

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

In the Matter of the Joint Application of)
Missouri-American Water Company and)
Loma Linda Water Company for Authority for)
Missouri-American Water Company to Acquire)
Certain Assets of Loma Linda Water Company)
and, in Connection Therewith,)
Certain Other Related Transactions)

Case No. WO-2011-0015

STAFF’S RECOMMENDATION FOR APPROVAL OF TARIFFS

COMES NOW the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and hereby recommends that the Missouri Public Service Commission (Commission) approve the tariff sheets, and substitute tariff sheet submitted in Case No. WO-2011-0015 and bearing Tariff Tracking No. YW-2011-0376. In support of this *Recommendation*, Staff states as follows:

1. On July 15, 2010, Loma Linda Water Company (“LLWC”) and Missouri-American Water Company (“MAWC”) (collectively hereafter “Applicants”) filed a *Joint Application* seeking to sell and transfer LLWC’s water system assets to MAWC.
2. On September 15, 2010, Applicants filed an *Amendment by Interlineation of Joint Application* (“*Amendment*”) stating that if the transfer and sale was approved, MAWC would apply existing rates that are in effect for LLWC instead of applying existing rates in effect for its Joplin Division as requested in the *Joint Application*.
3. On October 13, 2010, Staff filed its *Recommendation* in this matter.
4. On November 3, 2010, the Commission issued an *Order Approving Transfer of Assets* (“*Order*”) which states, in part, that “[u]pon transfer of the assets, Missouri-American Water Company shall amend its Joplin tariff to include the area previously served by Loma Linda Water Company.”

5. On January 21, 2011, MAWC filed a *Notice of Transfer of Assets and Motion for Expedited Treatment of Amended Tariff* (YW-2011-0376), along with several proposed tariff sheets.

6. On January 24, 2011, MAWC filed an *Amended Motion for Expedited Treatment of Amended Tariff* (YW-2011-0376) due to an inadvertent omission in the proposed tariff, and filed one substitute tariff sheet, specifically Sheet No. 3B.

7. The Commission has the authority to approve the proposed tariff sheets and substitute tariff sheet pursuant to Section 393.140(11), RSMo (2000).

8. James A. Merciel, Jr., Utility Regulatory Engineering Supervisor, reviewed the proposed tariff sheets and the substitute tariff sheet filed in Case No. WO-2011-0015 and bearing Tariff Tracking No. YW-2011-0376, and states that to the best of his knowledge, information, and belief, the proposed tariff sheets comply with the terms of the Commission's Order.

WHEREFORE, Staff recommends that the Commission issue an order approving the proposed tariff sheets filed on January 21, 2011 and the substitute tariff sheet filed on January 24, 2011 and pending in Case No. WO-2011-0015 and bearing Tariff Tracking No. YW-2011-0376, to become effective January 31, 2011.

Respectfully submitted,

/s/ Rachel M. Lewis
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Certificate of Service

I hereby certify that copies of the foregoing have been mailed or hand-delivered, transmitted by facsimile or electronically mailed to all counsel of record on this 24th day of January, 2011.

/s/ Rachel M. Lewis