

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

In the Matter of the Joint Application of)
Missouri-American Water Company and)
Tri States Utility, Inc. for Authority for)
Missouri-American Water Company to Acquire)
Certain Assets of Tri States Utility, Inc. and,)
in Connection Therewith, Certain Other)
Related Transactions.)

**JOINT APPLICATION AND,
IF NECESSARY, MOTION FOR WAIVER**

COME NOW Missouri-American Water Company (“MAWC”) and Tri States Utility, Inc. (“Tri States”) and, pursuant to Section 393.190, RSMo 2000 and 4 CSR 240-3.605, state the following to the Missouri Public Service Commission (“Commission”) as their Joint Application and, if necessary, Motion for Waiver:

BACKGROUND INFORMATION

1. MAWC is a Missouri corporation with its principal office and place of business at 727 Craig Road, St. Louis, Missouri 63141. MAWC is a Missouri corporation in good standing. A certified copy of MAWC’s certificate of good standing was submitted in Case No. SA-2007-0316 and is incorporated by reference. MAWC currently provides water service to the public in and around the cities of St. Joseph, Joplin, Brunswick, Mexico, Warrensburg, Parkville, Riverside, Jefferson City, and parts of St. Charles, Warren, Jefferson, Morgan, Pettis, Benton, Barry, Stone, Greene, Taney, Cole, Christian and Platte Counties, and most all of St. Louis County, Missouri. MAWC currently provides water service to approximately 454,000 customers. MAWC provides sewer service to approximately 4,000 customers in Callaway, Jefferson, Pettis, Cole, Morgan, Platte, and Warren Counties, Missouri. MAWC is a “water corporation,” a “sewer corporation”

and a “public utility” as those terms are defined in Section 386.020, RSMo 2000, and is subject to the jurisdiction and supervision of the Commission as provided by law. MAWC has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against MAWC from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Joint Application.

2. Tri States is a Missouri corporation with its principal office and place of business at 300 Terrace Rd., Branson, Missouri 65616. A certified copy of Tri States’s certificate of good standing is attached as **Appendix A** and incorporated herein by reference. Tri States is the holder of Certificates of Convenience and Necessity from the Commission to operate a water utility in and around Taney County, Missouri. Tri States currently provides water service to approximately 3,375 customers in Taney County, Missouri. Tri States is a “water corporation” and a “public utility,” as those terms are defined in Section 386.020 RSMo. 2000, and is subject to the jurisdiction and supervision of the Commission as provided by law. Presently, Tri States is current in its Commission assessment fees. There is no pending action or final unsatisfied judgment or decision against Tri States from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Joint Application.

3. Communications in regard to this Joint Application should be addressed to the undersigned counsel and:

Missouri-American Water Company
727 Craig Road
St. Louis, Missouri 63141

Attention: Greg Weeks, Vice President
greg.weeks@amwater.com
Phone 314.996.2351

Cole
10777 Sunset Office Dr, Suite 10
St. Louis, MO 63127

Attention: Kevin Riggs, Acting President
kriggs@colestl.com
Phone 636.448.6021

THE TRANSACTION

4. MAWC and Tri States have entered into an Asset Purchase Agreement dated June 10th, 2013 (“Agreement”), a copy of which is attached as **Appendix B** and incorporated herein by reference. Pursuant to the Agreement, MAWC proposes to purchase substantially all of the assets of Tri States as specifically described in the Agreement under the terms and provisions further described in the Agreement. Such assets include the Tri States Certificates of Convenience and Necessity granted by the Missouri Public Service Commission in Cases Nos. WO-92-257, WA-2004-0276 and WA-2006-0241.

5. Because Tri States is a water corporation doing business in the State of Missouri, it is subject to the provisions of Section 393.190.1, RSMo 2000, which states, in pertinent part, that “no . . . water corporation or sewer corporation shall hereafter sell, assign, lease, transfer, mortgage or otherwise dispose of or encumber the whole or any part of its franchise, works or system, necessary or useful in the performance of its duties to the public . . . without having first secured from the Commission an order authorizing it so to do.”

ADDITIONAL INFORMATION

6. MAWC’s verification of authority authorizing the purchase of the subject assets

and related transactions contemplated by the Agreement is attached as **Appendix C** and incorporated herein by reference. Tri States's verification of authority authorizing the purchase of the subject assets and related transactions contemplated by the Agreement is attached as **Appendix D** and incorporated herein by reference

7. A balance sheet and income statement with adjustments showing the results of the acquisition of the property for MAWC is attached as **Appendix E** and incorporated herein by reference.

8. The sale of assets should have no impact on the tax revenues of relevant political subdivisions as both MAWC and Tri States are private entities.

9. Tri-States is currently the subject of a bankruptcy proceeding in the United States Bankruptcy Court for the District of Kansas (Case No. 13-20358-11-DLS). Thus, in addition to the approval of this Commission, it will be necessary to obtain the approval of the U.S. Bankruptcy Court before this transaction may be closed.

PUBLIC INTEREST

10. For the following reasons, the proposed acquisition of the specified assets of Tri States and the related transactions are not detrimental to the public interest of the State of Missouri and in fact will be consistent with and will promote the public interest.

A. The assets of Tri States would be acquired by MAWC, a Missouri public utility, and remain subject to the jurisdiction of the Commission. MAWC has considerable expertise and experience in providing water and sewer utility services to residents of the State of Missouri.

B. MAWC is fully qualified, in all respects, to own and operate the systems

currently being operated by Tri States and to otherwise provide safe, reliable and affordable service.

C. MAWC currently provides water service in the neighboring communities of Stonebridge, Riverside Estates, Saddlebrooke, Shell Knob, Republic and Hollister, Missouri.

RATEMAKING TREATMENT

11. MAWC proposes to utilize the Tri States rates, rules and regulations and other tariffs currently on file with and approved by the Commission as Tri States P.S.C. Mo. No. 1 water tariff until such time as they may be modified according to law.

CONTINGENT REQUEST FOR WAIVER

12. This case is not likely to be a contested case within the meaning of Commission rule 4 CSR 240-4.020(2) because previous applications addressing the same issues presented in this filing have generally not become contested proceedings. However, in the event that the Commission nevertheless concludes that the filing of this Joint Application is likely to be a contested case, Applicants request a waiver of the sixty (60) day notice for good cause shown as permitted by Commission rule 4 CSR 240-4.020(2)(A).

13. The reason for this request relates to the nature of an asset purchase negotiation, in general; and to the fact that Tri States is, currently, in bankruptcy and unable to pay its debts as they become due. Due to the nature of this particular transaction, this Joint Application has been filed as soon as possible. It would serve no purpose to wait sixty days before filing the application for Commission approval. Accordingly, to the extent that the Commission may find it to be applicable, the parties request a waiver from the provisions of

Commission Rule 4 CSR 240-4.020(2) to allow for the filing of this Joint Application.

WHEREFORE, MAWC and Tri States respectfully request that the Commission issue its order:

(A) authorizing Tri States to sell and MAWC to acquire the assets of Tri States identified in the Agreement, to include the certificates held by Tri States, or, in the alternative, grant MAWC a new certificate to provide water service in the areas now served by Tri States ;

(B) authorizing each MAWC and Tri States to enter into, execute and perform in accordance with the terms described in the Agreement attached to this Joint Application and to take any and all other actions which may be reasonably necessary and incidental to the performance of the acquisition; and,

(C) granting such other relief as may be deemed necessary and appropriate to accomplish the purposes of the Agreement and the Joint Application and to consummate related transactions in accordance with the Agreement.

Respectfully submitted,



Timothy W. Luft, MBE #40506

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**ATTORNEYS FOR MISSOURI-AMERICAN WATER
COMPANY**

TRI STATES UTILITY, INC.



By: Kevin Riggs, Acting President

CERTIFICATE OF SERVICE

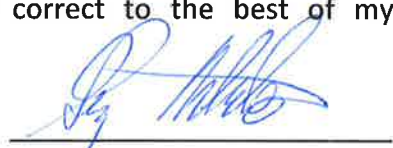
The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail or by U.S. Mail, postage prepaid, on June 12th, 2013, to all parties to Case No. WR-2011-0337.

Trill West

AFFIDAVIT

State of Missouri)
) ss
County of St. Louis)

I, Greg Weeks, having been duly sworn upon my oath, state that I am the Vice-President of Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of Missouri-American Water Company, that the matters and things stated in the foregoing Application and appendices thereto are true and correct to the best of my information, knowledge and belief.



Subscribed and sworn before me this 10th day of June, 2013.



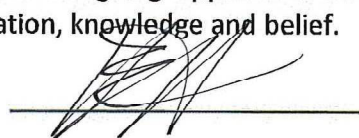
Notary Public



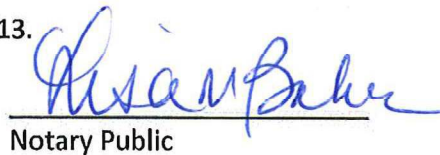
AFFIDAVIT

State of Missouri)
County of Missouri) ss

I, Kevin Riggs, having been duly sworn upon my oath, state that I am the acting President for Tri States Utility, Inc., that I am duly authorized to make this affidavit on behalf of Tri States Utility, Inc., that the matters and things stated in the foregoing Application and appendices thereto are true and correct to the best of my information, knowledge and belief.



Subscribed and sworn before me this 10th day of June, 2013.



Notary Public

LISA M. BAKER
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI, ST. CHARLES COUNTY
MY COMMISSION EXPIRES: MAY 28, 2017
#13802808

APPENDICES

- Appendix A Tri States Certificate of Good Standing
- Appendix B Asset Purchase Agreement between Missouri-American Water Company and Tri States Water Utility, Inc. dated June 10, 2013
- Appendix C MAWC Verification of Authority
- Appendix D Tri States Verification of Authority
- Appendix E Pro Forma Balance Sheet and Income Statement for MAWC