

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

In the Matter of the Joint Application of Missouri-)
American Water Company and Emerald Pointe Utility)
Company for Missouri-American Water Company to) File No. WO-2014-0113
Acquire Certain Water and Sewer Assets of the)
Emerald Pointe Utility Company in Connection)
Therewith, Certain Other Related Transactions)

In the Matter of the Joint Application of Missouri-)
American Water Company and Emerald Pointe Utility)
Company for Missouri-American Water Company to) File No. SO-2014-0116
Acquire Certain Water and Sewer Assets of the)
Emerald Pointe Utility Company in Connection)
Therewith, Certain Other Related Transactions)

MAWC'S REPLY TO STAFF'S RESPONSE

COMES NOW Missouri-American Water Company (MAWC or Company) and, in reply to Staff's Response filed on February 24, 2014, states as follows to the Missouri Public Service Commission (Commission):

1. On January 24, 2014, the Staff of the Commission (Staff) filed a recommendation to approve the Joint Application subject to a number of conditions (Staff's Recommendation). On February 6, 2014, MAWC filed a response to Staff's Recommendation, wherein MAWC agreed with all but one of Staff's proposed conditions (Staff Recommendation 5). MAWC's objection to Staff Recommendation 5 was based on Staff's failure to reference Section 393.320, RSMo.

2. On February 24, 2014, Staff filed a pleading entitled "Staff's Response," wherein it addressed Section 393.320, RSMo, as well as one other matter related to rate base.

3. As indicated by Staff's Response, while MAWC does not necessarily agree with Staff's legal analysis concerning Section 393.320, MAWC also does not object to the statement of consolidation recommended by Staff. MAWC further does not object to the rate base adjustment described by Staff's Response.

4. Accordingly, given the statement of consolidation contained in the Staff Response, MAWC has no objection to Staff's Recommendations as set forth in 1-16 (to now include Staff Recommendation 5), as reflected in Staff's Recommendation.

WHEREFORE, Missouri-American Water Company prays the Commission consider this Reply to Staff's Response and grant such relief as the Commission deems reasonable and just.

Respectfully submitted,

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Certificate of Service

I hereby certify that copies of the foregoing have been transmitted by electronic mail to the following on this 5th day of March, 2014:

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