

STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION

At a Session of the Public Service  
Commission held at its office  
in Jefferson City on the 26th  
day of February, 1993.

In the matter of the application of Berndt Twin )  
Lake Corp., to sell and transfer its franchise, ) CASE NO. SM-93-223  
works or system to Twin Lake Association, Inc. )  
of Mercer, Missouri. )

ORDER APPROVING TRANSFER OF ASSETS

On January 15, 1993, Berndt Twin Lake Corporation (Berndt) filed an application seeking authority to sell and transfer its franchise, works, or system to Twin Lake Association, Inc. (Association). Berndt is a regulated sewer utility which is owned by the developers of Berndt Twin Lake subdivision. The Association is a not-for-profit corporation comprised of the homeowners in the subdivision.

The Association plans to operate the sewer facilities for its members and expand as necessary as new customer-members connect to the system. Since all of the customers who are served by the sewer facilities are Association members, the Association would not be subject to regulation by the Commission. Berndt's present rates are \$5.00 per month, but the Association would be free to set its own rates as its customer-members and board of directors deem appropriate.

In its application, Berndt stated that the proposed transaction is not detrimental to the public interest in that Berndt does not have the financial ability to continue to expand the system for additional customers; the Association has sufficient water supply to take care of the immediate demands of present and future customers; the location of the system fits in well with the overall plan of expansion by the Association; and the Association is not a governmental entity and will pay taxes. Berndt also stated that it intends to

pay out the net proceeds of the sale to its shareholders and discontinue the rendition of sewer service in its certificated area.

On February 9, 1993, the Staff of the Commission (Staff) filed a memorandum recommending that the Commission approve the proposed transfer. Staff stated that it believed the proposed sale of assets to be in the public interest. Staff also indicated that no notice or intervention date was needed since all the customers are members of the Association and the proposed transfer is noncontroversial.

The Commission finds that Berndt does not have the ability to continue to operate the Twin Lake sewer system as additional customers are added. The Commission also finds that the Association is capable of operating the Twin Lake sewer system on an ongoing basis. Thus, the Commission finds that the proposed transfer is not detrimental to the public interest and should be approved.

IT IS THEREFORE ORDERED:

1. That the application of Berndt Twin Lake Corporation to sell and transfer its franchise, works, or system to Twin Lake Association, Inc. is hereby approved.
2. That Berndt Twin Lake Corporation is hereby authorized to take any and all actions necessary to effectuate the transactions contemplated by the application and this Order.
3. That Berndt Twin Lake Corporation shall file with the Commission notification of the date of the sale closing within five (5) days after the sale is completed.
4. That upon receipt of the notification directed in Ordered Paragraph 3, the certificate of convenience and necessity and the tariff currently on file for Berndt Twin Lake Corporation shall be canceled.

5. That this Order shall become effective on the 9th day of March,  
1993.

BY THE COMMISSION

*Brent Stewart*

Brent Stewart  
Executive Secretary

(S E A L)

McClure, Chm., Mueller, Rauch  
and Kincheloe, CC., concur.  
Perkins, C., absent.