

**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)	<u>Case No. SA-2010-0219</u>
Necessity Authorizing it to Acquire,)	
Construct, Install, Own, Operate,)	
Control, Manage, and/or Maintain a)	
Sewer System for the public in)	
located Stone County, Missouri.)	

JOINT UNANIMOUS STIPULATION AND AGREEMENT

COME NOW the Staff of the Missouri Public Service Commission (Staff), Canyon Treatment Facility, LLC (Canyon), the Office of Public Counsel (Public Counsel), VPG Partners IV, LLC (VPG), and Royal Vista, LLC (Royal Vista) (collectively "Parties") and state to the Missouri Public Service Commission (Commission) in support of this Joint Unanimous Stipulation (Joint Stipulation) as follows:

1. On May 1, 2012, the Commission issued its Order Granting Conditional Certificate of Convenience and Necessity to Canyon which, among other things, granted a certificate of public convenience and necessity to Canyon which was conditioned upon either the appointment of a receiver to oversee the day to day operations of Canyon or a Commission approved purchase of the Company.

2. On May 24, 2012, Horse Trading LLC, an affiliate of Canyon, and Box Canyon Watershed Association, Inc. entered into an Agreement for Acquisition of Sewer Related Assets and Treatment Facility ("Sale Agreement") with the Stone County Sewer District No. 1 (Sewer District). (A copy of the fully executed Agreement is attached to this Joint Stipulation as Exhibit 1.) Essentially this Sale Agreement provides

for the sale and transfer of all of the treatment plant and sewer related assets serving the Box Canyon Watershed to the Sewer District. The Box Canyon Watershed is contained within the same geographical area as that described in Canyon's application for certificate of public convenience and necessity. The Sewer District is a public entity formed in accordance with Chapter 204 of the Revised Statutes of the State of Missouri for the purpose of providing service to customers located in its territory of the Sewer District and has been designated by the Missouri Department of Natural Resources as the continuing authority for its territory which includes the Box Canyon Watershed. As a public sewer district, it is not subject to the Commission's jurisdiction.

3. Typically, a certificated company would be required to meet the requirements of 4 CSR 240-3.310 before it could sell, assign, lease or transfer assets. The Commission may waive any of its rules for good cause. 4 CSR 240-015. The Parties agree that filing a formal application is not necessary to transfer this entity through a formal case, as suggested by regulations. The Parties jointly argue that good cause exists to waive 4 CSR 240-3.310 due to the unique circumstances surrounding this system and Company. Those unique circumstances include that it is being considered for receivership, the Intervenor (who are also customers) would prefer the sewer system be operated by another entity such as the Sewer District, and the purchasing entity will not be subject to the jurisdiction of the Commission.

4. The Sewer District intends to charge residential customers within the Box Canyon Watershed area monthly rates of \$45.00, which are the same as existing rates which it charges its other residential customers. The Sewer District also intends to undertake the necessary engineering and construction activity, as a normal course of its

business, to increase treatment facility capacity to meet existing and future needs with respect to sewage treatment in compliance with applicable water pollution regulations.

5. The Parties agree that the Sewer District has not had any significant problems or violations with Missouri Department of Natural Resources (DNR) in its operations. Further, the Parties, specifically the Sewer District, recognize the need to submit expansion plans to DNR to address the capacity concerns that exist with the system's current operation.

6. The Parties submit that, if consummated, the proposed acquisition of sewer related assets and treatment facility by the Sewer District is in the best interest of the public located within the Box Canyon Watershed area, and recommends that the Commission approve the sale and transfer contemplated by the Agreement attached hereto as Exhibit 1. In addition, upon consummation of the sale and transfer of the treatment facility and sewer related assets serving the Box Canyon Watershed area, the Parties further recommend that the Commission cancel the certificate awarded to Canyon and dismiss Staff's Complaint against Box Canyon Watershed Association Inc., Dream Builders LLC, Horse Trading, LLC, Canyon Treatment Facility, LLC, Supermarket Merchandising and Supply, Inc., Kandis Davis, Thomas Davis, David Sanford, Curtis Buetrick and Kevin Knasel which is the subject of MoPSC Case No. SC-2010-0161.

7. The undersigned counsel has obtained consent from counsel for each of the Parties to file this Joint Stipulation.

WHEREFORE, the Parties respectfully request the Commission find there is good cause to waive 4 CSR 240-3.310; find that the proposed sale and transfer of the

treatment facility and sewer related assets serving the Box Canyon Watershed to Stone County Sewer District No. 1 is not detrimental to the public interest; and issue an order approving the sale and transfer, requiring Canyon Treatment Facility, LLC to notify the Commission within three (3) business days after closing. Any such order should also include that upon receiving notification of the closing of that transfer, the Commission will cancel the certificate of public convenience and necessity awarded to Canyon in the instant case and dismiss Staff's Complaint (Case No. SC-2010-0161), along with any other orders the Commission deems appropriate in the circumstances.

Respectfully submitted,

/s/ Rachel M. Lewis

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CERTIFICATE OF SERVICE

I hereby certify that I have provided a true and correct copy of the above pleading via electronic mail to W.R. England III and Brian T. McCartney, attorneys for Canyon Treatment Facility, LLC, at trip@brydonlaw.com and bmccartney@brydonlaw.com; David Woodsmall, attorney for VPG Partners, VI, LLC, at dwoodsmall@fcplaw.com; Kenneth N. Hall, attorney for Royal Vista, LLC, at khall@rmpllp.com; and the Office of the Public Counsel at opcservice@ded.mo.gov this 12th day of July, 2012.

/s/ Rachel M. Lewis