

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

In the matter of the Application of Missouri- American Water Company for Authority to Issue up to \$212,500,000 of Long-Term Unsecured Debt)))))	CASE NO. WF-2011-0173
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MOTION TO REOPEN CASE AND FOR SUPPLEMENTAL ORDER

COMES NOW Missouri-American Water Company (hereinafter "Applicant") and for its motion to the Missouri Public Service Commission ("hereinafter Commission") for a supplemental order concerning its March 2, 2011 Order Granting Financing Application, states the following:

1. On December 17, 2010, Applicant filed an Application with the Commission seeking certain financing approvals, including the ability to issue unsecured long-term debt payable to an affiliate, American Water Capital Corp. ("AWCC"). On March 2, 2011, the Commission issued its Order Granting Financing Application (the "Order") pursuant to which the Commission granted the authority requested subject to certain conditions. Thereafter, on March 15, 2011, the Commission closed the case.

2. With respect to the issuance of new long-term debt, the Commission granted the Company's request for authority to issue notes in one or more series evidencing up to \$212,500,000 in aggregate principle amount of unsecured long-term debt.

3. To date the Company has issued \$169,595,000 of long-term debt under its existing authority. Of this amount, \$129,595,000 was refinanced (refer to Exhibit 1 for details) and the remaining \$40,000,000 was new issuances. An additional issuance in the amount of \$20 million will be issued by the end of July 2013. Missouri American Water believes that it will have the opportunity to refinance an additional \$25 million of existing

long-term indebtedness at favorable rates prior to the end of the 2013 calendar year. At the time of that refinancing, the Company will have issued \$189,595,000 of long-term debt under its existing authority. The contemplated transaction (i.e., refinancing the existing \$25 million at lower rates) would result in benefits to MAWC customers in the form of lower interest expenses. However, in undertaking such transaction, MAWC would exceed its existing authority by \$2,095,000 as reflected on Exhibit 2.

4. Applicant proposes to issue up to and including \$25 million of additional long-term indebtedness payable to AWCC. Because of the circumstances described in paragraph 3 above, Applicant submits that there is good cause for the Commission to grant Applicant more flexibility by increasing the debt amount by \$2,095,000. This increased cap limitation will ensure that Applicant has the ability to obtain long-term unsecured debt financing through AWCC.

WHEREFORE, for good cause shown, Applicant requests that (1) the case be reopened and (2) the Commission issue a supplemental order modifying its March 2, 2011, Order to increasing its existing authority by \$2,095,000 subject to the same terms and conditions set out in the Commission's Order effective March 12, 2011 in Docket No. WF-2011-0173.

Respectfully submitted.

/s/ John J. Reichart
John J. Reichart MBN 59479
Corporate Counsel
Missouri-American Water Company
727 Craig Road
St. Louis, MO 63141
314-996-2287
john.reichart@amwater.com

Attorney for Missouri-American
Water Company

Missouri-American Water Company
Missouri Refinancings 2012
Case No. WF-2011-0173

<u>New Bond</u>	<u>Original Bond</u>	<u>Call Price</u>	<u>Outstanding</u>	<u>Old Coupon</u>	<u>Unamortized</u>	<u>Old All-In</u>	<u>New Coupon</u>	<u>New Issuance</u>	<u>Unamortized</u>	<u>New All-In</u>				
<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Per Share</u>	<u>Balance</u>	<u>Rate</u>	<u>Cost</u>	<u>Rate</u>	<u>Rate</u>	<u>Costs</u>	<u>Cost</u>	<u>Rate</u>	<u>Annual Savings</u>	<u>NPV of Savings</u>	<u>NPV %</u>	
6/11/2012	3/1/2030	\$100	\$ 28,735,000	5.900%	\$ (889,556)	6.075%	4.100%	- \$	(889,556)	4.270%	\$ 517,327	\$ 6,429,858	22%	
6/11/2012	4/1/1932	\$100	\$ 14,770,000	5.200%	\$ (603,715)	5.406%	4.340%	- \$	(603,715)	4.540%	\$ 127,507	\$ 1,672,626	11%	
7/2/2012	2/1/2028	\$100	\$ 4,400,000	5.000%	\$ (185,348)	5.270%	3.855%	- \$	(185,348)	4.125%	\$ 50,374	\$ 582,275	13%	
7/2/2012	11/1/2028	\$100	\$ 18,270,000	5.000%	\$ (689,329)	5.231%	3.941%	- \$	(689,329)	4.171%	\$ 193,568	\$ 2,300,514	13%	
7/2/2012	3/1/2028	\$100	\$ 24,510,000	5.100%	\$ (532,842)	5.239%	3.864%	- \$	(532,842)	4.003%	\$ 302,903	\$ 3,511,997	14%	
7/2/2012	3/1/2029	\$100	\$ 38,910,000	5.000%	\$ (921,843)	5.142%	3.978%	- \$	(921,843)	4.120%	\$ 397,694	\$ 4,780,577	12%	

Missouri American Water
 Debt Financing
 Case No WF-2011-0173

Amount approved \$ 212,500,000

Issuances:

11/21/2011	\$ 25,000,000	Pay down short-term debt balance
6/11/2012	43,505,000	Refinance current debt at lower rate
7/2/2012	86,090,000	Refinance current debt at lower rate
12/17/2012	<u>15,000,000</u>	Pay down short-term debt balance

Less: Total Issuances as of 7/1/13 169,595,000

Planned Issuances:

7/30/2013	20,000,000	Pay down short-term debt balance
11/15/2013	<u>25,000,000</u>	Refinance current debt at lower rate

Less: Total Planned Issuances: 45,000,000

Shortage: \$ (2,095,000)