

STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 10th
day of March, 1994.

In the matter of the merger of GWC)	
Corporation with and into United Water)	
Resources Inc. and the indirect)	<u>CASE NO. WM-94-191</u>
acquisition by United Water Resources)	
Inc. of more than ten percent (10%))	
of the total capital stock of Capital)	
City Water Company.)	

ORDER APPROVING MERGER

On December 17, 1993, GWC Corporation (GWC) and United Water Resources, Inc. (United Water), (collectively referenced as Applicants), filed an application with the Commission seeking authority to consummate a merger agreement between the Applicants. GWC is a Delaware corporation which owns one hundred percent of the stock of General Waterworks Corporation (General Waterworks), which in turn owns one hundred percent of the stock of Capital City Water Company (Capital City), a Missouri corporation engaged in the business of distributing water to the public in and around Jefferson City, Missouri (Jefferson City). United Water is a New Jersey corporation with subsidiaries in New Jersey and New York.

On January 28, 1994, the Commission granted intervention to Jefferson City. On February 10, 1994, a conference was held among the parties. On February 23, 1994, Jefferson City and the Office of the Public Counsel each filed a letter stating that they do not oppose the proposed merger.

On March 4, 1994, the Staff of the Commission (Staff) filed a memorandum recommending that the Commission approve the proposed merger. Staff states that it can find no evidence of detriment to the public interest from the proposed merger. Staff indicates the proposed merger does not contemplate any change in direct ownership, control, or operation of Capital City. Capital City will continue as a wholly-owned subsidiary of General Waterworks, which will become a wholly-owned subsidiary of United Water rather than GWC, which will cease to exist. Also, the proposed merger does not seek any changes in the rates charged

by Capital City, nor in any of its policies with respect to service, employees, operations, financing, accounting, capitalization, depreciation, or other matters affecting the public interest or utility operations. Staff further states that the books and records of Capital City will remain in the same location and continue to be kept in accordance with the Uniform System of Accounts.

Upon review of the application and Staff's recommendation, the Commission finds that the proposed merger will have no impact on Capital City's rates and operations. Thus, the Commission finds that the proposed merger is not detrimental to the public interest and should be approved.

IT IS THEREFORE ORDERED:

1. That GWC Corporation and United Water Resources, Inc. are hereby authorized to merge in accordance with the application and this Order.

2. That GWC Corporation and United Water Resources, Inc. are hereby authorized to take any and all other actions necessary to effectuate the merger authorized in Ordered Paragraph 1.

3. That United Water Resources, Inc. shall file notification with the Commission upon the closing of the merger authorized in Ordered Paragraph 1.

4. That Capital City Water Company shall continue to submit monthly surveillance reports to the Commission's Financial Analysis Department.

5. That this Order shall become effective on March 22, 1994.

BY THE COMMISSION



David L. Rauch
Executive Secretary

(S E A L)

Mueller, Chm., McClure, Perkins
Kincheloe, CC., Concur.
Crumpton, C., Absent.