

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

**In the Matter of Missouri-American)
Water Company for a Certificate of)
Convenience and Necessity Authoriz-)
ing it to Install, Own, Acquire,)
Construct, Operate, Control, Manage)
and Maintain Water and Sewer Sys-)
tems in Christian and Taney Coun-)
ties, Missouri)** **File No. WA-2012-0066**

**APPLICATION TO INTERVENE
OUT OF TIME BY
AG PROCESSING INC A COOPERATIVE**

COMES NOW Ag Processing Inc A Cooperative ("AGP") and for its Application to Intervene Out of Time shows as follows:

1. AGP is an agricultural cooperative and is a large manufacturer and processor of soybean meal, soy-related food products, and other grain products throughout the central and upper Midwest, including the State of Missouri. AGP is the largest cooperative soybean processing company in the world, the third-largest supplier of refined vegetable oil in the United States and the third-largest commercial feed manufacturer in North America.

2. AGP operates a major processing facility in St. Joseph, Missouri where it is a major industrial water supply customer of Missouri-American Water Company ("MAWC") in its St. Joseph district.

3. AGP's interest in proceedings affecting the rates, terms and conditions of water service from the MAWC has been previously recognized by the Missouri Public Service Commission in permitting AGP's intervention in prior MAWC rate cases and collaboratives. AGP has actively participated in such cases.

4. As noted below, AGP believes that additional charges in excess of the costs caused by AGP's service in St. Joseph, may result from this case in being shifted to AGP's service in St. Joseph and that the locality that is proposed to be added to MAWC's service territories might be served by MAWC at rates that are below the fully allocated cost to provide service to that new locality, that would result in creating a preference in favor of one locality and a disadvantage to any other localities served by MAWC including St. Joseph.

Justification for Out-Of-Time Application to Intervene

5. This question arose as a result of a pending rate case (File No. WR-2011-0337) in which MAWC proposed to redistribute to St. Joseph and other existing districts not only costs of MAWC's recently-acquired water properties but its operation of certain other water systems in the State of Missouri that are represented by MAWC to be unable to pay their fully allocated cost of service.

6. AGP believes that this proposal would create a preference for a particular locality and a disadvantage to other

localities within the State of Missouri in violation of Section 393.140 RSMo. AGP opposes such preference and disadvantage.

7. AGP is served in the St. Joseph Water District by MAWC and, pursuant to MAWC's current and favored "rate consolidation" scheme proposed in its current rate case, would receive additional charges in excess of its fully allocated cost of service to its disadvantage. MAWC has failed to obtain authorization from AGP to impose such charges or to assure AGP that any future charges from MAWC will not exceed the fully allocated cost of service to AGP in the St. Joseph District.

8. As a further result of MAWC's proposals in the pending rate case, other water districts that are presently served by MAWC are proposed to be charged in excess of their fully allocated costs of service so as to develop a "subsidy" that then may be used by MAWC to continue to provide service to other water districts at rates that do not recover those other districts' fully allocated cost of service.

9. Although the Commission in the past has strongly supported cost-based ratemaking, AGP is uncertain of the Commission's position on this matter. In File No. SW-2011-0103, Ms. C. Baker, attorney for the Public Counsel, stated to the Commission that

MS. BAKER: My comment is, quite frankly, your public policy question is a little bit late, because I think your public policy question needs to be back whenever these systems are given their certificates to operate.

Because you know when they come in here and they give you an application to operate out while there is no -- is no infrastructure, there is nothing to support them, but yet they want to be out in the boonies, they want to be out where there is nothing else there, they want to build, they want to have 50 people -- you know that there's going to be a problem in the future.

So the public policy question is back at the point that these systems are certificated.^{1/}

10. AGP supports Public Counsel's concern and believes that the proper time for the Commission to address these matters of cost responsibility should be at the time that an application is submitted to acquire such potentially high-service-cost districts. To be clear, AGP does not wish to interfere with MAWC shareholders' desires to expand their business, but believes that such excess costs that cannot be recovered for whatever reason from the customers within the to-be-acquired locality should be borne by those shareholders and not by customers in other localities.

11. Accordingly, it is of considerable importance to AGP that these questions be properly presented to the Commission at the time an acquisition is proposed and a new service territory is properly to be added to MAWC's existing obligation of service. It is important that MAWC intends to set a rate for these new customers that recovers their fully allocated cost of service and does not, or agrees that it will not seek now, or in the future, seek to obtain a subsidy or preference from the St. Joseph, Missouri service territory that would be in excess of that district's fully allocated cost of service and would subject that locality to a disadvantage by creating a preference for the newly-acquired locality.

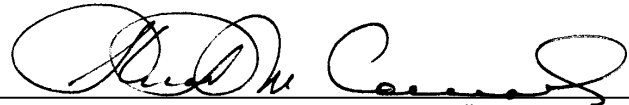
^{1/} Transcript, On-the-Record Proceeding in SW-2011-0103 on November 9, 2010, p. 55.

12. Representatives of AGP only became aware of this acquisition case on February 8, 2012 in response to a question about any cases in which MAWC had applied for authorization to acquire any additional water or sewer systems in the State of Missouri. Since then, given other demands on counsel's time,^{2/} and the need to obtain approval from client representatives, AGP has moved with dispatch to prepare and submit this application.

13. If permitted to intervene herein, AGP states that it will accept the existing procedural schedule, including the presently-scheduled prehearing conference, as it stands. The Office of the Missouri Public Counsel, through Ms. Baker, has graciously offered to assist AGP with familiarization in this case upon the grant of intervention. Although we cannot positively state that no additional discovery would be sought, (we have not seen all existing, including HC, materials at present), AGP is willing to work with other parties including MAWC to minimize or eliminate any unreasonable delay that might result from AGP's out-of-time intervention.

Respectfully submitted,

FINNEGAN, CONRAD & PETERSON, L.C.



Stuart W. Conrad Mo. Bar #23966
3100 Broadway, Suite 1209
Kansas City, Missouri 64111
(816) 753-1122
Facsimile (816)756-0373

^{2/} Including responding to Motions to Quash and a Motion in Limine submitted by Staff with respect to discovery in WR-2011-0337 that was sought by AGP.


Internet: stucon@fcplaw.com

ATTORNEYS FOR AG PROCESSING INC A
COOPERATIVE

CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing pleading on the designated attorneys or representatives of each party in accord with Commission Orders and the service list maintained in this proceeding by the Secretary of the Commission on EFIS.

Dated: February 12, 2012

A handwritten signature in black ink, appearing to read "Stuart W. Conrad", written over a horizontal line.

Stuart W. Conrad, an attorney for
AGP