

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

<b>In the matter of the Application of Missouri- )</b>	
<b>American Water Company for Authority to )</b>	
<b>Issue up to \$190,000,000 of Long-Term )</b>	<b>CASE NO. WF-2015-0207</b>
<b>Unsecured Debt )</b>	

**NOTICE**

COMES NOW Missouri-American Water Company ("MAWC" or the "Company") and states to the Commission as follows:

1. On July 22, 2015, the Commission issued an Order Granting Financing Application ("Order") in the referenced case. The authority granted by the Order was subject to a number of conditions recommended by the Commission's staff. Among those were the following filing requirements:

- a) That MAWC file with the Commission any information concerning communication with credit rating agencies concerning the proposed financing.
- b) That MAWC file with the Commission all final terms and conditions of the proposed financing, including, but not limited to, the aggregate proceeds received, price information, and estimated expenses.
- c) That MAWC file with the Commission, upon refunding of any outstanding debt, the net present value calculations indicating the amount of interest cost savings.

2. On November 17, 2016, American Water Capital Corp. ("AWCC") issued \$550 million in senior unsecured notes in a two-part offering: \$300 million in 30-year unsecured taxable notes at a coupon rate of 4.00% and \$250 million in 10-year unsecured taxable notes at a coupon rate of 3.00%, the Term Sheet for which

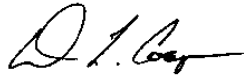
is shown as Exhibit 1. Pursuant to the authority granted by the Order, MAWC on that date issued a promissory note to AWCC in the amount of \$107,480,000, with a 30-year term at a coupon rate of 4.00%, the same term and interest rate as the 30-year AWCC issuance. Proceeds from the MAWC note will be used for construction, completion, extension or improvement of facilities, other capital investments and/or repayment of short-term debt. A portion of the short-term debt repayment resulted from refinancing \$57,480,000 of MAWC's existing long-term indebtedness that carried an interest rate of 4.60%. The Term Sheet for the portion of the AWCC issuance allocated to MAWC is shown as Exhibit 2, and the MAWC note in the amount of \$107,480,000, is shown as Exhibit 3. After bond discount of \$894,234 and estimated issuance costs of \$1,129,292, estimated proceeds to MAWC from the note are \$105,456,475. MAWC's bond discount and estimated issuance costs are equal to its pro-rata portion of the total amounts for the AWCC issuance.

3. Pursuant to the Commission's Order, MAWC states that there were communications with Standard & Poor's and Moody's credit rating agencies concerning credit ratings for this financing, as reflected on Exhibits 4 & 5, respectively.

4. Pursuant to the Commission's Order, MAWC has refunded \$57,480,000 in outstanding debt resulting in \$278,701 of annual interest cost savings. The net present value (NPV) of the interest cost savings is \$3,743,212 and is shown on Exhibit 6 included with this filing.

**WHEREFORE**, MAWC respectfully requests that the Commission consider the information provided herein and, thereafter, issue such orders as it may find to be reasonable and just.

Respectfully submitted,



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Dean L. Cooper Mo. Bar 36592  
BRYDON, SWEARENGEN & ENGLAND P.C.  
312 East Capitol Avenue  
P.O. Box 456  
Jefferson City, MO 65102-0456  
Telephone: (573) 635-7166  
Facsimile: (573) 635-0427  
[dcooper@brydonlaw.com](mailto:dcooper@brydonlaw.com)

Timothy W. Luft, MBE #40506  
Corporate Counsel  
**MISSOURI-AMERICAN WATER COMPANY**  
727 Craig Road  
St. Louis, MO 63141  
(314) 996-2279 telephone  
(314) 997-2451 facsimile  
[timothy.luft@amwater.com](mailto:timothy.luft@amwater.com)

ATTORNEYS FOR MISSOURI-AMERICAN  
WATER COMPANY

**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 18<sup>th</sup> day of January, 2017, to:

**Missouri Public Service Commission**  
Office General Counsel  
200 Madison Street, Suite 800  
P.O. Box 360  
Jefferson City, MO 65102  
[staffcounsel@psc.mo.gov](mailto:staffcounsel@psc.mo.gov)

**Office of the Public Counsel**  
200 Madison Street, Suite 650  
P.O. Box 2230  
Jefferson City, MO 65102  
[opcservice@ded.mo.gov](mailto:opcservice@ded.mo.gov)

