

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

In the Matter of the Application of Missouri-)
American Water Company for Authority to)
Issue Up to \$405 Million of Long-Term Debt) **File No. WF-2024-0353**
and Secure Same with a Mortgage on its)
Property)

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission (“Staff”), through counsel, and files its *Staff Recommendation* and Memorandum, states as follows:

1. On May 31, 2024,¹ Missouri-American Water Company (“MAWC” or “Company”) filed its *Application and Request for Waiver* (“Application”) seeking authority to enter into a variety of secured debt financing with the Missouri Department of Natural Resources (“MO DNR”), not to exceed an aggregate principal amount of \$405 million, by placing a mortgage, lien or encumbrance on its properties in the State of Missouri.

2. In addition, MAWC requests a waiver of Commission Rule 20 CSR 4240-4.017(1) which states 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.” However, 20 CSR 4240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause may exist if “a verified declaration from the filing party that it has had no communication with the office of the commission within the prior one hundred fifty (150) days regarding any substantive issue likely to be in the case.” In its application, MAWC declares that it has had no communication with the Office of the Commission

¹ Hereafter, unless otherwise noted, all dates refer to the year 2024.

within the prior 150 days regarding any substantive issue likely to be in this case other than the pleadings filed for record.

3. On June 3, the Commission ordered Staff to file a recommendation or status report regarding MAWC's application by July 3 or file a request for additional time to file its recommendation. On June 28, MAWC and Staff filed a *Joint Motion for Extension of Time* to file a recommendation concerning MAWC's application. On July 1, the Commission ordered Staff to file a recommendation regarding MAWC's application no later than August 5, or request additional time to file.

4. Staff has reviewed the Application, as well as responses to various data requests, and has summarized its conclusion in its *Memorandum*, attached hereto as Appendix A, and incorporated by reference.

5. Section 386.300 RSMo, authorizes the Commission to apply a fee for the issuance of bonds, notes, or other evidence of indebtedness. In its Application, the Company states its Supplemental Report of Financing Activity will include a statement identifying the portion of the issuance of long-term indebtedness that are subject to the fee schedule in §386.300 RSMo.² In a follow-up Data Request, the Company stated:

"The issuances contemplated in this application are for new debt, and not refinancing of existing debt, and could be subject to the fee schedule."³

Issuances for new debt will be subject to the fee schedule. If the issuances total the \$405 million proposed in the Application, the total fee will total One Hundred Four Thousand Two Hundred Fifty Dollars (\$104,250).

² Paragraph 21 of the *Application*.

³ Staff Data Request No. 0020.

6. Staff concludes that the proposed transaction is not detrimental to the public interest, subject to the imposition of certain conditions as outlined in Staff's *Memorandum*.

7. Staff is not opposed to the Commission granting MAWC's requested waiver from the requirements of Commission Rule 20 CSR 4240-4.017(1).

WHEREFORE, Staff recommends the Commission approve Missouri-American Water Company's *Application*, subject to conditions outlined in Staff's *Memorandum*, waive the 60-day notice requirement of Rule 20 CSR 4240-4.017(1), and grant such other and further relief as the Commission finds appropriate in the circumstances.

Respectfully Submitted,

/s/ Ron Irving

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand delivered, transmitted by facsimile or electronically mailed to all parties and/or counsel of record on this 22nd day of July, 2024.

/s/ Ron Irving