

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

In the Matter of Missouri-American Water)
Company for a Certificate of Convenience)
and Necessity Authorizing it to Install,)
Own, Acquire, Construct, Operate,) File No. WA-2021-0391
Control, Manage and Maintain a Water) SA-2021-0392
System and Sewer System in and around)
the City of Garden City, Missouri.)

**MOTION TO FOR LEAVE TO AMEND APPLICATION
AND AMENDMENT TO THE APPLICATION**

COMES NOW Missouri-American Water Company (MAWC) and, as its *Motion for Leave to Amend Application and Amendment to the Application*, in accordance with 20 CSR 4240-2.080(18), states as follows to the Missouri Public Service Commission (Commission):

1. On May 7, 2021, MAWC filed an *Application and Motion for Waiver (“Application”)* with the Commission that seeks authority for MAWC to acquire and operate the assets of a municipal water and sewer system in Garden City, Missouri, to include associated certificates of convenience and necessity.

MOTION FOR LEAVE

2. MAWC neglected to address in its *Application* the issue of rate base. Accordingly, by this pleading, MAWC seeks the Commission’s leave to amend its *Application* to include this issue as described herein.

3. Commission Rule 20 CSR 4240-2.080(18) provides, in part, that a pleading may be amended at any time by leave of the Commission, if no responsive pleading has been filed. No responsive pleading has yet been filed in this matter. Staff has been ordered to file a recommendation by June 25, 2021. MAWC believes that a grant of the requested leave will not prejudice the parties and will aid in the efficient processing of this *Application*.

AMENDMENT TO THE APPLICATION

4. MAWC seeks to establish the ratemaking rate base associated with the Garden City water and sewer assets in this matter pursuant to Section 393.320, RSMo. Section 393.320.2 states as follows:

The procedures contained in this section may be chosen by a large water public utility, and if so chosen shall be used by the public service commission to establish the ratemaking rate base of a small water utility during an acquisition.

5. MAWC is a “large water public utility” as it is a “public utility regularly provides water service or sewer service to more than eight thousand customer connections and that provides safe and adequate service.” Section 393.320.1(1), RSMo. Garden City is a “small water utility” as it is a “water system or sewer system owned by a municipality that regularly provides water service or sewer service to eight thousand or fewer customer connections.” Section 393.320.1(2), RSMo.

6. Section 393.320.3(1), RSMo requires an appraisal to be performed by three appraisers. Such an appraisal has been performed on the Garden City water and sewer systems and is attached hereto as **Appendix J**. The appraisal contains a joint assessment of the fair market value of the water system and sewer system.

7. Section 393.320.5(1), RSMo states, in part, that the “lesser of the purchase price or the appraised value, together with the reasonable and prudent transaction, closing, and transition costs incurred by the large water public utility, shall constitute the ratemaking rate base for the small water utility as acquired by the acquiring large water public utility. . . .” In this case, the purchase price is equal to the appraised value (\$3 million (\$2 million for water system assets, and \$1 million for sewer system assets)). Therefore, that amount together with the

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 28th day of May, 2021, to:

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