

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

In the Matter of the Application of Liberty Utilities)
(Missouri Water) LLC and Franklin County Water,) **Case No. WA-2019-0036**
Inc. for Liberty to Acquire Certain Water Assets of)
Franklin County and for a Certificate of Convenience)
And Necessity)

STAFF REPORT AND RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, (“Commission”) by and through counsel, and for its *Staff Report and Recommendation*, states as follows:

1. On March 13, 2019, Liberty Utilities (Missouri Water) LLC d/b/a Liberty Utilities (“Liberty Utilities”) filed an application (“Application”) with the Missouri Public Service Commission (“Commission”) seeking authority for Liberty Utilities to purchase substantially all of the assets of Franklin County Water Company, Inc. (“Franklin County”), including its certificate of convenience and necessity (“CCN”), and authority to consolidate rules, regulations, and rates applicable to Franklin County customers.

2. On March 19, 2019, the Commission issued its Order directing Staff to file a pleading stating when it anticipates filing a recommendation. On April 9, 2019, Staff filed its pleading regarding anticipated date of filing staff recommendation. That same day, the Commission issued its Order directing Staff to file a Recommendation regarding Liberty Utilities’ application no later than June 10, 2019.

3. Pursuant to Section 393.190, RSMo, no water or sewer corporation shall sell or otherwise dispose of any part of its franchise without first having secured from the Commission an order authorizing it to do so.

4. As discussed in Staff's Memorandum, attached hereto as Appendix A and incorporated by reference, Staff conducted an investigation into Liberty Utilities' Application. Staff concluded that Liberty Utilities has demonstrated the necessary technical, managerial, and financial capabilities necessary to acquire and operate the Franklin County system. However, Staff does not support the consolidation of rates described in Liberty Utilities' Application. Staff recommends approving the existing Franklin County rates as detailed in Staff's Memorandum. Based upon its review, Staff concludes that the Commission should approve the Application subject to the conditions stated on pages 6-7 of the Memorandum

5. For these reasons, as more fully explained in Staff's Memorandum, Staff recommends the Commission approve Franklin County's sale and transfer of utility assets, retain the existing Franklin County rates and transfer Franklin County's CCN to Liberty Utilities subject to the conditions in Staff's Memorandum.

WHEREFORE, for the above stated reasons, Staff prays the Commission approve Liberty Utilities' Application subject to Staff's recommended conditions; and grant such other and further relief as is appropriate under the circumstances.

Respectfully submitted,

/s/ Ron Irving

Ron Irving

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Missouri Public Service Commission

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, or transmitted by facsimile or electronic mail to counsel of record this 10th day of June, 2019.

/s/ Ron Irving