

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. Emerald Pointe is a Missouri corporation with its principal office and place of business at 118 State Drive, Hollister, MO 65672. A certified copy of Emerald Pointe’s certificate of good standing is attached as Appendix A and incorporated herein by reference. Emerald Pointe is the holder of Certificates of Convenience and Necessity from the Commission to operate a water and sewer utility in and around Taney County, Missouri. Emerald Pointe currently provides water service to approximately 370 customers in Taney County, Missouri. Emerald Pointe is a “water corporation” “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. Presently, Emerald Pointe is current in its Commission assessment fees. There is no pending action or final unsatisfied judgment or decision against Emerald Pointe 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 other than the recent Revised Report and Order in Emerald Pointe’s recent rate case, case number SR-2013-0016.

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

Emerald Pointe Utility Company
118 State Drive
Hollister, Missouri 65672

Attention: Gary Snadon, President, and/or
Bruce Menke, Chief Operations Officer
Phone: 417-332-1099

THE TRANSACTION

4. MAWC and Emerald Pointe have entered into an Asset Purchase Agreement dated October 14, 2013 ("Agreement"), a copy of which is attached as **Appendix B** and incorporated herein by reference. Appendix B has been identified as Highly Confidential in accordance with Commission Rule 4 CSR 240-2.135, as it contains market specific information and information representing strategies employed in contract negotiations. Pursuant to the Agreement, MAWC proposes to purchase substantially all of the assets of Emerald Pointe as specifically described in the Agreement under the terms and provisions further described in the Agreement. Such assets include the Emerald Pointe Certificates of Convenience and Necessity granted by the Missouri Public Service Commission in Cases Nos. WA-96-96, WA-2004-0581, WA-2005-0306 and SA-2012-0362.

5. Because Emerald Pointe is a sewer and 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. Emerald Pointe’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. Appendix E has been identified as Highly Confidential in accordance with Commission Rule 4 CSR 240-2.135, as it contains market specific information and information representing strategies employed in contract negotiations.

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

PUBLIC INTEREST

9. For the following reasons, the proposed acquisition of the specified assets of Emerald Pointe 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 Emerald Pointe 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 Emerald Pointe and to otherwise provide safe, reliable and affordable service.

RATEMAKING TREATMENT

10. MAWC proposes that the Emerald Pointe Sewer system be immediately placed on its existing Stonebridge B sewer rates, rules and regulations. MAWC also proposes that the Emerald Pointe Water System be immediately placed on its St. Louis Metro District rules and regulations but maintain its current rates until its next rate case at which time it shall be combined with its St. Louis Metro District for ratemaking purposes.

TARIFF PROVISION

11. As set forth in Section 2.2 (a) of the Agreement (Appendix B), for certain new customers of Emerald Pointe, MAWC seeks authority to file tariff sheets providing for connection fees for water and sewer totaling \$2,000 (\$1000 for water and \$1000 for sewer). These fees will be collected by MAWC from customers who connect to existing water and sewer lines in the Emerald Pointe service area that are in service at the time of closing and will be refunded to Emerald Pointe LLC, a development company. These fees will expire 10 years after approval. The intention of these fees is to reimburse Emerald Pointe LLC for infrastructure investment made in the subdivision as the developer of certain portions of the subdivision as allowed by Rule 14 of the existing Emerald Pointe tariff.

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 as that which resulted in the execution of the subject Agreement and the filing of this Joint Application. 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 Emerald Pointe respectfully request that the Commission issue its order:

(A) authorizing Emerald Pointe to sell and MAWC to acquire the assets identified herein of Emerald Pointe to include the certificates held by these entities or, in the alternative grant MAWC a new certificate to provide sewer service in the areas now served by Emerald Pointe ;

(B) authorizing MAWC 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,

Tim Luft

Timothy W. Luft, MO Bar #40506
MISSOURI-AMERICAN WATER COMPANY
727 Craig Road
St. Louis, MO 63141
(314) 996-2279 telephone
(314) 997-2451 facsimile
timothy.luft@amwater.com

ATTORNEY FOR MISSOURI-AMERICAN WATER COMPANY

Vincent F. O'Flaherty

Vincent O'Flaherty, MO Bar. # 34693
LAW OFFICES OF VINCENT F. O'FLAHERTY, ATTORNEY, LLC
2 Emanuel Cleaver II Boulevard, Suite 445
Kansas City, MO 64112
(816) 931-4800 telephone
(816) 756-2168 facsimile
voflaherty@voflaw.com

ATTORNEY FOR EMERALD POINTE UTILITY COMPANY

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 October ____, 2013, to the following:

Office of the General Counsel
Governor Office Building
Jefferson City, MO 65101
staffcounsel@psc.mo.gov

Office of the Public Counsel
Governor Office Building
Jefferson City, MO 65101
opcservice@ded.mo.gov

Tim Luft

AFFIDAVIT

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

I, Frank Kartmann, having been duly sworn upon my oath, state that I am the 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 25th day of October, 2013.


Notary Public

AFFIDAVIT

State of Missouri)
) ss
County of Taney)

I, Bruce Menke, having been duly sworn upon my oath, state that I am the Chief Operations Officer of Emerald Pointe Utility Company that I am duly authorized to make this affidavit on behalf of Emerald Pointe Utility 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.

Bruce Menke

Subscribed and sworn before me this 22 day of October, 2013.

Lawrence E. Pittman
Notary Public

LAWRENCE E. PITTMAN
Notary Public - Notary Seal
State of Missouri
Commissioned for Greene County
My Commission Expires: May 10, 2017
Commission Number: 12474498

APPENDICES

- Appendix A Emerald Pointe Certificate of Good Standing
- Appendix B Asset Purchase Agreement between Missouri-American Water Company and Emerald Pointe Water Utility, Inc. dated October 14, 2013 – Highly Confidential
- Appendix C MAWC Verification of Authority
- Appendix D Emerald Pointe Verification of Authority
- Appendix E Pro Forma Balance Sheet and Income Statement for MAWC