

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

In the Matter of the Joint Application of)
Missouri-American Water Company and Meramec)
Sewer Co. for Authority for Missouri-American) **File No. SO-2013-0260**
Water Company to Acquire Certain Assets of)
Meramec Sewer Co., and, in Connection Therewith,)
Certain Other Related Transactions)

STAFF'S RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and recommends, subject to the conditions contained herein, that the Missouri Public Service Commission (Commission) approve the Joint Application filed by Missouri-American Water Company (MAWC) and Meramec Sewer Company (MSC) through which the Companies request Commission approval for: MSC to sell its sewer assets to MAWC; MAWC to acquire MSC's assets; and MSC to transfer its Certificate of Convenience and Necessity (CCN) to provide regulated sewer service in Jefferson County, Missouri to MAWC. In support of *Staff's Recommendation (Recommendation)*, Staff states as follows:

1. On November 2, 2012, MAWC and MSC filed a Joint Application and, If Necessary, Motion for Waiver (Joint Application) with the Commission, seeking Commission approval for MAWC to purchase the assets of MSC.

2. On November 6, 2012, the Commission issued an *Order & Notice* allowing the proper parties twenty (20) days or until November 26, 2012 to file an application to intervene in this matter. No party filed a motion to intervene.

3. In its November 27, 2012, *Order Directing Filing (Order)*, the Commission directed Staff to file a status report or a recommendation no later than December 27, 2012.

4. On December 27, 2012, Staff filed *Staff's Status Report* which stated that Staff had begun its investigation and anticipates that it will be able to file a Staff Recommendation or other appropriate pleading with the Commission no later than January 28, 2013. This filing complies with *Staff's Report*.

5. Staff conducted an investigation of both Companies based on the requests made in their *Joint Application*. A detailed report of Staff's investigation and recommendations is contained in the Appendix A, Staff's Memorandum, attached and incorporated by reference herein.

6. In conclusion, based upon Staff's review, Staff has determined that the Commission should approve the *Joint Application* and issue an *Order* that adopts the provisions in the thirteen (13) numbered paragraphs under the section labeled "Staff's Recommendations" in Appendix A.

WHEREFORE, Staff respectfully submits its *Recommendation* for the Commission's information and consideration and hereby requests the Commission issue an order approving the *Joint Application* subject to the conditions contained herein.

Respectfully submitted,

/s/ Goldie Tompkins

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record this 28th day of January, 2013.

/s/ Goldie Tompkins

Goldie Tompkins