

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

In the Matter of Missouri-American Water	)	
Company for Authority to Issue up to	)	Case No. WF-2011-0173
\$212,500,000 of Long-Term, Unsecured Debt	)	

**MISSOURI AMERICAN WATER COMPANY'S  
RESPONSE TO STAFF RECOMMENDATION**

**COMES NOW** Missouri-American Water Company (MAWC) and for its Response to Staff Recommendation, states to the Missouri Public Service Commission (Commission) as follows:

1. On December 17, 2010, MAWC filed with the Commission an *Application for Authority to Issue up to \$212,500,000 of Long Term Debt* ("Application").
2. On December 28, 2010, the Commission ordered Staff to file a recommendation regarding the *Application* by February 17, 2011.
3. On February 17, 2011, Staff filed its response which among other things recommended that this *Application* be approved with conditions as defined in Staff's Appendix A, which was attached to Staff's response.
4. On March 2, 2011 (effective March 12, 2011), the Commission issued an *Order* granting MAWC's financing application.
5. On March 15 2011, the Commission issued a *Notice of Closing File*.
6. On July 25, 2013, MAWC filed with the Commission a *Motion to Reopen Case and for Supplemental Order*.
7. On July 26, 2013, the Commission issued an *Order Reopening File*. The *Order* further directed Staff to file a recommendation regarding MAWC's request to modify its financing authority by August 27, 2013.
8. On August 27, 2013, Staff filed its response recommending that this *Application* be approved with conditions as defined in Staff's Appendix A, which was attached to Staff's

response. MAWC has reviewed the Staff's filing and has no objection to the conditions set forth therein. MAWC discussed with Staff some proposed modifications to the narrative selection of Staff's report to correct/clarify certain facts. After such discussion, Staff has authorized MAWC to represent its agreement with the following technical corrections to the Staff report.

First, on page three, paragraph six of the Staff report, there is reference in the parentheses to the amount of \$22,605,000. The Company notes that this appears to be a typographical error, and the correct amount is actually \$22,905,000, which is referenced in the previous paragraph of the Staff report.

Second, on page four, paragraph five of the Staff report, the Staff notes that on May 29, 2013, Moody's increased AWW's credit rating from 'Baa1' to "A3". Moody's did indeed increase AWW's credit rating on that date; however, that credit rating change was for mortgage bonds upgrade at New Jersey American Water Company and Pennsylvania American Water Company. AWW's credit rating was increased from 'Baa2' to 'Baa1'. In addition, this correction impacts the footnote at the bottom of page four, which should read "Moody's 'Baa2' and 'Baa1' credit ratings are respectively an equivalent of S&P's 'BBB' and 'BBB+' ratings."

Finally, it should be noted that in any event, the Company does not oppose an order approving the Application conditions as proposed by Staff.

**WHEREFORE**, Missouri-American Water Company submits this Response to Staff Recommendation for the Commission's consideration in this case.

Respectfully submitted,

MISSOURI-AMERICAN WATER COMPANY

By: /s/ John J. Reichart

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**CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 12th day of September, 2013, to:

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/s/ John J. Reichart  
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