# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Missouri-American	)	
Water Company for Certificate of	)	
Convenience and Necessity Authorizing	)	
It to Install, Own, Acquire, Construct,	)	File No.: SA-2019-0334
Operate, Control, Manage and Maintain	)	
A Sewer System in an area of Callaway	)	
County, Missouri (Hillers Creek Association)	)	

# ORDER DIRECTING NOTICE

Issue Date: May 3, 2019 Effective Date: May 3, 2019

On May 2, 2019, Missouri-American Water Company ("MAWC") filed the above-referenced application. The application seeks, among other things, authority for MAWC to acquire and operate the assets of a sewer company in Callaway County, Missouri, in a subdivision known as Hillers Creek.

The Commission will direct notice of the application be given to the county commission, local newspapers, and members of the General Assembly representing residents of the Callaway County, Missouri. The Commission will also direct notice of the application to the General Counsel for the Missouri Department of Natural Resources and will further set a deadline for interested parties to intervene.

## THE COMMISSION ORDERS THAT:

 The Commission's Data Center shall provide a copy of this order and the Application to the County Commissions of Callaway County, Missouri; and to the General Counsel for the Missouri Department of Natural Resources.

- 2. Any person wishing to intervene in this matter shall file an application to intervene no later than May 20, 2019. The application shall be filed in the Commission's Electronic Filing and Information System ("EFIS") or with the Secretary of the Commission. Comments on the application can also be made in EFIS.
  - 3. This order shall be effective when issued.



BY THE COMMISSION

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Morris L. Woodruff Secretary

Paul T. Graham, Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2016.

Dated at Jefferson City, Missouri on this 3<sup>rd</sup> day of May, 2019.

# OF THE STATE OF MISSOURI

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Association).	)		

# APPLICATION AND MOTION FOR WAIVER

COMES NOW Missouri-American Water Company (MAWC) pursuant to Sections 393.140 and 393.170, RSMo, and 4 CSR 240-2.060, 4 CSR 240-3.305, and 4 CSR 240-4.017, and for its Application and Motion for Waiver, states as follows to the Missouri Public Service Commission (Commission):

### **BACKGROUND**

- 1. This Application is to obtain a certificate of convenience and necessity for MAWC to install, own, acquire, construct, operate, control, manage and maintain a sewer system in Callaway County, Missouri, in a subdivision known as Hillers Creek.
- 2. 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 Cole, St. Charles, Warren, Jefferson, Morgan, Pettis, Benton, Barry, Stone, Greene, Taney, Christian, Platte, Newton, Jasper, Lincoln, Washington, Clay, Clinton, Ray,

Moniteau counties and most all of St. Louis County, Missouri. MAWC currently provides water

service to approximately 457,300 customers. MAWC provides sewer service to approximately

13,221 customers in Callaway, Jefferson, Pettis, Cole, Morgan, Platte, Taney, Stone, Christian,

Clay, Clinton, Ray, Washington 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, 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 Application other than cases

pending before this Commission – Cases Nos. SA-2019-0183 (Timber Springs Estates),

WA-2019-0259 (Joplin Reservoir), WC-2019-0178 (Ghasedi), WC-2019-0271 (Eliceiri), WC-2019-

0324 (Travis), WO-2019-0184 (ISRS), WF-2019-0206 (Finance), and WW-2019-0242 (Working

Group).

3. Communications respecting this Application should be addressed to the

undersigned counsel and:

Ms. Takisha Walker

Manager Business Development – Proposal & Integration

Missouri American Water

727 Craig Rd

St. Louis, MO 63141

O: 314.996.2215

M: 314.440.9236

E: takisha.walker@amwater.com

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# CERTIFICATE

- 4. MAWC requests permission, approval and Certificates of Convenience and Necessity to install, own, acquire, construct, operate, control, manage and maintain a sewer system for the public in an area of Callaway County, Missouri, as set forth on the map attached to this Application as **Appendix A**. This area is generally known as the Hillers Creek subdivision. There are approximately 43 wastewater customers at this time.
- 5. A legal description of the area sought to be certificated for sewer service is attached to this Application as **Appendix B**.
- 6. Attached hereto and marked as **Appendix C-C** is a list of ten residents or land owners within the proposed service area. Appendix C has been identified as Confidential in accordance with Commission Rule 4 CSR 240-2.135(2)(A)1, as it contains customer specific information.
- 7. Attached hereto and marked as <u>Appendix D-C</u> is a feasibility study for the sewer systems, including estimated expenses and revenues during the first three years of operation by MAWC. No external financing is anticipated. Appendix D has been identified as Confidential in accordance with Commission Rule 4 CSR 240-2.135(2)(A)4 and 6, as it contains market specific information and information representing strategies employed in contract negotiations.
- 8. MAWC will not require any franchises or permits from municipalities, counties, or other authorities in connection with the proposed systems.
- 9. To provide service to the proposed area, MAWC will purchase a sewer distribution system from the Hillers Creek Association Sewer System (Seller). A copy of the Asset Purchase Agreement governing this transaction is attached hereto as **Appendix E-C**

(Agreement). Appendix E has been identified as Confidential in accordance with Commission Rule 4 CSR 240-2.135(2)(A)4 and 6, as market specific information and information representing strategies employed in contract negotiations.

- 10. MAWC proposes to provide sewer service pursuant to the existing rules and regulations currently found in its Mo. P.S.C. No. 26 tariff; and pursuant to the rates found on Sheet RT 2.1 of that tariff.
- 11. The grant of the requested certificates (and approval of the underlying transaction) will result in regulated sewer service to be provided to the current and future residents of the Hillers Creek subdivision. The systems would be acquired by MAWC, a Missouri public utility, and be 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 and is fully qualified, in all respects, to own and operate the sewer system currently being operated in Hillers Creek Subdivision.

# **MOTION FOR WAIVER**

- 12. Rule 4 CSR 240-4.017(1) provides that "(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." A notice was not filed 60 days prior to the filing of this Petition, and MAWC seeks a waiver of the 60-day notice requirement.
- 13. Rule 4 CSR 240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause exists in this case. MAWC declares (as verified below) that it has had no communication with the office of the Commission (as defined by Commission Rule 4 CSR 240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed for record. Accordingly, for good cause shown, MAWC moves

for a waiver of the 60-day notice requirement of Rule 4 CSR 240-4.017(1) and acceptance of this Application.

WHEREFORE, MAWC requests the Commission grant it permission, approval and Certificates of Convenience and Necessity authorizing MAWC to:

- a) install, acquire, build, construct, own, operate, control, manage and maintain a sewer system for the public within the areas referred to above;
- b) acquire the assets identified herein of Hillers Creek Association Sewer System; and,
- c) take such other actions as may be deemed necessary and appropriate to accomplish the purposes of the Agreement and the Application and to consummate related transactions in accordance with the Agreement.

Respectfully submitted,

Dean L. Cooper Mo. Bar 36592

BRYDON, SWEARENGEN & ENGLAND P.C.

312 East Capitol Avenue

P.O. Box 456

Jefferson City, MO 65102-0456

Telephone: (573) 635-7166

dcooper@brydonlaw.com

Timothy W. Luft, MBE #40506

**Corporate Counsel** 

**MISSOURI-AMERICAN WATER COMPANY** 

727 Craig Road

St. Louis, MO 63141

(314) 996-2279 telephone

timothy.luft@amwater.com

ATTORNEYS FOR MISSOURI-AMERICAN WATER

**COMPANY** 

# **CERTIFICATE OF SERVICE**

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this  $2^{nd}$  day of May, 2019, to:

General Counsel's Office staffcounselservice@psc.mo.gov

Office of the Public Counsel opcservice@ded.mo.gov

Q1.Com\_

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#### **AFFIDAVIT**

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

I, Timothy Luft, having been duly sworn upon my oath, state that I am the Vice-President Legal and Corporate Secretary of Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of MAWC, that the matters and things stated in the foregoing application and appendices thereto are true and correct of the best of my information, knowledge and belief. Additionally, no representative of MAWC has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 4 CSR 240-4.015(10) within the immediately preceding 150 days regarding the subject matter of this Application.

Subscribed and sworn before me this 1st day of May, 2019.

Mary Beth Nerailes

My Commission Expires Opril 24,203

MARY BETH HERCULES
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires April 26, 2020
Commission # 96546828

# **APPENDICES**

Appendix A Map of Area

Appendix B Legal Description

Appendix C-C List of Ten Residents or Land Owners - Confidential

Appendix D-C Feasibility Study - Confidential

Appendix E-C Asset Purchase Agreement - Confidential

# STATE OF MISSOURI

# OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 3<sup>rd</sup> day of May 2019.

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Morris L. Woodruff

Secretary

# MISSOURI PUBLIC SERVICE COMMISSION May 3, 2019

#### File/Case No. SA-2019-0334

## **Missouri Public Service** Commission

Staff Counsel Department 200 Madison Street, Suite 800 P.O. Box 360 Jefferson City, MO 65102 staffcounselservice@psc.mo.gov

### Office of the Public Counsel

Marc Poston 200 Madison Street, Suite 650 P.O. Box 2230 Jefferson City, MO 65102 opcservice@ded.mo.gov

# County of Callaway, Missouri

County Commission Clerk 10 E Fifth St. Callaway County Courthouse Fulton, MO 65251

### Missouri Department of Natural Missouri-American Water Resources

Legal Department 1101 Riverside Drive P.O. Box 176 Jefferson City, MO 65102-0176

# Company

Dean L Cooper 312 East Capitol P.O. Box 456 Jefferson City, MO 65102 dcooper@brydonlaw.com

# Missouri-American Water Company

Timothy W Luft 727 Craig Road St. Louis, MO 63141 Timothy.Luft@amwater.com

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely.

Morris L. Woodruff Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.