

**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, Control, Manage and Maintain a Water)
System and Sewer System in and around the)
City of Stewartsville, Missouri)

File No. WA-2022-0311

STAFF’S REQUEST FOR ADDITIONAL TIME TO FILE REPORT

Comes now the Staff of the Missouri Public Service Commission (“Staff), by and through counsel and requests additional time of 90 days to file Staff’s report, stating further:

1. On May 10, 2022,¹ Missouri-American Water Company (“MAWC”) filed applications for certificates of convenience and necessity (“CCN”) to acquire water and sewer assets in and around the city of Stewartsville.² MAWC also requested waiver of the Commission’s rule requiring sixty days’ notice prior to filing the applications.

2. On May 11, the Commission issued its *Order Directing Notice, Setting Deadlines for Intervention Requests, and Directing Staff Recommendation*. The Commission directed Staff to file a recommendation or a request for additional time no later than June 27. Staff requests an additional ninety days to file its recommendation.

3. In the context of seeking a CCN, MAWC seeks to establish the ratemaking rate base associated with the Stewartsville water and sewer assets pursuant to Section 383.320, RSMo, where a “large water public” utility acquires a “small water utility.” Section 393.320.3, RSMo requires a fair market value appraisal of the systems to be

¹ All date references will be to 2022 unless otherwise indicated.

² Hereinafter, the CCNs may be referred to collectively as “CCN.”

acquired and sets the standards such appraisals must meet. 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.” MAWC’s application alleges that the water system purchase price of \$900,000 and the sewer system purchase price of \$1,000,000 are less than the asset fair market value appraised price and, therefore, that the purchase price together with the reasonable and prudent transaction, closing, and transition costs incurred by MAWC “shall constitute the ratemaking rate base.”

4. On May 24, the Commission issued its *Order granting Motion to Consolidate* the water and sewer files. On June 22, the Office of Public Counsel (“OPC”) filed a *Motion for Notice and Local Public Hearing*. On June 23, the Commission issued its order stating that no party is required to respond to OPC’s motion but that any party so wishing, should file a response no later than June 30.

5. The Staff propounded data requests (“DRs”) on MAWC and received numerous responses this week. Staff requires additional time to review MAWC’s application and its responses to Staff’s DRs and compile plant calculations. Staff may need to propound further DRs to MAWC. Staff believes it will require an additional ninety days to complete its assessment and to prepare and file its recommendations. However, Staff will file its recommendation earlier if possible

WHEREFORE, Staff respectfully prays the Commission’s order granting Staff an additional ninety days beyond June 27, 2022, within which to review MAWC’s application

and file a report and recommendation with the Commission; and for such other and further relief and orders as the Commission may deem necessary or appropriate.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

The undersigned by his signature below certifies that the foregoing pleading was served upon all counsel of record on this June 24th, 2022 by electronic filing in EFIS, electronic mail, hand-delivery, or U.S. postage prepaid.

Paul T. Graham