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July 26, 2000

FILED³

JUL 26 2000

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

RE: Foxfire Utility Company - Case No. WA-2001- 53

Dear Mr. Roberts:

Enclosed for filing on behalf of Foxfire Utility Company please find an original and eight copies of an Application. Please stamp the enclosed extra copies "filed" and return same to me.

Thank you very much for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:

Dean L. Cooper
Dean L. Cooper *by Rg*

DLC/rhg

Enclosures

cc: Office of the Public Counsel

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

JUL 26 2000

Missouri Public
Service Commission

In the Matter of the Application of)
Foxfire Utility Company for a)
certificate of convenience and necessity)
authorizing it to construct, install, own,)
operate, control, manage and maintain a)
water system for the public in)
an unincorporated area of Benton)
County, Missouri.)

Case No. WA-2001- 53

APPLICATION

COMES NOW Foxfire Utility Company ("Foxfire" or "Company"), in accordance with §393.170, RSMo (1994) and 4 CSR 240-2.060(4), and, for its Application for a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a water system for the public in an unincorporated area of Benton County, Missouri, known as Arrowhead Lake Estates and Lakewood Village, states to the Missouri Public Service Commission ("Commission") as follows:

1. Foxfire is a Missouri corporation duly organized and existing under the laws of the State of Missouri with its principal office and place of business located at 312 Lafayette Street, Jefferson City, Missouri. Foxfire is engaged in the provision of water service pursuant to a certificate of convenience and necessity issued by this Commission. Foxfire is a public utility as that term is defined in Section 386.020(32), RSMo 1994. As such, Foxfire is subject to the jurisdiction, regulation, supervision, and control of the Commission insofar as it provides water service to the public in the State of Missouri. Marked Appendix 1, attached hereto and made a part hereof for all purposes, is a certified copy of Foxfire's Certificate of Corporate Good Standing as issued by the Secretary of State of the State of Missouri. Foxfire has no pending action or final unsatisfied

judgments or decisions against it from any state or federal agency or court which involve customer service or rates. Foxfire has no annual report or assessment fees which are overdue.

2. Correspondence, communications, orders and decisions regarding this matter should be addressed to:

Rick Helms
Foxfire Utility Company
312 Lafayette
P. O. Box 7017
Jefferson City, MO 65102
(573) 634-2699
(573) 635-2175 facsimile

Dean L. Cooper
Brydon, Swearengen & England P.C.
312 E. Capitol Avenue
Jefferson City, MO 65101
(573) 635-7166
(573) 635-0427 facsimile

3. By this application, the Company seeks permission, approval and a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a water system for the public in an unincorporated area of Benton County, Missouri, known as Arrowhead Lake Estates and Lakewood Village. Foxfire has purchased (subject to this regulatory approval) the Spring Branch Water System, which has provided water service in this area and has not previously been regulated by the Commission. There is no other same or similar utility service, regulated or nonregulated, available in the area which is the subject of this application.

4. Marked as **Appendix 2**, attached hereto, and made a part hereof for all purposes, is a feasibility study¹ containing the estimated cost of the facilities in the area proposed to be served;

¹ Attachment C to the Feasibility Study is a general layout of the Spring Branch Water System. It is not filed with the application as its size is not suitable for reduction to 8 1/2 x 11 and it is not required by 4 CSR 240-2.060(4). However, it is available for inspection.

proposed rates and charges; and an estimate of the number of customers, revenues and expenses.

5. Attached to the feasibility study (Appendix 2) is a description of the entire area proposed to be served (Attachment A) and a plat map of the area proposed to be served (Attachment B).

6. As described in the feasibility study, there are tentative plans for future construction of facilities to address regulatory requirements. This future construction will require financing at a later date.

7. The names and addresses of ten persons residing in the area proposed to be served are:

Bob Adams
801 N. Washington
Nevada, MO 64772

Betty Barnes
Route 2, Box 130B
Edwards, MO 65326

George Casimiro
Route 2, Box 119 A-2
Edwards, MO 65326

Dean Cody
Route 2, Box 114EBA
Edwards, MO 65326

Charles Farley
Route 2, Box 130E
Edwards, MO 65326

Charles E. Fuller
Route 2, Box 114A2A
Edwards, MO 65326

Wayne C. Henley
Route 2, Box 126-A
Edwards, MO 65326

Donald F. Hook
Route 2, Box 114 A-3
Edwards, MO 65326

Frank W. Ketchum
Route 2, Box 137-A
Edwards, MO 65326

Bob Potthoff
Route 2, Box 124B
Edwards, MO 65326

8. There are no municipalities located within the proposed service area. No consent by franchise from a county is required for the completion of this project.

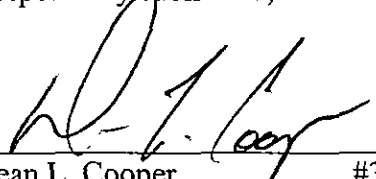
9. The granting of this application is in the public interest because it will present an opportunity for the public in the area proposed to be served to obtain and utilize safe and adequate

water service regulated by the Commission.

WHEREFORE, Foxfire Utility Company respectfully requests that the Commission issue its order:

- (a) Granting Foxfire Utility Company permission, approval and a certificate of convenience and necessity authorizing it to construct, install, own, operate, control, manage and maintain a water system for the public in an unincorporated area of Benton County, Missouri, as is more particularly described herein;
- (b) Granting such further relief as the Commission deems appropriate.

Respectfully submitted,



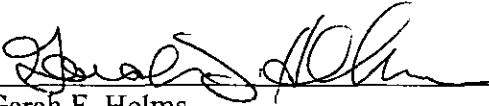
Dean L. Cooper #36593
BRYDON, SWEARENGEN & ENGLAND P.C.
P.O. Box 456
Jefferson City, MO 65102-0456
(573) 635-7166
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dcooper@brydonlaw.com

ATTORNEYS FOR FOXFIRE
UTILITY COMPANY

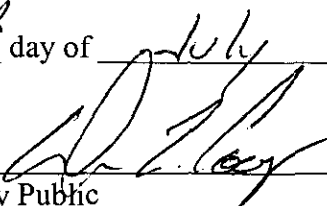
AFFIDAVIT

State of Missouri)
) ss
County of Cole)

I, Garah F. Helms, having been duly sworn upon my oath, state that I am the President of Foxfire Utility Company, that I am duly authorized to make this affidavit on behalf of the Foxfire Utility Company and that the matters and things stated in the foregoing Application and exhibits thereto are true and correct to the best of my information, knowledge and belief.


Garah F. Helms

Subscribed and sworn before me this 25th day of July, 2000.


Notary Public

My Commission expires:

June 7, 2002



No. 00376481

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION

CERTIFICATE OF CORPORATE GOOD STANDING

I, REBECCA McDOWELL COOK, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

FOXFIRE UTILITY COMPANY

was incorporated under the laws of this State on the 2nd day of FEBRUARY, 1993, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 6th day of JULY, 2000.


Secretary of State



Sankpill & Associates, Inc.

PO Box 123
Holts Summit, MO 65043

Office (573) 896-8143
Fax (573) 896-8143

Foxfire Utility Company Spring Branch Water Service Area Feasibility Report

Background:

This water system was started about 30 years ago. The developer purchased part of Arrowhead Estates Subdivision and drilled a well and laid some water line along some streets. These were and still are small diameter pipes 1 inch to 1 ½ inch in diameter plastic pipe. The developer simply wanted to provide drinking water to the people that purchased homes or constructed their own on a lot purchased from the developer. This was not a for-gain water operation. The developer charged only for a portion of the cost of operating the water system. Since he lived there, the cost was minimized. Most of the customers are part time. They are there only during the summer months or weekends. The system has grown over the years and now has three wells and several thousand feet of water distribution pipes. It has become too much for the developer to operate along with his other work because a water system is a 24-hour a day, 365 days out of the year job. Because the developer did not want a regulated utility, he sold it to Foxfire Utility Company (subject to regulatory approval)

Purpose:

The company proposes to establish an additional water service area and develop this utility as a utility regulated by the MO Public Service Commission and to bring the system into compliance with the standards of the Department of Natural Resources. The proposed service area is described on Attachment A. The proposed service area map is on Attachment B.

Financing:

The existing system has been purchased with equity funds. Future utility plant additions will include debt financing.

Plan:

The company plans to bring this water system up to state standards. None on it meets state standards now. This will take time and there will be considerable cost involved. One of the first accomplishments has been to put operating chlorinators on each well discharge. Also the engineering is being done to allow the installation of a

storage tank. A general layout of the water system is found on Attachment C. With all the other improvements needed, it will be too costly to meter the water system at this time.

Customers:

The customers are made up largely of part time users. Most of the people use the residences in the subdivision on weekends and some use them all summer. There are presently 108 part time customers and 63 full time customers. There are very few new customers added annually. The customers live in single-family residences.

Operations:

A contract operator who is located near the subdivision will do the day to day operations of the system. The other operations of the utility will be done from the Jefferson City office. The customers will be provided with a toll-free telephone number that will be answered 24 hours each day of the year.

Tariff:

The company will use the current Foxfire Utility Company tariff. However, flat rates will apply to the Spring Branch Water service area because there are no meters there.

Income and Expenses:

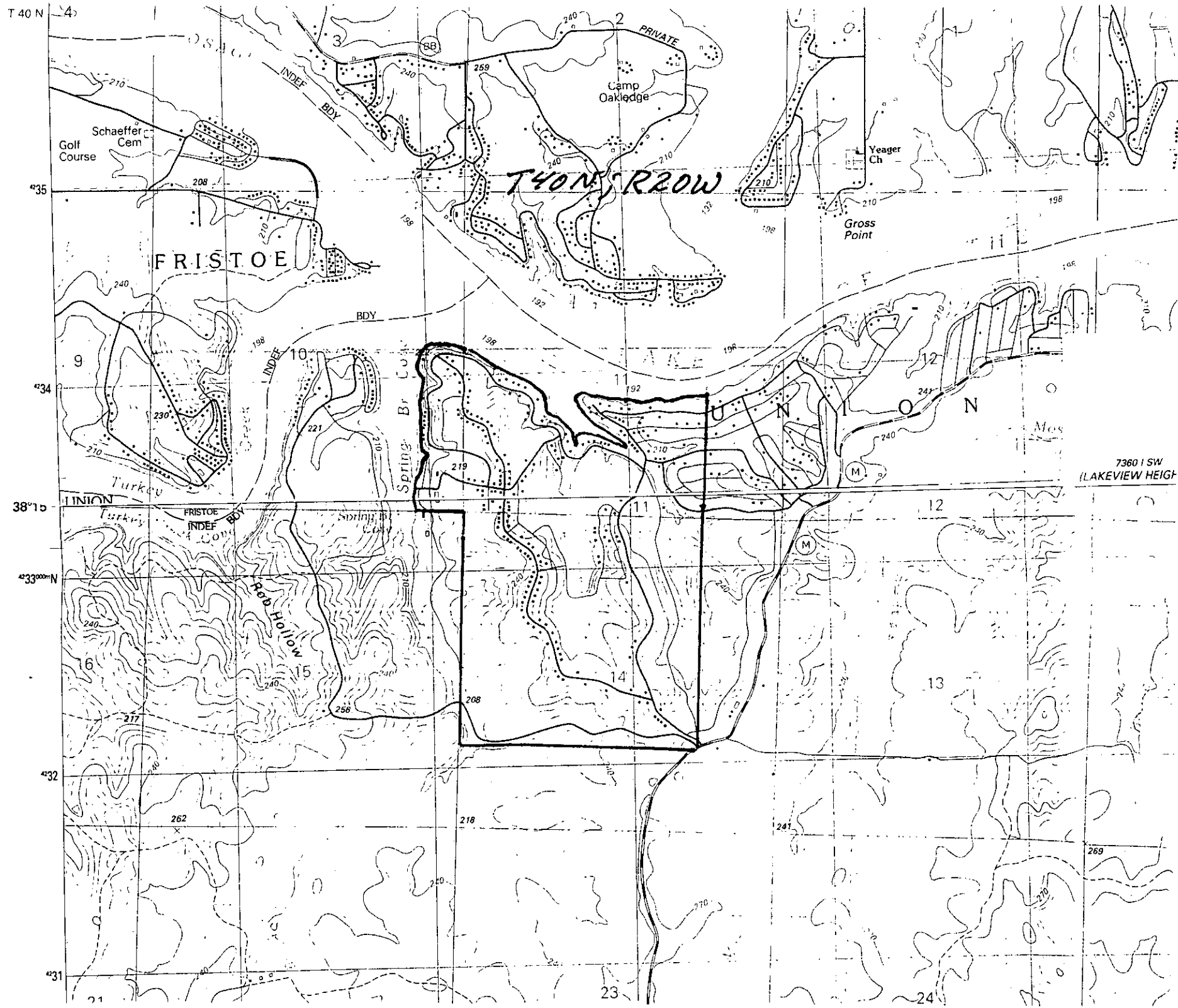
A pro forma income and expense statement is on Attachment D.

Conclusions:

Considering the cost that will be involved to provide a state approved water service, it will take a \$23 rate per month for full time customers and an \$18 rate for part time customers. Since these rates essentially cover the estimated cost of service, it will allow this company to operate a viable water utility. Therefore, it is feasible for this company to provide water service in this Spring Branch Water service area.

Description

Beginning at the SW corner of the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of section 14; T40N; R21W in Benton County, MO; thence north along the $\frac{1}{4}$ section line parallel to the East section line of section 14 to the shore of the Lake of the Ozarks, thence in a westerly direction along the shoreline to Spring Branch Cove; thence in a southerly direction along the cove shoreline to the south line of section 10; T40N; R21W; thence east along the south line of section 10 to the SE corner of section 10 which is also the NW corner of section 14, thence south along the west line of section 14 to the NW corner of the SW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of section 14, thence east along the north line of this $\frac{1}{4}$, $\frac{1}{4}$ section and parallel to the south line to section 14 to the point of beginning.



Income & Expenses Statement

Annual Expenses

Item	Cost
Daily Operator	\$ 4,800
Pump Maintenance	\$ 1,000
Distribution Maintenance	\$ 5,400
Accounting	\$ 1,800
Clerical	\$ 1,000
Management	\$ 12,000
Telephone	\$ 1,000
Supplies	\$ 200
Insurance	\$ 1,200
Power for Pumping	\$ 1,216
Billing	\$ 3,735
Depreciation	\$ 960
Miscellaneous	\$ 500
Chemicals	\$ 800
Return on Rate Base	\$ 3,676
Income Tax	\$ 919
PSC Assessment	\$ 261
Start Up Amortization	\$ 1,240
TOTAL	\$ 41,707
<u>Income</u>	
108 X \$18 X 12 = \$23328	
63 X \$23 X 12 = \$17388	
Total	\$40716