

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held by internet and audio conference on the 28th day of April, 2021.

In the Matter of the Application of the City of)
Union, Missouri and Public Water Supply)
District No. 1 of Franklin County, Missouri for) **File No. WO-2021-0254**
Approval of a Third Amendment to Territorial)
Agreement Concerning Territory in Franklin)
County, Missouri)

**REPORT AND ORDER APPROVING THIRD
AMENDMENT TO TERRITORIAL AGREEMENT**

Issue Date: April 28, 2021

Effective Date: May 28, 2021

This order approves the Third Amendment to the territorial agreement between the Public Water Supply District No. 1 of Franklin County, Missouri (the District) and the City of Union (the City) (collectively the “Joint Applicants”).

Findings of Facts

1. The City is a fourth class city, organized and operating under Chapter 79 of the Revised Statutes of Missouri.¹ The City owns and operates a water utility in Franklin County, Missouri. The City is a political subdivision of the state of Missouri and is not subject to regulation by the Commission except for purposes of this file. The City’s principal place of business is located at 500 East Locust Street, Union, Missouri 63084.

2. The District is a public water supply district organized under Chapter 247 of the Revised Statutes of Missouri. The District provides water service to customers located within the District’s water service area in Franklin County, Missouri. The District is a

¹ All citations to RSMo are to the 2016 edition.

political subdivision of the State of Missouri and is not subject to regulation by the Commission except for purposes of this application. The District's principal place of business is located at 3017 Highway A, Washington, Missouri 63090.

3. On March 6, 2003, in File No. WO-2003-0186, the Commission approved a territorial agreement between the City and the District. On December 7, 2006, the Commission approved the first amendment to the territorial agreement in the same file number. On April 8, 2020, the Commission approved the second amendment to the agreement in File No. WO-2020-0249. The present case began on February 9, 2021, when the Joint Applicants requested the Commission approve a third amendment to the territorial agreement, and attached to their application² the *Third Amendment and Addendum to Territorial Agreement* (Third Amendment).

4. On February 23, 2021, the Commission ordered that notice of the application be provided to potentially interested persons and established March 19, 2021, as the deadline for submission of requests to intervene. No requests to intervene were filed. The Commission also directed Staff to file a recommendation regarding the application no later than March 26, 2021. The Commission further directed that any party requesting a hearing do so by April 6, 2021. No requests for a hearing were filed.

5. On March 26, 2021, Staff filed a recommendation advising the Commission to approve the Third Amendment. No one has filed an objection, nor has anyone requested a hearing.

² The filing is titled *Second Addendum to Water Service Territorial Agreement*. As the attachment to the filing is titled *Third Amendment and Addendum to Territorial Agreement*, and the second amendment to this territorial agreement was approved in File No. WO-2020-0249, the Commission regards the application as mistitled. The Commission has corrected the error on its own motion.

6. The Third Amendment removes real property from the service area of the District. The property to be transferred is detailed in Exhibit A, attached to Joint Applicants' Third Amendment, which is in turn attached to this order. Exhibit B, similarly attached, describes the District's service territory as it will exist upon approval of the Third Amendment.

7. There are no customers currently receiving service from the District whose service will transfer to the City as the subject real property is undeveloped. In order to receive water service at the subject real property, the District would have to install new water facilities at considerable cost. The City, however, has nearby water facilities.

8. The Third Amendment provides for compensation to be paid by the City to the District in the amount of \$7,800, upon approval of the Third Amendment by the Commission.

Conclusions of Law

A. The Commission has jurisdiction over territorial agreements for the sale and distribution of water under Section 247.172, (RSMo). Section 247.172.1, (RSMo), provides that "[c]ompetition to sell and distribute water, as between and among public water supply districts, water corporations subject to public service commission jurisdiction, and municipally owned utilities may be displaced by written territorial agreements, but only to the extent hereinafter provided for in this section."

B. Section 247.172.4, (RSMo), states that "[b]efore becoming effective, all territorial agreements entered into under the provisions of this section, including any subsequent amendments to such agreements, or the transfer or assignment of the

agreement or any rights or obligations of any party to an agreement, shall receive the approval of the public service commission by report and order.”

C. Pursuant to Section 247.172.5, (RSMo), the Commission may approve a territorial agreement if the Commission determines that the territorial agreement in total is not detrimental to the public interest.

D. Section 247.172.5, (RSMo), provides that the Commission must hold an evidentiary hearing on the proposed territorial agreement unless an agreement is made between the parties and no one requests a hearing.

Decision

The Commission finds that the parties have agreed to the Third Amendment and no person has objected nor requested a hearing. The Commission concludes the Third Amendment in total is not detrimental to the public interest and will be approved.

THE COMMISSION ORDERS THAT:

1. The Third Amendment to the territorial agreement between the City and the District is approved, and is included with this order as an attachment. The signatories are ordered to comply with the terms of the Third Amendment.

2. The City and the District are authorized to transfer the service area for the real property described in Exhibit A to the Third Amendment.

3. The District’s service area shall be modified to be as listed in Exhibit B to the Third Amendment.

4. The City and the District are authorized to do such other acts and things, including making, executing, and delivering any and all documents that may be necessary, advisable, or proper to effect the terms and conditions of the Third Amendment and to implement the authority granted by the Commission in this order.

5. This order shall become effective on May 28, 2021.
6. This file shall be closed on May 29, 2021.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive, flowing style.

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC., concur and certify compliance
with the provisions of Section 536.080, RSMo (2016).

Hatcher, Regulatory Law Judge