

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Joint Application of)
Missouri-American Water Company and)
Audrain Public Water Supply District)
No. 1 for Approval of a Territorial) File No. _____
Agreement Concerning Territory in)
Audrain County, Missouri.)
)

**JOINT APPLICATION FOR APPROVAL OF TERRITORIAL AGREEMENT,
AND, IF NECESSARY, MOTION FOR WAIVER**

COME NOW Missouri-American Water Company (“MAWC”) and Audrain Public Water Supply District No. 1 (the “District”), pursuant to RSMo. §247.172, and for their Joint Application for Approval of Territorial Agreement, and, if necessary, Motion for Waiver, respectfully state as follows to the Missouri Public Service Commission (“Commission”):

1. This Joint Application is being filed by MAWC and the District to clarify any ambiguous rights and obligations, pursuant to RSMo. §§ 247.010 and 247.670, in areas where their service territories border or overlap, to establish exclusive rights of service as between MAWC and the District, and to obtain Commission approval of the Territorial Agreement attached hereto and explained herein, pertaining to water service territories in Audrain County, Missouri.

2. MAWC is a Missouri corporation with its principal office and place of business at 727 Craig Road, St. Louis, Missouri, 63141. MAWC is a Missouri corporation in good standing. A certified copy of MAWC’s certificate of good standing was submitted in Case No. SA-2007-0316 and is incorporated by reference. MAWC currently provides water service to the public in and around the cities of St. Joseph, Joplin, Brunswick, Mexico, Warrensburg, Parkville, Riverside, Jefferson City, and parts of St. Charles, Warren, Jefferson, Morgan, Pettis, Benton,

Barry, Stone, Greene, Taney, Christian, and Platte Counties, and most all of St. Louis County, Missouri. MAWC currently provides water service to approximately 458,000 customers. MAWC also provides sewer service to approximately 4,800 customers in Callaway, Jefferson, Pettis, Cole, Morgan, Platte, Taney, Stone, Christian, and Warren Counties, Missouri. MAWC is a “water corporation,” a “sewer corporation” and a “public utility” as those terms are defined in RSMo. 386.020 and is subject to the jurisdiction and supervision of the Commission as provided by law. MAWC has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against MAWC from any state or federal agency or court which involves customer service or rates, which action, judgment, or decision has occurred within three years of the date of this Application other than cases pending before this Commission.

3. The District is a Missouri public water supply district, created and operating pursuant to RSMo. §247.172, et seq., with the right to exclusively provide water service to a defined tract of land within Audrain County, Missouri.

4. Communications respecting this Application should be addressed to the undersigned counsel.

5. A portion of the District’s service territory falls within the geographical limits of the City of Mexico, Missouri (the “City”).

6. The City entered into a franchise agreement with MAWC, and MAWC, pursuant to the rights granted to it by the City and a Certificate of Public Convenience and Necessity (“CCN”) granted by the Commission, currently provides water service to certain customers within the City.

7. The District's service territory and MAWC's service territory in the City currently overlap, and a dispute arose regarding each entity's right to serve customers within the City pursuant to RSMo. §§ 247.010 and 247.670 and the rights conveyed upon MAWC with the grant of a CCN.

8. Pursuant to the agreement of the Joint Applicants, as set forth in the Territorial Agreement attached hereto, MAWC and the District shall have the exclusive right to serve customers within the City as follows:

(a) with regard to current customers: (1) MAWC shall have the right to continue to provide all domestic water service to all of its existing customers within the limits of the City, as defined as of September 30, 2016; and (2) MAWC shall have the right to continue to provide all fire protection water service to all of its existing customers within the limits of the City, as defined as of September 30, 2016;

(b) with regard to new customers (future connections): (1) MAWC shall have the right to provide all domestic water service to all new customers (future connections) within the limits of the City, as defined as of September 30, 2016; and (2) MAWC shall have the right to provide all fire protection water service to all new customers (future connections) within the limits of the City, as defined as of September 30, 2016; and

(c) should the limits of the City be expanded through annexation on or after September 30, 2016, and to the extent said expansion overlaps with the territory currently served by the District as of September 30, 2016, MAWC shall have the right to provide all water service (domestic and/or fire protection) to all new customers and/or new developments within the expanded area requiring the installation of one or more fire hydrants and/or desiring fire protection services.

9. In conjunction with the execution of this Territorial Agreement, the Joint Applicants stipulate and agree that the following properties in the City shall no longer be served by the District and, instead, shall be served by MAWC: 2781, 2797, 2813, 2825, 2871, 2875, 2935, 2977, and 3100 S. Clark and 440 Kelley Parkway, Mexico, Missouri. All other existing customers shall remain with their current water service provider.

10. The effective date of the Territorial Agreement shall be the effective date of the order issued by the Commission approving this Joint Application. The Territorial Agreement shall terminate on the date the Commission receives a notice signed by both MAWC and the District of their decision to mutually terminate their Territorial Agreement, or shall terminate on the effective date of an order of the Commission terminating the Territorial Agreement.

11. The Joint Applicants submit that the statutory exclusive provider provisions should not apply, that the terms of the attached Territorial Agreement should be enforced in lieu of the statutory exclusive provider provisions, and that this Joint Application is in full compliance with the applicable statutes.

12. The Joint Applicants negotiated the attached Territorial Agreement in good faith and in order to further the public interest. In reaching the terms of the Territorial Agreement, the Joint Applicants considered existing franchises and took into account the provision of services to customers in the City. The Territorial Agreement only establishes amended water service territories for the Joint Applicants in specific locations within the City and does not, in any way, impact the rights or service areas of the Joint Applicants or any other water service providers under RSMo. Chapter 247 for areas not subject to this Territorial Agreement.

13. To effectuate the terms of the attached Territorial Agreement, no new or expanded CCN is required from the Commission, and no tariff changes are required.

14. The verifications of the Joint Applicants, executed by authorized representatives of MAWC and the District, are attached hereto.

15. The attached Territorial Agreement is not detrimental of the public interest; in fact, the Territorial Agreement is beneficial to the public interest, as the establishment of exclusive service territories within this geographical area may prevent future duplication of facilities, may result in economic efficiencies and future cost savings, and may benefit the public safety. The Territorial Agreement will also provide more certainty for future customers regarding their water service provider and may enhance community development in the City. Additionally, establishing these boundaries now will lessen the chances of future disputes.

CONTINGENT REQUEST FOR WAIVER

16. This case is not likely to remain a contested case within the meaning of Commission Rule 4 CSR 240-4.020(2), because previous applications addressing the same issues presented in this filing have generally not required a hearing before the Commission, and because the Joint Applicants anticipate resolution of this matter by unanimous agreement. In the event the Commission concludes that the filing of this Application is likely to be a contested case, the Joint Applicants request a waiver of the sixty day notice for good cause shown as permitted by Commission Rule 4 CSR 240-4.020(2)(B).

17. This Application is the result of extensive settlement negotiations in conjunction with a federal law suit, U.S. District Court for the Eastern District of Missouri Case No. 2:15-cv-00062. The federal court has placed a tight timeframe on the Joint Applicants for resolution, and this Application was filed as soon as possible after the parties reached a tentative settlement. Additionally, the parties have not contacted the Commission or otherwise engaged in any conduct that would have been prohibited had a 60-day notice been on file. It would serve no

purpose to wait sixty days before filing the Application for Commission approval. Accordingly, to the extent that the Commission may find it to be applicable, the parties request a waiver from the provisions of Commission Rule 4 CSR 240-4.020(2) to allow for the filing of this Application at this time.

WHEREFORE, MAWC and the District request the Commission grant approval of their Territorial Agreement, and grant such other and further relief as is just and proper under the circumstances.

Respectfully submitted,

**ATTORNEYS FOR MISSOURI-AMERICAN
WATER COMPANY:**

/s/ Diana C. Carter
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail on the 11th day of January, 2017, to Staff Counsel and the Office of the Public Counsel.

/s/ Diana C. Carter

VERIFICATION

STATE OF MISSOURI)
) ss
COUNTY OF ST. LOUIS)

I, Cheryl Norton, having been duly sworn upon my oath, state that I am the President for Missouri American Water Company and that the matters and things stated in the foregoing Application are true and correct to the best of my information, knowledge, and belief and that I am authorized to execute this verification on behalf of MAWC.

Cheryl A. Norton

Subscribed and sworn to before me, a notary public, on this 11th day of January, 2016.

Cindy M Ferguson
Notary Public

My Commission expires: 8/12/2020



STATE OF MISSOURI)
) ss
COUNTY OF Audrain)

I, THOMAS REED JR, having been duly sworn upon my oath, state that I am the BOARD PRESIDENT for Audrain Public Water Supply District No. 1, and that the matters and things stated in the foregoing Application are true and correct to the best of my information, knowledge, and belief and that I am authorized to execute this verification on behalf of the District.

Thomas Reed Jr.

Subscribed and sworn to before me, a notary public, on this 10 day of Jan, 2017.

Millie Feger
Notary Public Millie Feger

My Commission expires: 8-18-2019

