

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

In the Matter of the Joint Application of)
Missouri-American Water Company and Roark)
Water & Sewer, Inc. for Authority)
for Missouri-American Water Company to) File No. _____
Acquire Certain Assets of Roark Water &)
Sewer, Inc. and, in Connection Therewith,)
Certain Other Related Transactions.)

**JOINT APPLICATION AND,
IF NECESSARY, MOTION FOR WAIVER**

COME NOW Missouri-American Water Company (MAWC) and Roark Water & Sewer, Inc. (Roark) and, pursuant to Section 393.190, RSMo, 4 CSR 240-3.310 and 4 CSR 240-3.605, state the following to the Missouri Public Service Commission (Commission) as their Joint Application and, if necessary, Motion for Waiver:

BACKGROUND INFORMATION

1. 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 and Platte Counties, and most all of St. Louis County, Missouri. MAWC currently provides water service to approximately 452,000 customers. MAWC provides sewer service to approximately 1,100 customers in Jefferson, Platte, and Warren Counties, Missouri. MAWC is a “water corporation,” a “sewer corporation” and a “public utility” as those terms are defined in Section 386.020 RSMo. 2000, 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 Joint Application.

2. Roark is a Missouri corporation with its principal office and place of business at 2449 State Hwy 76E, Branson, MO 65616. A certified copy of Roark's certificate of good standing is attached hereto as **Appendix A**. Roark currently provides water and sewer service to the public in and around parts of Stone and Taney Counties, Missouri. Roark currently provides water and sewer service to approximately 650 customers. Roark is a "water corporation," a "sewer corporation" and a "public utility" as those terms are defined in Section 386.020 RSMo. 2000, and is subject to the jurisdiction and supervision of the Commission as provided by law. Roark has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against Roark 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 Joint Application.

3. Communications in regard to this Application should be addressed to:

Greg Weeks, Vice President
Missouri-American Water Company
727 Craig Road
St. Louis, MO 63141
(314) 996-2351
(314) 997-2451 (facsimile)
greg.weeks@amwater.com

Kenneth C. Jones, Corporate Counsel
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Jeff Pardeck, Manager
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Christiaan D. Horton
Neale & Newman LLP
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PO Box 10327
Springfield, MO 65808-0327
417-882-9090, ext. 3036
417-882-2529 (facsimile)
chorton@nnlaw.com

THE TRANSACTION

4. MAWC and Roark have entered into an Asset Purchase Agreement dated December 20, 2010 (Agreement), a copy of which is attached as **Appendix B** and incorporated herein by reference. Pursuant to the Agreement, MAWC proposes to purchase substantially all of the assets of Roark as specifically described in the Agreement under the terms and provisions further described in the Agreement, including Roark's certificates of convenience and necessity

5. Because Roark is a water and sewer corporation doing business in the State of Missouri, it is subject to the provisions of Section 393.190.1, RSMo, which states, in pertinent part, that "no . . . water corporation or sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public . . . without having first secured from the Commission an order authorizing it so to do."

ADDITIONAL INFORMATION

6. MAWC's verification of authority authorizing the purchase of the subject assets and related transactions contemplated by the Agreement is attached as **Appendix C**. Roark's

verification of authority authorizing the sale of the subject assets and related transactions contemplated by the Agreement is attached as **Appendix D**.

7. A balance sheet and income statement with adjustments showing the results of the acquisition of the property for MAWC is attached as **Appendix E** and incorporated herein by reference.

8. Every political subdivision that contains any asset subject to the application is located in Stone and Taney County. The sale of assets should have no impact on the tax revenues of relevant political subdivisions as both MAWC and Roark are both private entities.

9. MAWC proposes to serve the customers of Roark utilizing the existing rates of Roark, until such time as the rates may be modified according to law.

10. MAWC proposes to serve the customers of Roark utilizing the existing rules and regulations of Roark, until such time as the rates or rules and regulations may be modified according to law, with one exception. As detailed in Schedule 2.3(d) of the Agreement (attached to the Agreement as Exhibit B), MAWC will file for certain new tariff sheets as part of this proceeding. The new tariff sheets will utilize the existing rates of Roark, but will authorize a new connection fee for water and sewer totaling a combined \$2,450 for new customers in certain portions of Roark's existing service area. This fee will be collected by MAWC for a maximum of 300 customers and will expire 20 years after approval. The funds collected by MAWC under this tariff will immediately be remitted to Roark under the terms of the Agreement. MAWC will treat the maximum amount of possible remittances to Roark of \$735,000 as a contribution by Roark and thus a reduction in possible rate base. The intention of this fee is to reimburse Roark for infrastructure investment in the Forest Lake subdivision since 2005, while limiting the rate impacts on the customers served in this area.

PUBLIC INTEREST

11. The proposed acquisition of the specified assets of Roark and the related transactions are not detrimental to the public interest and, in fact, will be consistent with and will promote the public interest. The assets of Roark would be acquired by MAWC, a Missouri public utility, and remain subject to the jurisdiction of the Commission. MAWC has considerable expertise and experience in providing water and sewer utility services to residents of the State of Missouri and is fully qualified, in all respects, to own and operate the systems currently being operated by Roark and to otherwise provide safe, reliable and affordable service.

CONTINGENT REQUEST FOR WAIVER

12. This case is not likely to be 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 become contested proceedings. However, in the event that the Commission nevertheless concludes that the filing of this Application is likely to be a contested case, Applicants request a waiver of the sixty (60) day notice for good cause shown as permitted by Commission Rule 4 CSR 240-4.020(2)(A).

13. The reason for this request relates to the nature of an asset purchase negotiation as that which resulted in the execution of the subject Agreement and the filing of this Joint Application. Sixty days prior to the filing, the parties did not have an agreement. In fact, this Joint Application has been filed within ten business days of the execution of the Agreement. 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 Joint Application.

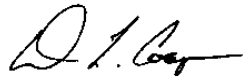
WHEREFORE, MAWC and Roark respectfully request that the Commission issue its order:

(A) authorizing Roark to sell and MAWC to acquire the assets identified herein of Roark to include the certificates held by these entities or, in the alternative, grant MAWC a new certificate to provide water and sewer service in the areas now served by Roark;

(B) authorizing MAWC to enter into, execute and perform in accordance with the terms described in the Agreement attached to this Joint Application and to take any and all other actions which may be reasonably necessary and incidental to the performance of the acquisition; and,


(C) granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the Agreement and the Joint Application and to consummate related transactions in accordance with the Agreement.

Respectfully submitted,



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ATTORNEYS FOR MAWC



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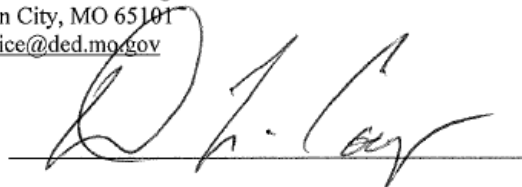
ATTORNEYS FOR ROARK WATER
& SEWER, INC.

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail or by U.S. Mail, postage prepaid, on the 31st day of DECEMBER, 2010, to the following:

Office of the General Counsel
Governor Office Building
Jefferson City, MO 65101
gencounsel@psc.mo.gov

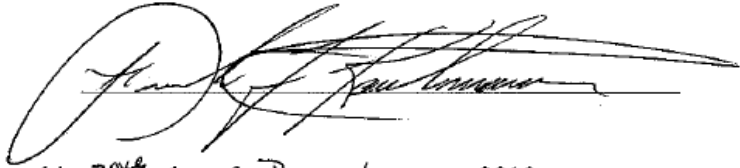
Office of the Public Counsel
Governor Office Building
Jefferson City, MO 65101
opcservice@ded.mo.gov



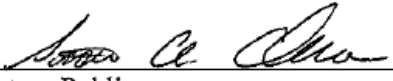
AFFIDAVIT

State of Missouri)
) ss
County of St. Louis)

I, FRANK L. MAERWAH having been duly sworn upon my oath, state that I am the PRESIDENT of Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of Missouri-American Water Company, that the matters and things stated in the foregoing Joint Application and appendices thereto are true and correct to the best of my information, knowledge and belief.



Subscribed and sworn before me this 30~~th~~ day of December, 2010.



Notary Public



AFFIDAVIT

State of Missouri)
) ss
County of Taney)

I, Joe Brazeale, having been duly sworn upon my oath, state that I am the President of Roark Water & Sewer, Inc. (Roark), that I am duly authorized to make this affidavit on behalf of Roark, that the matters and things stated in the foregoing Joint Application and appendices thereto are true and correct to the best of my information, knowledge and belief.

Joe Brazeale
Joe Brazeale

Subscribed and sworn before me this 27th day of December, 2010.

Melva Epps
Notary Public



APPENDICES

- Appendix A Roark Certificate of Good Standing
- Appendix B Asset Purchase Agreement between Missouri-American Water Company and Roark Water & Sewer, Inc. dated December 20, 2010
- Appendix C MAWC Verification of Authority
- Appendix D Roark's Verification of Authority
- Appendix E Pro Forma Balance Sheet and Income Statement for MAWC