

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of the Application of Missouri-American)
Water Company and the Public Water Supply District)
No. 2 of St. Charles County, Missouri for Approval of) **Case No. WO-2012-0088**
a Territorial Agreement Concerning Territory in)
St. Charles County, Missouri.)

REPORT AND ORDER APPROVING ADDENDUM TO TERRITORIAL AGREEMENT

Issue Date: November 15, 2011

Effective Date: November 25, 2011

This Report and Order approves the Addendum to Water Service Territorial Agreement between Missouri-American Water Company ("MAWC") and Public Water Supply District No. 2 of St. Charles County, Missouri ("District"), which would allow District to serve a building located in MAWC's service territory.

FINDINGS OF FACT

- 1) MAWC is a water corporation subject to the Commission's jurisdiction, and it owns and operates a waterworks system and provides water to the public with that system.
- 2) District is a public water supply district that serves portions of St. Charles and Warren Counties in Missouri.
- 3) On May 25, 2001, the Commission approved a territorial agreement between MAWC and District that established exclusive service areas for them.
- 4) On September 23, 2011, MAWC and District filed a Joint Application for Approval of Addendum to Territorial Agreement.

5) The proposed addendum would allow District, at the request of the 88th U.S. Army Reserve Regional Support, Command (“Customer”) to serve an Operational Maintenance Building at Highway 94S, St. Charles, Missouri, Missouri, located within MAWC’s service territory under the territorial agreement.

6) District has existing facilities nearby to serve the site, which can serve the site with minimal cost to Customer.

7) MAWC does not have existing facilities in place to serve Customer.

8) MAWC is willing to support Customer’s request.

9) Customer has received a copy of the Addendum and has consented to be served by District.

10) The Staff of the Commission filed a Staff Recommendation to Approve Territorial Agreement on November 3, 2011.

11) Based on the information contained in the Joint Application and the Staff Recommendation, the Commission finds that the proposed addendum is not detrimental to the public interest.

CONCLUSIONS OF LAW

1) Section 247.172, RSMo 2010, gives the Commission jurisdiction over territorial agreements concerning water service between public water supply districts and water corporations subject to Public Service Commission jurisdiction, including any subsequent amendment to such agreement.

2) Under Section 247.172.5, the Commission may approve such a territorial agreement if the agreement in total is not detrimental to the public interest.

3) Section 6 of the existing territorial agreement provides that if the Commission's Staff or the Office of the Public Counsel does not file a pleading objecting to the addendum within 45 days, then "the addendum shall be deemed approved by the aforesaid parties."

4) Neither Staff nor Public Counsel objected within 45 days of the filing of the addendum. So by the terms of the territorial agreement, Staff and Public Counsel are deemed to have approved the addendum.

5) Although Section 247.172.5 RSMo provides that the Commission is to hold an evidentiary hearing to determine whether a territorial agreement is to be approved, no party has requested a hearing. The requirement for a hearing is met when the opportunity for hearing is provided and no proper party requests the opportunity to present evidence. Therefore, no hearing is necessary.

DECISION

Based on its findings of fact and conclusions of law, the Commission determines that the submitted addendum to the existing territorial agreement between the parties is not detrimental to the public interest and shall be approved.

THE COMMISSION ORDERS THAT:

1. The Addendum to Water Service Territorial Agreement between Missouri-American Water Company and Public Water Supply District No. 2 of St. Charles County, Missouri, filed on September 23, 2011 is approved.

2. Missouri-American Water Company shall file revised tariff sheets to reflect the limitations the Addendum places on its service area.

3. This Report and Order shall become effective on November 25, 2011.

BY THE COMMISSION

A handwritten signature in black ink, appearing to read 'S. Reed', is positioned above the printed name.

Steven C. Reed
Secretary

(S E A L)

Ronald D. Pridgin, Senior Regulatory
Law Judge, by delegation of authority
pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri,
on this 15th day of November, 2011.