

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

In the Matter of Missouri-American Water)
Company’s Application for a Certificate of)
Convenience and Necessity Authorizing it to)
Install, Own, Acquire, Construct, Operate,)
Control, Manage and Maintain a Water)
System in and around an area of Benton)
County, Missouri (Pom-Osa Heights)
Subdivision))

File No. WA-2022-0361

STAFF RECOMMENDATION

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

1. On June 21, 2022, Missouri-American Water Company (“MAWC”) filed an application seeking authority for MAWC to acquire and operate a water system in and around an area of Benton County, Missouri in a subdivision known as the Pom-Osa Heights Subdivision, and for expedited treatment of its application. MAWC has also requested a waiver of the 60-day notice requirements of 20 CSR 4240-4.017.

2. On June 22, 2022 the Commission ordered Staff to file a recommendation regarding the application, or a status report indicating when it will file its recommendation, by July 28, 2022. Staff proposed to submit its recommendation by September 26, 2022. The Commission granted Staff’s proposed date.

3. Pursuant to § 393.170.2, RSMo, no water or sewer corporation shall provide service to consumers without first having obtained approval from the Commission. In determining whether or not to grant such approval, the Commission has traditionally applied the five “Tartan Criteria” established in *In the Matter of Tartan Energy Company, et al.*, 3 Mo. PSC 3d 173, 177 (1994): (1) there must be a need for the service;

(2) the applicant must be qualified to provide the service; (3) the applicant must have the financial ability to provide service; (4) the applicant's proposal must be economically feasible;

and (5) the service must promote the public interest.

4. As explained in the Staff *Memorandum*, attached hereto as Appendix A, Staff conducted an investigation into MAWC's request. Based upon its review, Staff concludes that MAWC fulfills the requirements of the Tartan Criteria.

5. Accordingly, Staff finds that approving the utilities' sale to MAWC is not detrimental to the public interest and that issuance of a CCN to MAWC is necessary or convenient for the public service. Staff recommends that the Commission authorize MAWC to enter into, execute, and perform in accordance with the *Agreement for Purchase of the Pom-Osa Heights Landowner's Association, Inc. Water System*, attached as Appendix B to MAWC's application. Staff further recommends the MAWC be granted a CCN, with conditions described in the Staff *Memorandum*, to provide water and sewer service in the territory currently served by Pom-Osa Heights Subdivision.

6. The Commission need not hold a hearing if, after proper notice and opportunity to intervene, no party requests such a hearing. *State ex rel. Rex Deffenderfer Enterprises, Inc. v. Public Service Commission*, 776 S.W.2d 494 (Mo. App. W.D. 1989). No party or individual has requested a hearing, so the Commission need not hold a hearing.

7. Staff is not opposed to the Commission granting MAWC the requested waiver from the requirements of Commission Rule 20 CSR 4240-4.017(1).

WHEREFORE, Staff respectfully submits this Staff Recommendation for the Commission's information and consideration, and recommends the Commission authorize MAWC to enter into the purchase agreement and grant MAWC a CCN, with conditions, to provide water service to the requested service area.

Respectfully submitted,

/s/ Eric Vandergriff

Eric Vandergriff
Legal Counsel
Missouri Bar No. 73984
P.O. Box 360
Jefferson City, MO 65012
(573) 229-9524 (Telephone)
(573) 751-9285 (Fax)
Eric.Vandergriff@psc.mo.gov

Counsel for the Staff of the
Missouri Public Service Commission

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 26th day of September, 2022.

/s/ Eric Vandergriff