BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Application of Canyon Treatment)		
Facility, LLC for permission, approval and a)		
Certificate of Convenience and Necessity)		
Authorizing it to Acquire, Construct, Manage,)		Case No. SA-2010-0219
Or Maintain a Sewer System for the public)	•	·
Located in Stone County, Missouri.)		

APPLICATION TO INTERVENE

COME NOW Royal Vista, LLC ("Royal Vista"), pursuant to 4 CSR 240-2.060 and 2.075 of the Commission's Rules of Practice and Procedure, and hereby applies to intervene and become a party in respect to the application filed by Canyon Treatment Facility, LLC ("Canyon") in the above captioned proceeding. In support of this Application, Royal Vista respectfully states as follows:

1. Royal Vista is a Missouri Limited Liability Company formed for the purpose of owning, developing and managing real estate. Royal Vista's principal office in the state of Missouri is 130 Royal Vista Drive, Branson, Missouri 65616. Royal Vista has previously provided, within the context of Case No. SC-2010-0161, a copy of its certificate of good standing. Royal Vista has no pending actions or final unsatisfied judgments or decisions which involve customer service or rates, nor is Royal Vista delinquent in any reports or fees.

2. Correspondence or communications regarding this application, including service of all notices and orders of this Commission should be addressed to:

Kenneth N. Hall REECE MOORE PENDERGRAFT LLP 75 N. East Avenue, Suite 500 Fayetteville, Arkansas 72701

Voice: 479-443-2705 Fax: 479-443-2718

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- 3. On January 21, 2010, Canyon filed its Application for Certificate of Convenience and Necessity to provide regulated sewer service in Stone County, Missouri. On January 22, 2010, the Commission issued its Order Directing Notice, Setting Intervention Deadline and Directing Status Update. That Order established a deadline of February 15, 2010 for the filing of any requests for intervention. As such, this Application is timely.
- 4. Royal Vista owns and operates the Royal Vista condominium development in Stone County, Missouri. The Royal Vista condominium development is comprised of 60 residential condominium dwellings and is located immediately outside the city limits of Branson, Missouri within the area served by Canyon. Royal Vista anticipates expanding the condominium project to 84 condominium units. To date, Royal Vista has paid in excess of \$250,000.00 for connection and sewer expansion fees under the auspices of receiving expanded sewer service from Canyon or its affiliates.
- 5. Given its location within the area served by Canyon as well as the size of its facilities, Royal Vista has an interest in this case that differs from that of the general public. Ultimately, Royal Vista is interested in ensuring that Canyon provides safe and adequate sewer service at just and reasonable rates.

- 6. While generally supporting Canyon's request for a certificate of convenience and necessity, Royal Vista is concerned with certain aspects of the Application:
- A. Canyon indicates in its Application that the land on which the existing Box Canyon Watershed Waste Water Treatment Facility (the "Box Canyon Facility") is situated is owned by Horse Trading, LLC and that the land will be transferred to Canyon. The Application further indicates that Horse Trading, LLC, will transfer its ownership in the land and "whatever rights it has to the improvements thereon" to Canyon. It is unclear in the Application what entity actually owns the improvements on the land. If the Public Service Commission is to regulate the operation of the Box Canyon Facility, it needs to be clear how the land and improvements are to be titled.
- B. In reviewing the estimated annual operating expenses for the Box Canyon Facility, it appears that the estimated annual operating expenses are to be paid by new customers at the rate of \$40.00 per month. Ultimately, the estimated annual operating expenses of \$130,300.00 will be covered in its entirety by the \$40.00 per month fee to be charged to new units. Does this mean that the units currently utilizing the Box Canyon Facility will not be paying monthly maintenance fees? If the existing units will be paying monthly operating fees, in addition to the new units, the monthly fees should take that into account.
- C. Canyon indicates that the collection system for the Box Canyon Facility has already been constructed and that the existing collection lines are the responsibilities of the land owners. New collection lines will be handled differently. Will the user fees

for existing users be different than the user fees for new connections/users, due to the fact that Canyon will maintain all new lines but not existing lines?

- D. The Box Canyon Watershed Association will presumably be transferring its assets to Canyon. What are those assets?
- E. With respect to engineering costs, Canyon needs to provide details on who will do the engineering and what is involved with the engineering. Will any of the fees collected be used to pay for past engineering expenses?
- F. With respect to legal costs, Canyon needs to provide details on who will do the legal work and what is involved with the legal work. Will any of the fees collected be used to pay for past legal expenses?
- F. With respect to the treatment plant construction and installation estimate of \$1,500,000.00, Canyon should be required to provide plans and specifications, as well as more detailed bids verifying the costs of plant construction and installation.
- G. Will the treatment plant construction and installation occur in phases? If so, Canyon should provide detail as to the when the phases will be completed, as well as the costs associated with each phase.
- H. Royal Vista has paid a significant sum of money up front in anticipation that the funds would be used to expand the Box Canyon Facility. In its Application, Canyon should confirm that it will not attempt to collect connection fees or charge similar fees with respect to existing connections and that the proposed connection fees will only be applied to new units/connections.
- I. Canyon should confirm that it does not intend to attempt to collect all of the connection fees "up front" from all potential new users. In other words, Canyon's

Application should make clear that it will collect connection fees as and when the particular unit/user needs to connect to the Box Canyon Facility.

J. Since it should not collect all of the connection fees up front, Canyon should confirm that it has the financial ability to complete the work necessary to expand the Box Canyon Facility. It is clear that the Canyon's Application is suggesting that it will be reimbursed for its expansion work from future connection fees and so it is appropriate to require Canyon to confirm that it has the financial ability to do so.

WHEREFORE, for the reasons stated herein, Royal Vista respectfully requests that the Commission issue an order permitting Royal Vista to intervene as a party in this case.

Respectfully submitted,

Kenneth N. Hall (MO Bar #52474)

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Attorneys for Royal Vista, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the forgoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.

Kenneth N. Hall

Dated: February 8, 2010

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF MISSOURI

In the Matter of Application of Canyon Treatment Facility, LLC for permission, approval and a Certificate of Convenience and Necessity Authorizing it to Acquire, Construct, Manage, Or Maintain a Sewer System for the public Located in Stone County, Missouri.)) Case No. SA-2010-0219)			
<u>AFFIDAVIT</u>				
STATE OF MISSOURI) (SS) (COUNTY OF TANEY)				
I, Becky Hearrell, having been duly sworn upon my oath, state that I am the				
Manager of Royal Vista, LLC and that I am duly authorized to make this application on				
behalf of Royal Vista, LLC and that the matters set forth in this application are true and				
correct to the best of my information, knowledge and Subscribed and sworn before me this $\frac{2nd}{da}$. My commission expires on $\frac{6-10-12}{}$	Becky Hearrell, Manager y of January, 2010. Motary Public Motary Public			
	CARRIE A. CRAWFORD Notary Public Taney County My Commission Expires June 10, 2012 Commission # 08575039			