and St. Charles County, Missouri, and renders sanitary sewer service

in parts of St. Charles and Platte Counties, Missouri. The jurisdiction of this Commission over the instant Application is pursuant to Section 393.190, RSMo 1978.

The City of St. Charles, Missouri is a municipal corporation, being a third class city as defined under the laws of the State of Missouri. The city operates a municipal water system providing water service to residents within the corporate limits of said city.

The portion of Applicant's service area in question in this case is known as the Scarsdale Development, which is a subdivision set out in Plats 3 and 4 of a tract of land in Lot 6, Block 2 of the Evans Survey of St. Charles Commons, U.S. Survey 1911 and 415, Township 47 North, Range 4 East, the boundaries of which subdivision are clearly marked in Applicant's Exhibit 1 attached to the Application, which is also attached to this Order as Appendix A and is incorporated by reference herein. Scarsdale Development lies within the area certificated to Applicant by order of this Commission in Case No. 15,610. After August 1979, Applicant entered into an agreement with Basic Homes West, Inc., a Missouri corporation, a builder of homes in the Scarsdale Development, to construct a water distribution system to serve the residents of the Scarsdale Development. The distribution system for part of the development was completed in November 1979, and immediately thereafter Applicant provided water service to residents of homes which had been built and were then occupied. Such water service was furnished in accordance with the rates, rules and regulations on file with the Commission.

During the month of October, 1979, the City of St. Charles refused to issue additional building permits to Basic Homes, contending that Basic Homes had agreed to provide water service to residents within the Scarsdale Development from the City's municipal system and in accordance with the specifications contained in PUD Ordinance 79-17 adopted by the City Council of the City of St. Charles. Thereupon, Basic Homes filed an action in the Circuit Court of St. Charles County seeking to compel the City to continue to issue building permits within the Scarsdale Development. Applicant ultimately intervened in these legal proceedings in the St. Charles Circuit Court. A stipulation was entered into between Applicant and City in the circuit court proceedings under which, subject to the approval of the Commission, Applicant has agreed to transfer to the City for the sum of one dollar (\$1.00) the distribution system which Applicant had constructed within the Scarsdale Development, and to surrender to the City Applicant's right to provide water service to residents within the area in question.

Applicant has been reimbursed by Basic Homes for all of its costs

incurred in constructing the water distribution system within the Scarsdale Development. Approximately 36 homes have been built so far in the development, and the loss of these customers will have a minimal effect upon Applicant's operating revenues and income. None of the residents within the development will be inconvenienced by the transfer of water service from Applicant to the municipal system of the city. As stated previously herein, the City will accept said transfer and will provide safe and adequate water service to the residents presently receiving water service in the area in question and to any other residents requesting service, upon the same terms and conditions under which water service is provided other residents of the City from its municipal water system. The city water distribution system and water supply are more than adequate to provide water service for any additional homes to be built within the Scarsdale Development.

The Commission concludes that the authority requested by the instant Application should be granted. As ordered below, however, the Commission further deems it necessary for the Applicant to submit to the Commission all accounting entries recorded in the carrying out of the transfer authorized herein, and to file an amended description of Applicant's service area in St. Charles County.

It is, therefore,

ORDERED: 1. That Missouri Cities Water Company be, and is hereby, authorized to transfer to the City of St. Charles, Missouri the Company's water distribution system located within the Scarsdale Development, as shown in Appendix A to this Order, and to relinquish to the City of St. Charles the Company's right to provide water service in the Scarsdale Development, pursuant to Application filed herein.

ORDERED: 2. That Missouri Cities Water Company be, and is hereby, directed to file with this Commission in this case, within sixty (60) days after the consummation of the transfer herein authorized, a copy of all of its accounting entries recording such transfer.

ORDERED: 3. That Missouri Cities Water Company be, and is hereby, directed to file with this Commission in this case, within sixty (60) days after the consummation of the transfer herein authorized, an amended legal description of its service area in St. Charles County.

ORDERED: 4. That Missouri Cities Water Company be, and is hereby, authorized to discontinue providing water service within the Scarsdale Development as of the date of the transfer to the City of St. Charles authorized by this Order.

ORDERED: 5. That nothing herein contained shall be construed by the Commission as a finding of value for ratemaking purposes of the properties herein involved, nor as an acquiescence in the value placed upon said properties by the parties.

ORDERED: 6. That this Order shall become effective on the 16th day of July, 1981.

BY THE COMMISSION

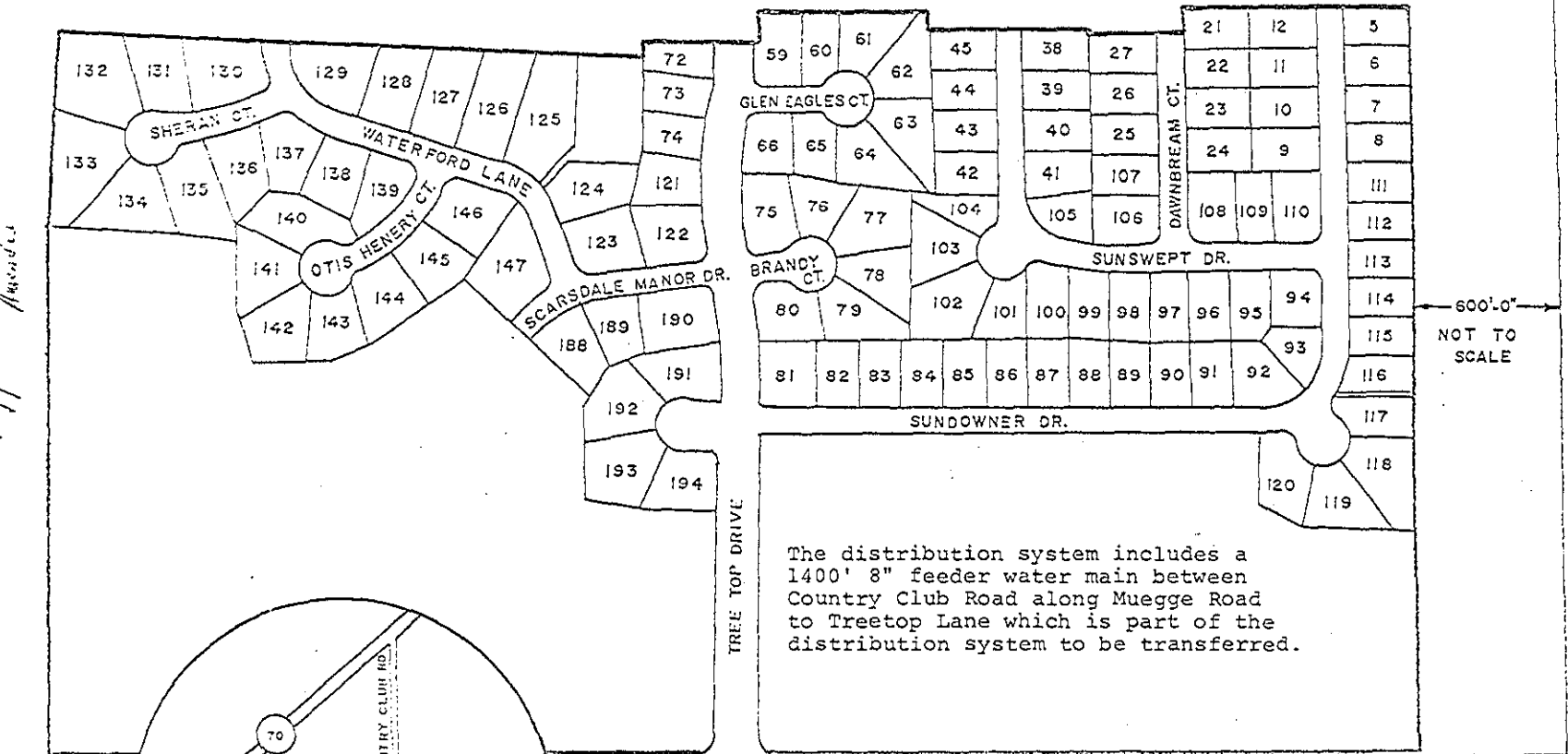
Harvey G. Hubbs
Harvey G. Hubbs
Secretary

(S E A L)

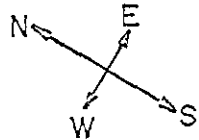
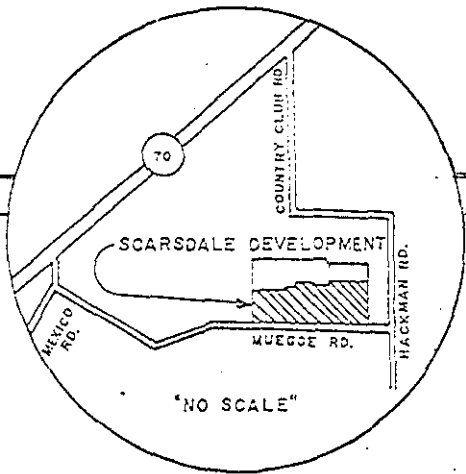
Fraas, Chmn., McCartney, Dority,
Bryant and Shapleigh, CC., Concur.

APPENDIX A

Applicant's Exhibit



600'-0"
NOT TO SCALE



**SCARSDALE
DEVELOPMENT**

SCALE: 1" = 300'-0"

HACKMAN RD.