

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

In the Matter of the Application of Missouri- )  
American Water Company for the Approval )  
of an Agreement with the City of O’Fallon, ) **File No. WO-2023-0193**  
Missouri to Sell and Deliver Water for )  
Resale and a Related Tariff Sheet )

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission, by and through counsel, and for its Recommendation, states as follows.

1. On December 12, 2022, Missouri-American Water Company (“Company”) filed an Application for the Approval of an Agreement with the City of O’Fallon, Missouri (“City”) to Sell and Deliver Water for Resale and a Related Tariff Sheet, and on January 6, 2023, the City of O’Fallon, Missouri (“City”) filed a timely application to intervene in the matter.
2. On January 27, 2023, the Commission granted the City of O’Fallon’s Application to Intervene.
3. On January 27, 2023, the Commission ordered Staff to file a recommendation about the Company’s Application by February 28, 2023.
4. On February 22, 2023, Staff filed a Status Report; wherein, it proposed to submit its recommendation by April 14, 2023. The Commission granted Staff’s request on February 28, 2023.
5. As of April 5, 2023, no additional parties have moved to intervene or filed an objection in this matter.

6. On April 13, 2023, Staff requested an extension of time to file its recommendation, as it was awaiting on responses from the Company to finalize its investigation.

7. On April 17, 2023, the Commission granted Staff's request and ordered Staff to file its recommendation no later than April 28, 2023.

8. Staff's recommendation is attached hereto as Appendix A. As discussed in Staff's Memorandum, attached hereto as Appendix A, Staff examined: the Company's Application and its appendices; proposed Tariff Sheet P.S.C MO No. 13, 2<sup>nd</sup> Revised Sheet No. RT 24, Cancelling 1<sup>st</sup> Revised Sheet No. RT 24 ("Tariff Sheet"); City's Resolution No. 08 11 2022A ("Resolution"); and numerous Data Request Responses.

9. O'Fallon has requested to purchase water from the Company at wholesale to sell and deliver for resale in order to supplement the City's water supply. The City is not subject to the jurisdiction of the Commission. The Agreement entered into between the Parties provides for an agreed-upon delivery of water from the Company to the City from one point of delivery for an initial term of ten years. Upon expiration of the initial ten year period, the Agreement will automatically renew on a year by year basis. The agreed-to commodity charge is fixed for the entire span of the Agreement.

10. The City will purchase water from the Company via a connection that will be made on Belleau Creek Road. A meter vault will be installed south of the intersection of Belleau Creek Road and Veterans Memorial Parkway. Per the Company's response to Data Request ("DR") 0001, the water source for the connection on Belleau Creek Road

will be MAWC's Central Plant, located at 901 Hog Hollow Road, Chesterfield, Missouri. The Central Plant receives its water from the Missouri River.

11. The investigation further revealed that the Company's plant maximum daily output for 2022 was 166.5 million gallons per day ("MGD"), the average daily output for 2022 was 93.9 MGD and the maximum capacity of the Central Plant is 217 MGD. The Agreement states that O'Fallon agrees to purchase an average of 400,000 gallons of water per day. However, failure to receive less than an average of 400,000 gallons per day will not be deemed as a breach of the agreement. O'Fallon anticipates using a maximum of 1.5 MGD, but the total volume may be exceeded or increased provided both the Company and O'Fallon mutually agree in writing. Staff does not have any concerns with the Company's plant meeting O'Fallon's needs. The Company can safely and adequately supply water to O'Fallon, in addition to supplying its existing customers, without exceeding the current capacity of the water plant.

12. Based on Staff's review and investigation, Staff finds there is no detriment to the public interest, and recommends approval of the Agreement between the Company and the City and the Tariff Sheet filed with the Company's Application.

**WHEREFORE,** Staff respectfully requests the Commission approve the Agreement between the Company and the City, along with the corresponding Tariff filed with the Company's Application, and to grant such other and further relief as the Commission considers just and reasonable in the circumstances.

Respectfully submitted,

**/s/ J. Scott Stacey**

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been transmitted by electronic mail to counsel of record this 27<sup>th</sup> day of April, 2023.

**/s/ J. Scott Stacey**