

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

In the Matter of Missouri-American Water)
Company for Authority to Issue up to) File No. WF-2025-____
\$525,000,000 of Long-Term, Unsecured)
Debt)

APPLICATION AND MOTION FOR WAIVER

COMES NOW Missouri-American Water Company (hereinafter "Applicant") pursuant to §393.200, RSMo., and 20 CSR 4240-2.060, 2.080, and 10.125, and for its *Application and Motion for Waiver* to the Missouri Public Service Commission (hereinafter "Commission"), states that:

The Applicant

1. Applicant 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. WO-2020-0190 and is incorporated by reference.
2. Applicant currently provides water service to approximately 485,000 customers and sewer service to approximately 24,000 customers around the State of 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.
3. Applicant has no pending actions or final unsatisfied judgments or decisions against it from a state or federal agency or court that involves customer service or rates, which action, judgment or decision has occurred within three (3) years of date of this Application.
4. Applicant has no annual reports or assessment fees overdue or unpaid.

5. Communications in regard to this Application should be addressed to the undersigned counsel and:

Brian LaGrand
Missouri-American Water Company
727 Craig Road
St. Louis, Missouri 63141
(314) 996-2390
brian.lagrand@amwater.com

Capitalization of Applicant

6. Applicant has outstanding an Indenture of Mortgage dated May 1, 1968, and supplements thereto dated March 1, 1971; October 1, 1975; October 1, 1980; January 1, 1984; September 1, 1986; February 1, 1990; January 1, 1993; March 1, 1994; January 1, 1995; March 1, 1995; July 1, 1996; June 1, 1997; February 1, 1998; November 1, 1998; March 1, 2000; December 31, 2001; April 1, 2002; and December 1, 2006 by and between Applicant and U.S. Bank National Association (successor to Wachovia Bank, National Association, formerly First Union National Bank, formerly the Fidelity Bank). Applicant's original Indenture of Mortgage was approved by this Commission in an Order dated June 14, 1968, in Case No. 16,452. As of September 30, 2024; there was due under said Indenture of Mortgage \$23.5 million aggregate principal amount of General Mortgage Bonds. Said Indenture of Mortgage, as supplemented and amended, constitutes a first mortgage lien against the property of Applicant described in the Indenture of Mortgage.

7. Applicant has outstanding a Master Trust Indenture dated March 1, 2022, by and between Applicant and U.S Bank Trust Company, National Association. This indenture was approved by the Commission in an Order dated December 8, 2021, in Case No. WF-2022-0066. As of September 30, 2024, there was due under said Master Trust Indenture \$9.4 million aggregate

principal amount of General Mortgage Bonds. Said Master Trust Indenture constitutes a first mortgage lien against the property of Applicant described in the Master Trust Indenture.

8. Applicant had outstanding \$1,483.8 million of long-term senior unsecured indebtedness with American Water Capital Corp. as of September 30, 2024.

9. Applicant had \$0 million in short-term unsecured indebtedness as of September 30, 2024.

10. Applicant's authorized capital stock consists of 40.0 million shares of common stock, without par value, 27.7 million shares of which are issued and outstanding under authority of this Commission. Applicant's Restated Articles of Incorporation contain sufficient authorized shares of common stock so as to allow the issuance of approximately 12.3 million shares of common stock, for an aggregate purchase price of \$100.0 million.

11. None of the outstanding stock, stock certificates or bonds, have been issued or used in capitalizing the right to be a corporation or any franchise or permit, or the right to run, operate or enjoy such franchise or permit, or any contract for consolidation or the lease, or issued against or as a lien upon any contract for consolidation or merger.

The Relief Requested From the Commission

12. Applicant seeks the Commission's approval to engage in a variety of unsecured debt financings hereinafter described during an approximately three (3) year period following the effective date of the order approving Applicant's financing plan in this case. Thus, Applicant requests that the Commission approval in this case, if granted, extend to December 31, 2027.

Applicant's Financing Plan

Taxable, Unsecured Debt Financing Through American Water Capital Corp.

13. Pursuant to the terms of a Financial Services Agreement ("Agreement") with American Water Capital Corp. ("AWCC"), Applicant proposes to issue notes in one or more series evidencing up to \$525.0 million of long-term indebtedness payable to AWCC (the "New Long-Term Debt"). The notes evidencing the indebtedness will not be secured by a mortgage, lien, or encumbrance on Applicant's properties in the State of Missouri. A form of the note evidencing the New Long-Term Debt is attached here as **Appendix 1**.

14. The purpose and general terms of the Agreement as between Applicant and AWCC, a wholly-owned subsidiary of AWW and an affiliate of Applicant, were more particularly set forth in Applicant's Application to the Commission filed on May 30, 2002, in Case No. WF-2002-1096. These general descriptions and parameters can be found in paragraphs 13-25 of that Application.¹ In accordance with Commission Rule 20 CSR 4240-10.125(1)(C), Applicant incorporates by reference the copy of the Agreement filed with the Commission as Appendix 2 to Applicant's Application in Case No. WF-2002-1096. As of the date of the filing of this Application, AWCC holds notes of Applicant evidencing \$1,483.8 million of long-term, unsecured indebtedness.

15. The New Long-Term Debt to be issued pursuant to the Agreement will be as promissory notes, the rates for which will be determined based on market conditions applicable at the time of issuance. The maturities will not exceed fifty (50) years at market interest rates. The interest rate for notes evidencing New Long Term Debt, including any applicable discounts, will bear interest at a rate consistent with similar securities of comparable credit quality and maturities issued by other companies.

Low Cost Financing through other Special Government Programs

¹ Applicant's financing program which was the subject of its Application in Case No. WF-2002-1096 was approved by the Commission in an Order Approving Financing issued August 30, 2002.

16. The Agreement with AWCC does not prohibit or restrict Applicant from borrowing from other parties or obtaining financial services from other parties whenever and on whatever terms it deems appropriate. From time to time, Applicant may have the opportunity to finance certain projects through special low cost government programs due to the special public benefits associated with those projects. Applicant may have the opportunity to obtain funding from the Missouri Department of Natural Resources (the “Department”) through its Water Pollution Control Program (the “Program”) in connection with certain water treatment or pollution control or improvement projects, which funding may provide low cost debt financing. Such borrowings and financings would be made directly by Applicant outside of the AWCC arrangement described in paragraphs 13 through 15.

17. The State Revolving Fund (the “Fund”) is a program codified in Chapter 644, RSMo, to administer capitalization grants deposited in a special revolving fund by the United States Environmental Protection Agency and the State of Missouri. The Fund is operated by the Program. The Fund is comprised of a number of subsidiary special funds such as the Drinking Water State Revolving Fund, the Clean Water State Revolving Fund, the Water and Wastewater Loan Fund, the Water and Wastewater Revolving Loan Fund and the Drinking Water Revolving Fund. Collectively they are available to provide financial assistance to municipalities and utilities for the construction and improvement of qualifying water and wastewater treatment facilities (hereinafter the “Qualifying Facilities”).

18. Fund assistance comes in the form of loans to applicants based on criteria set out in rules established by the Program, as approved by Missouri Clean Water Commission and the Safe Drinking Water Commission. Loans are available based upon availability of funds, predetermined lending limits and an applicant’s priority points award. Qualifying applicants provide loan

security, subject to restrictions as a result of existing property liens, as determined by the Department. There is a direct loan component pursuant to which the Department may make or authorize low cost loans through the purchase of an applicant's revenue bonds, short-term notes or other acceptable obligation for the planning, design and construction of Qualifying Facilities. Recently, in Case No. WF-2024-0353, the Commission authorized the Company to borrow up to \$405 million under the terms of the State Revolving Funds program.

Management of Interest Rate Risk

19. By way of this Application, and with respect to the issuance of New Long-Term Debt, the Applicant respectfully requests authority to enter into agreements in order to use, at its discretion, derivative instruments such as interest rate swaps, treasury locks, forward-starting swaps, caps, collars or other derivatives to manage the risk associated with interest rate fluctuations and other financial exposures that may occur before the issuance of the New Long-Term Debt.

Use of Proceeds

20. Applicant intends to apply the net proceeds from the New Long-Term Debt and indebtedness sourced through the Fund for the acquisition of property, the construction, completion, extension or improvements or additions to its facilities, other capital investments, all of which shall be necessary and proper for the rendition of public water supply and wastewater service, the improvement or maintenance of its service, the discharge or lawful refunding of indebtedness outstanding and to reimburse its treasury for any costs heretofore incurred. Some of the proceeds from the debt issuances will be used to replace maturing or other long-term debt at market rates and replace short-term borrowings accrued during the period of time Applicant's financing plan is in effect.

Regulatory Considerations

21. Applicant has no objection to the Commission's order approving this Application containing express language to the effect that its authorization is not a finding by the Commission of the appropriateness of the choice of financing options for ratemaking purposes and, further, that the Commission reserves the right to consider the ratemaking treatment afforded the activities undertaken by the Applicant pursuant to its order in this case and their impact on the cost of capital in pending or subsequent rate proceedings.

Filing Requirements

22. In accordance with Commission Rule 20 CSR 4240-10.125(1)(D), attached hereto, marked **Appendix 2**, incorporated herein for all purposes, is a certified copy of the Resolutions of the Board of Directors of Applicant authorizing the issuance which is the subject of this Application and authorizing the filing of this Application.

23. Also attached hereto and incorporated herein by reference are the following appendices:

- a. **Appendix 3** - Listing of issued and outstanding long-term debt of Applicant as of September 30, 2024;
- b. **Appendix 4** - Information regarding capital stock outstanding, bonded indebtedness and short-term indebtedness and other financial information including a balance sheet for the period ending September 30, 2024, and a financial statement with the adjustments showing the *pro forma* effect of the issuance of the \$525.0 million of New Long-Term Debt on bonded and other indebtedness. [See, 20 CSR 4240-10.125(1)(E)].
- c. **Appendix 5** - Statement of Applicant's capital expenditures for the acquisition of property and the construction, completion, extension and improvement of its plant and system for the calendar five (5) year period ending immediately prior to the filing of this Application, as well as the amount of retirements and permanent financing for the indicated, and a statement of Applicant's net property additions. **Appendix 5** has been identified as "Confidential" in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information and information representing strategies employed in contract negotiations.

- d. **Appendix 6** – Applicant’s five year capital expenditure plan, as required by Commission Order in Case No. WF-2022-0066. [See, 20 CSR 4240-10.125(1)(G)]. **Appendix 6** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information and information representing strategies employed in contract negotiations.

24. The money, property or labor to be procured or paid by the issuance and sale of the New Long-Term Debt and indebtedness sourced through the Fund hereinabove described is reasonably required for the purposes specified in this Application and such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

Supplemental Reports of Financing Activity

25. Promptly after the issuance and sale of each series of New Long-Term Debt, a report setting forth the amount, price information and other terms and provisions concerning long-term indebtedness incurred by Applicant and setting forth information concerning the use of the proceeds from any such issuance will be filed.

26. Each of Applicant’s reports will include a statement identifying the portion of the issuance of long-term indebtedness, if any, that is subject to the fee schedule set forth in § 386.300, RSMo, in accordance with 20 CSR 4240-10.125(1)(F).

MOTION FOR WAIVER

27. Rule 20 CSR 4240-4.017(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 Application, and Applicant seeks a waiver of the 60-day notice requirement.

28. Rule 20 CSR 4240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause exists in this case. Applicant declares (as verified below) that it has had no communication with the office of the Commission (as defined by Commission Rule 20 CSR 4240-

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, Applicant moves for a waiver of the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) and acceptance of this Application.

WHEREFORE, Applicant requests the Commission to issue an Order authorizing the Applicant of the Commission's approval to:

A. Create, issue, sell and deliver to AWCC and/or the Department or its lawful designee, in one or more series, notes evidencing long-term indebtedness, each such series of notes to be issued at such time, or from time-to-time, to be of such aggregate principal amount, having maturity of not more than fifty (50) years, the debt to AWCC bearing interest at a rate consistent with similar securities of comparable credit quality and maturities issued by other companies, and having such designation and such other terms and conditions as shall be determined by Applicant at the time of issuance, provided that the aggregate principal amount of all such series shall not exceed \$525.0 million;

B. Amortize any principal or discount expenses incident to the issuance of long-term indebtedness to AWCC or similar expenses related to debt issued to other lenders over the life thereof;

C. Enter into, execute, deliver and perform the necessary arrangements or other documents necessary to effectuate the transactions hereinabove described; and

D. Take such other actions as may be necessary to complete the subject transactions; and

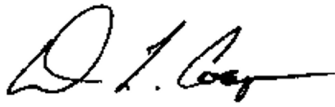
E. Further ordering that the proceeds from the issuance and sale of the New Long-Term Debt, and indebtedness sourced through the Fund will be used by Applicant for the

acquisition of property, the construction, completion, extension or improvement or addition to its facilities, the discharge or lawful refunding of obligations, the improvement of or maintenance of its service, and for other corporate purposes as hereinabove described;

F. Further ordering that the money, property or labor to be procured or paid for by the Applicant through the issuance and sale of the New Long-Term Debt and indebtedness sourced through the Fund is reasonably required and necessary for the purposes set forth and will be used therefore and such purposes are not, in whole or in part, reasonably chargeable to operating expense or to income, all as required by § 393.200, RSMo.; and

G. Waiving for good cause shown the application of Commission rule 20 CSR 4240-4.017(1) requirement for a sixty (60) day notice of intent to file.

Respectfully Submitted,



Dean L. Cooper MBE #36592
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Jefferson City, MO 65102
(573) 635-7166
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Timothy W. Luft, MBE #40506
Rachel Niemeier, MBE #56073
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(314) 996-2390 (Rachel)
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rachel.neimeier@amwater.com

ATTORNEYS FOR MISSOURI-AMERICAN WATER COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing document was sent via electronic mail on this 8th day of November, 2024 to:

Casi Aslin
Staff Counsel's Office
casi.aslin@psc.mo.gov
staffcounsel@psc.mo.gov

Marc Poston
Office of the Public Counsel
opcservice@opc.mo.gov



VERIFICATION

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

I, Timothy W. Luft, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Vice-President - Legal of Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of MAWC, that I have knowledge of the matters stated herein, and that said matters are true and correct to be best of my 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 20 CSR 4240-4.015(10) within the immediately preceding 150 days regarding the subject matter of this Application.

Dated: November 8, 2024



PROMISSORY NOTE
FOR LONG-TERM BORROWINGS

_____% Maturity due _____, 20__

\$ _____, 20__

OR VALUE RECEIVED, **Missouri-American Water Company, a Missouri corporation** (herein "Borrower") hereby promises to pay to the order of American Water Capital Corp., a Delaware corporation ("Lender"), in same day funds at its offices at One Water Street, Camden NJ 08102 or such other place as Lender may from time to time designate, the principal sum of _____ (\$ _____), together with interest thereon from the date hereof until paid in full. Interest shall be charged on the unpaid outstanding principal balance hereof at a rate per annum, in accordance with the terms attached, a rate equal to or less than equal to the rate paid and to be paid by Lender with respect to the borrowings it made in order to provide funds to Borrower hereunder. Interest on borrowings shall be due and payable in immediately available funds on the same business day on which the Lender must pay interest on the borrowings it made in order to provide funds to the Borrower hereunder. The principal amount hereof shall be due and payable hereunder at such times and in such amounts and in such installments hereunder as the Lender must pay with respect to the borrowings it made in order to provide funds to the Borrower hereunder. Lender has provided Borrower with a copy of the documentation evidencing the borrowings made by Lender in order to provide funds to Borrower hereunder. In the absence of manifest error, such documentation and the records maintained by Lender of the amount and term, if any, of borrowings hereunder shall be deemed conclusive.

The occurrence of one or more of any of the following shall constitute an event of default hereunder:

(a) Borrower shall fail to make any payment of principal and/or interest due hereunder or under any other promissory note between Lender and Borrower within five business days after the same shall become due and payable, whether at maturity or by acceleration or otherwise;

(b) Borrower shall apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of its property, admit in writing its inability to pay its debts as they mature, make a general assignment for the benefit of creditors, be adjudicated a bankrupt or insolvent or file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation of law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, or if action shall be taken by Borrower for the purposes of effecting any of the foregoing; or

(c) Any order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition seeking reorganization of Borrower or all or a substantial part of the assets of Borrower, or appointing a receiver, trustee or liquidator of Borrower or any of its property, and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) days.

Upon the occurrence of any event of default, the entire unpaid principal sum hereunder plus all interest accrued thereon plus all other sums due and payable to Lender hereunder shall, at the option of Lender, become due and payable immediately. In addition to the foregoing, upon the occurrence of any event of default, Lender may forthwith exercise singly, concurrently, successively or otherwise any and all rights and remedies available to Lender by law, equity, statute or otherwise.

Borrower hereby waives presentment, demand, notice of nonpayment, protest, notice of protest or other notice of dishonor in connection with any default in the payment of, or any enforcement of the payment of, all amounts due hereunder. To the extent permitted by law, Borrower waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect.

Following the occurrence of any event of default, Borrower will pay upon demand all costs and expenses (including all amounts paid to attorneys, accountants, and other advisors employed by Lender), incurred by Lender in the exercise of any of its rights, remedies or powers hereunder with respect to such event of default, and any amount thereof not paid promptly following demand therefore shall be added to the principal sum hereunder and will bear interest at the contract rate set forth herein from the date of such demand until paid in full. In connection with and as part of the foregoing, in the event that this Note is placed in the hands of an attorney for the collection of any sum payable hereunder, Borrower agrees to pay reasonable attorneys' fees for the collection of the amount being claimed hereunder, as well as all costs, disbursements and allowances provided by law.

If for any reason one or more of the provisions of this Note or their application to any entity or circumstances shall be held to be invalid, illegal or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal and enforceable in all such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Note, but this Note shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

This Note inures to the benefit of Lender and binds Borrower and Lender's and Borrower's respective successors and assigns, and the words "Lender" and "Borrower" whenever occurring herein shall be deemed and construed to include such respective successors and assigns.

This Promissory Note is one of the promissory notes referred to in the Financial Services Agreement dated as of June 15, 2000 between Borrower and Lender to which reference is made for a statement of additional rights and obligations of Lender and Borrower.

IN WITNESS WHEREOF, Borrower has executed this Promissory Note the day and year first written above.

Missouri-American Water Company

By: _____
Name and Title:

MISSOURI-AMERICAN WATER COMPANY
Unanimous Consent of Directors
(Without a Meeting)

The undersigned, being all of the members of the Board of Directors (the “Board”) of Missouri-American Water Company, a Missouri corporation (the “Company”), do hereby consent, effective November 7, 2024, in lieu of a special meeting of the Company’s Board on that date, to the following actions:

WHEREAS, the Company has determined the necessity to raise additional capital by the issuance of notes evidencing up to Five Hundred Twenty Five Million Dollars (\$525,000,000.00) of long-term indebtedness; and

WHEREAS, the Company will file an application (the “Application”) with the Missouri Public Service Commission detailing the Proposed Transaction and seeking approval therefore; and

WHEREAS, a draft of the Application is attached hereto as Exhibit A and has been reviewed by the Board.

NOW, THEREFORE, BE IT

RESOLVED, that the Company be, and hereby is, authorized to take all actions reasonably prudent and necessary to consummate the Proposed Transaction of the issuance of notes up to Five Hundred Twenty Five Million Dollars (\$525,000,000.00); and be it

FURTHER RESOLVED, that the Company be, and hereby is, authorized to execute, deliver and perform all of its obligations under all documents, agreements, certificates and/or other instruments that are necessary to consummate the Proposed Transactions (collectively, the “Transaction Documents”); and be it

FURTHER RESOLVED, that the President and the Chief Financial Officer of the Company, or either of them individually, be and hereby are authorized and directed to (i) execute, attest and deliver, in the name of and on behalf of the Company, the Transaction Documents, with such changes thereto as deemed necessary or advisable by the President or the Chief Financial Officer to permit the consummation of the transactions contemplated thereby, and such execution shall be binding upon the Company, and (ii) take such other actions on behalf of the Company as the President or the Chief Financial Officer deems necessary to permit the consummation of the transactions contemplated therein and those agreements, amendments, certificates and instruments necessary and incidental thereto; and be it

FURTHER RESOLVED, that this unanimous consent may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one (1) and the same unanimous consent and the signature of a Director to this unanimous consent may be sent by facsimile or other electronic transmission and shall be deemed to constitute an original and fully effective signature of such Director; and be it

FURTHER RESOLVED, that this consent be filed by the Secretary of the Company with its minutes.

IN WITNESS WHEREOF, the undersigned have executed this unanimous consent to be effective as of the day and year first above written.



Rich Svindland 11.07.2024 3:09 PM



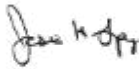
Jody Carlson 11.08.2024 10:19 AM



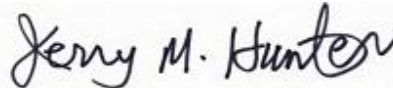
Brian LaGrand 11.07.2024 10:15 AM



Andrea Cokel 11.07.2024 12:35 PM



Jose Lopez 11.07.2024 11:25 AM



Jerry Hunter 11.08.2024 10:59 AM



Caleb Jones 11.07.2024 1:54 PM



Christine Page 11.07.2024 11:05 AM

Exhibit A

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OF THE STATE OF MISSOURI**

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5. Communications in regard to this Application should be addressed to the undersigned counsel and:

Brian LaGrand
Missouri-American Water Company
727 Craig Road
St. Louis, Missouri 63141
(314) 996-2390
brian.lagrand@amwater.com

Capitalization of Applicant

6. Applicant has outstanding an Indenture of Mortgage dated May 1, 1968, and supplements thereto dated March 1, 1971; October 1, 1975; October 1, 1980; January 1, 1984; September 1, 1986; February 1, 1990; January 1, 1993; March 1, 1994; January 1, 1995; March 1, 1995; July 1, 1996; June 1, 1997; February 1, 1998; November 1, 1998; March 1, 2000; December 31, 2001; April 1, 2002; and December 1, 2006 by and between Applicant and U.S. Bank National Association (successor to Wachovia Bank, National Association, formerly First Union National Bank, formerly the Fidelity Bank). Applicant's original Indenture of Mortgage was approved by this Commission in an Order dated June 14, 1968, in Case No. 16,452. As of September 30, 2024; there was due under said Indenture of Mortgage \$23.5 million aggregate principal amount of General Mortgage Bonds. Said Indenture of Mortgage, as supplemented and amended, constitutes a first mortgage lien against the property of Applicant described in the Indenture of Mortgage.

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13. Pursuant to the terms of a Financial Services Agreement ("Agreement") with American Water Capital Corp. ("AWCC"), Applicant proposes to issue notes in one or more series evidencing up to \$525.0 million of long-term indebtedness payable to AWCC (the "New Long-Term Debt"). The notes evidencing the indebtedness will not be secured by a mortgage, lien, or encumbrance on Applicant's properties in the State of Missouri. A form of the note evidencing the New Long-Term Debt is attached here as **Appendix 1**.

14. The purpose and general terms of the Agreement as between Applicant and AWCC, a wholly-owned subsidiary of AWW and an affiliate of Applicant, were more particularly set forth in Applicant's Application to the Commission filed on May 30, 2002, in Case No. WF-2002-1096. These general descriptions and parameters can be found in paragraphs 13-25 of that Application.¹ In accordance with Commission Rule 20 CSR 4240-10.125(1)(C), Applicant incorporates by reference the copy of the Agreement filed with the Commission as Appendix 2 to Applicant's Application in Case No. WF-2002-1096. As of the date of the filing of this Application, AWCC holds notes of Applicant evidencing \$1,483.8 million of long-term, unsecured indebtedness.

15. The New Long-Term Debt to be issued pursuant to the Agreement will be as promissory notes, the rates for which will be determined based on market conditions applicable at the time of issuance. The maturities will not exceed fifty (50) years at market interest rates. The interest rate for notes evidencing New Long Term Debt, including any applicable discounts, will bear interest at a rate consistent with similar securities of comparable credit quality and maturities issued by other companies.

Low Cost Financing through other Special Government Programs

¹ Applicant's financing program which was the subject of its Application in Case No. WF-2002-1096 was approved by the Commission in an Order Approving Financing issued August 30, 2002.

16. The Agreement with AWCC does not prohibit or restrict Applicant from borrowing from other parties or obtaining financial services from other parties whenever and on whatever terms it deems appropriate. From time to time, Applicant may have the opportunity to finance certain projects through special low cost government programs due to the special public benefits associated with those projects. Applicant may have the opportunity to obtain funding from the Missouri Department of Natural Resources (the “Department”) through its Water Pollution Control Program (the “Program”) in connection with certain water treatment or pollution control or improvement projects, which funding may provide low cost debt financing. Such borrowings and financings would be made directly by Applicant outside of the AWCC arrangement described in paragraphs 13 through 15.

17. The State Revolving Fund (the “Fund”) is a program codified in Chapter 644, RSMo, to administer capitalization grants deposited in a special revolving fund by the United States Environmental Protection Agency and the State of Missouri. The Fund is operated by the Program. The Fund is comprised of a number of subsidiary special funds such as the Drinking Water State Revolving Fund, the Clean Water State Revolving Fund, the Water and Wastewater Loan Fund, the Water and Wastewater Revolving Loan Fund and the Drinking Water Revolving Fund. Collectively they are available to provide financial assistance to municipalities and utilities for the construction and improvement of qualifying water and wastewater treatment facilities (hereinafter the “Qualifying Facilities”).

18. Fund assistance comes in the form of loans to applicants based on criteria set out in rules established by the Program, as approved by Missouri Clean Water Commission and the Safe Drinking Water Commission. Loans are available based upon availability of funds, predetermined lending limits and an applicant’s priority points award. Qualifying applicants provide loan

security, subject to restrictions as a result of existing property liens, as determined by the Department. There is a direct loan component pursuant to which the Department may make or authorize low cost loans through the purchase of an applicant's revenue bonds, short-term notes or other acceptable obligation for the planning, design and construction of Qualifying Facilities. Recently, in Case No. WF-2024-0353, the Commission authorized the Company to borrow up to \$405 million under the terms of the State Revolving Funds program.

Management of Interest Rate Risk

19. By way of this Application, and with respect to the issuance of New Long-Term Debt, the Applicant respectfully requests authority to enter into agreements in order to use, at its discretion, derivative instruments such as interest rate swaps, treasury locks, forward-starting swaps, caps, collars or other derivatives to manage the risk associated with interest rate fluctuations and other financial exposures that may occur before the issuance of the New Long-Term Debt.

Use of Proceeds

20. Applicant intends to apply the net proceeds from the New Long-Term Debt and indebtedness sourced through the Fund for the acquisition of property, the construction, completion, extension or improvements or additions to its facilities, other capital investments, all of which shall be necessary and proper for the rendition of public water supply and wastewater service, the improvement or maintenance of its service, the discharge or lawful refunding of indebtedness outstanding and to reimburse its treasury for any costs heretofore incurred. Some of the proceeds from the debt issuances will be used to replace maturing or other long-term debt at market rates and replace short-term borrowings accrued during the period of time Applicant's financing plan is in effect.

Regulatory Considerations

21. Applicant has no objection to the Commission's order approving this Application containing express language to the effect that its authorization is not a finding by the Commission of the appropriateness of the choice of financing options for ratemaking purposes and, further, that the Commission reserves the right to consider the ratemaking treatment afforded the activities undertaken by the Applicant pursuant to its order in this case and their impact on the cost of capital in pending or subsequent rate proceedings.

Filing Requirements

22. In accordance with Commission Rule 20 CSR 4240-10.125(1)(D), attached hereto, marked **Appendix 2**, incorporated herein for all purposes, is a certified copy of the Resolutions of the Board of Directors of Applicant authorizing the issuance which is the subject of this Application and authorizing the filing of this Application.

23. Also attached hereto and incorporated herein by reference are the following appendices:

- a. **Appendix 3** - Listing of issued and outstanding long-term debt of Applicant as of September 30, 2024;
- b. **Appendix 4** - Information regarding capital stock outstanding, bonded indebtedness and short-term indebtedness and other financial information including a balance sheet for the period ending September 30, 2024, and a financial statement with the adjustments showing the *pro forma* effect of the issuance of the \$525.0 million of New Long-Term Debt on bonded and other indebtedness. [See, 20 CSR 4240-10.125(1)(E)].
- c. **Appendix 5** - Statement of Applicant's capital expenditures for the acquisition of property and the construction, completion, extension and improvement of its plant and system for the calendar five (5) year period ending immediately prior to the filing of this Application, as well as the amount of retirements and permanent financing for the indicated, and a statement of Applicant's net property additions. **Appendix 5** has been identified as "Confidential" in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information and information representing strategies employed in contract negotiations.

- d. **Appendix 6** – Applicant’s five year capital expenditure plan, as required by Commission Order in Case No. WF-2022-0066. [See, 20 CSR 4240-10.125(1)(G)]. **Appendix 6** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)(4) and (6), as it contains market specific information and information representing strategies employed in contract negotiations.

24. The money, property or labor to be procured or paid by the issuance and sale of the New Long-Term Debt and indebtedness sourced through the Fund hereinabove described is reasonably required for the purposes specified in this Application and such purposes are not in whole or in part reasonably chargeable to operating expenses or to income.

Supplemental Reports of Financing Activity

25. Promptly after the issuance and sale of each series of New Long-Term Debt, a report setting forth the amount, price information and other terms and provisions concerning long-term indebtedness incurred by Applicant and setting forth information concerning the use of the proceeds from any such issuance will be filed.

26. Each of Applicant’s reports will include a statement identifying the portion of the issuance of long-term indebtedness, if any, that is subject to the fee schedule set forth in § 386.300, RSMo, in accordance with 20 CSR 4240-10.125(1)(F).

MOTION FOR WAIVER

27. Rule 20 CSR 4240-4.017(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 Application, and Applicant seeks a waiver of the 60-day notice requirement.

28. Rule 20 CSR 4240-4.017(1)(D) provides that a waiver may be granted for good cause. Good cause exists in this case. Applicant declares (as verified below) that it has had no communication with the office of the Commission (as defined by Commission Rule 20 CSR 4240-

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, Applicant moves for a waiver of the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) and acceptance of this Application.

WHEREFORE, Applicant requests the Commission to issue an Order authorizing the Applicant of the Commission's approval to:

A. Create, issue, sell and deliver to AWCC and/or the Department or its lawful designee, in one or more series, notes evidencing long-term indebtedness, each such series of notes to be issued at such time, or from time-to-time, to be of such aggregate principal amount, having maturity of not more than fifty (50) years, the debt to AWCC bearing interest at a rate consistent with similar securities of comparable credit quality and maturities issued by other companies, and having such designation and such other terms and conditions as shall be determined by Applicant at the time of issuance, provided that the aggregate principal amount of all such series shall not exceed \$525.0 million;

B. Amortize any principal or discount expenses incident to the issuance of long-term indebtedness to AWCC or similar expenses related to debt issued to other lenders over the life thereof;

C. Enter into, execute, deliver and perform the necessary arrangements or other documents necessary to effectuate the transactions hereinabove described; and

D. Take such other actions as may be necessary to complete the subject transactions; and

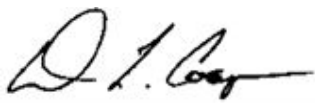
E. Further ordering that the proceeds from the issuance and sale of the New Long-Term Debt, and indebtedness sourced through the Fund will be used by Applicant for the

acquisition of property, the construction, completion, extension or improvement or addition to its facilities, the discharge or lawful refunding of obligations, the improvement of or maintenance of its service, and for other corporate purposes as hereinabove described;

F. Further ordering that the money, property or labor to be procured or paid for by the Applicant through the issuance and sale of the New Long-Term Debt and indebtedness sourced through the Fund is reasonably required and necessary for the purposes set forth and will be used therefore and such purposes are not, in whole or in part, reasonably chargeable to operating expense or to income, all as required by § 393.200, RSMo.; and

G. Waiving for good cause shown the application of Commission rule 20 CSR 4240-4.017(1) requirement for a sixty (60) day notice of intent to file.

Respectfully Submitted,



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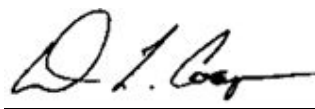
ATTORNEYS FOR MISSOURI-AMERICAN WATER COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above and foregoing document was sent via electronic mail on this 7th day of November, 2024 to:

Casi Aslin
Staff Counsel's Office
casi.aslin@psc.mo.gov
staffcounsel@psc.mo.gov

Marc Poston
Office of the Public Counsel
opcservice@opc.mo.gov



D. J. Coyle

VERIFICATION

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

I, Timothy W. Luft, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Vice-President - Legal of Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of MAWC, that I have knowledge of the matters stated herein, and that said matters are true and correct to be best of my 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 20 CSR 4240-4.015(10) within the immediately preceding 150 days regarding the subject matter of this Application.

Dated: November 7, 2024



Missouri-American Water Company
Cost of Long-Term Debt
As of September 30, 2024

Subledger Number	Coupon Rate	Date Issued	Maturity Date	Principal Amount Outstanding @ 12/31/2023	Adjustments From 12/31/2023 - 9/30/2024	Principal Amount Outstanding @ 09/30/2024	Unamortized Debt Expense @ 09/30/2024	Unamortized Debt Discount @ 09/30/2024	Carrying Value @ 09/30/2024	Monthly Amortization of Debt Expense	Monthly Amortization of Debt Discount	Annual Interest	Annual Amortization of Debt Expense For Test Year Ended @ 09/30/2024	Annual Amortization of Debt Discount For Period Ended @ 09/30/2024	Total Annual Cost
[A]	[B]	[C]	[D]	[E]	[F]	[E]	[F]	[G]	[H]=[E] - [F] - [G]	[I]	[J]	[K]=[B] x [E]	[L]=[I] x 12 months	[M]=[J] x 12 Months	[N]=[K] + [L] + [M]
General Mortgage Bonds															
BD170005	7.790%	6/12/1997	6/1/2027	\$ 8,000,000	\$ -	\$ 8,000,000	\$ 10,143	\$ -	\$ 7,989,857	\$ 316	\$ -	\$ 623,200	\$ 3,787	\$ -	\$ 626,987
BD170006	8.580%	3/1/1995	3/1/2025	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 1,107	\$ -	\$ 2,998,893	\$ 215	\$ -	\$ 257,400	\$ 1,107	\$ -	\$ 258,507
BD170007	7.140%	3/1/1994	3/1/2034	\$ 12,500,000	\$ -	\$ 12,500,000	\$ 78,801	\$ -	\$ 12,421,199	\$ 697	\$ -	\$ 892,500	\$ 8,358	\$ -	\$ 900,858
BD170048 SRF	0.740%	3/10/2022	7/1/2041	\$ 9,763,751	\$ (376,751)	\$ 9,387,000	\$ -	\$ -	\$ 9,387,000	\$ -	\$ -	\$ 69,464	\$ -	\$ -	\$ 69,464
AWCC Intercompany Borrowing															
BD170018	6.593%	10/22/2007	10/15/2037	\$ 103,000,000	\$ -	\$ 103,000,000	\$ 451,735	\$ -	\$ 102,548,265	\$ 2,885	\$ -	\$ 6,790,790	\$ 34,615	\$ -	\$ 6,825,405
BD170021	5.050%	11/21/2011	10/15/2037	\$ 25,000,000	\$ -	\$ 25,000,000	\$ -	\$ -	\$ 25,000,000	\$ -	\$ -	\$ 1,262,500	\$ -	\$ -	\$ 1,262,500
BD170024	4.925%	6/11/2012	10/15/2037	\$ 18,292,000	\$ -	\$ 18,292,000	\$ -	\$ -	\$ 18,292,000	\$ -	\$ -	\$ 900,881	\$ -	\$ -	\$ 900,881
BD170025	4.925%	6/11/2012	10/15/2037	\$ 10,944,000	\$ -	\$ 10,944,000	\$ -	\$ -	\$ 10,944,000	\$ -	\$ -	\$ 538,992	\$ -	\$ -	\$ 538,992
BD170028	4.900%	7/2/2012	10/15/2037	\$ 2,331,000	\$ -	\$ 2,331,000	\$ -	\$ -	\$ 2,331,000	\$ -	\$ -	\$ 114,219	\$ -	\$ -	\$ 114,219
BD170029	4.900%	7/2/2012	10/15/2037	\$ 10,364,000	\$ -	\$ 10,364,000	\$ -	\$ -	\$ 10,364,000	\$ -	\$ -	\$ 507,836	\$ -	\$ -	\$ 507,836
BD170030	4.900%	7/2/2012	10/15/2037	\$ 13,081,000	\$ -	\$ 13,081,000	\$ -	\$ -	\$ 13,081,000	\$ -	\$ -	\$ 640,969	\$ -	\$ -	\$ 640,969
BD170031	4.900%	7/2/2012	10/15/2037	\$ 22,712,000	\$ -	\$ 22,712,000	\$ -	\$ -	\$ 22,712,000	\$ -	\$ -	\$ 1,112,888	\$ -	\$ -	\$ 1,112,888
BD170036	4.300%	12/17/2012	12/1/2042	\$ 15,000,000	\$ -	\$ 15,000,000	\$ 92,746	\$ 16,532	\$ 14,890,722	\$ 425	\$ 76	\$ 645,000	\$ 5,102	\$ 910	\$ 651,012
BD170038	3.850%	11/20/2013	3/1/2024	\$ 25,000,000	\$ (25,000,000)	\$ -	\$ -	\$ -	\$ -	\$ 1,574	\$ 809	\$ -	\$ -	\$ -	\$ -
BD170039	4.300%	8/13/2015	9/1/2045	\$ 50,000,000	\$ -	\$ 50,000,000	\$ 364,936	\$ 456,049	\$ 49,179,015	\$ 1,453	\$ 1,843	\$ 2,150,000	\$ 17,438	\$ 22,111	\$ 2,189,549
BD170040	4.000%	11/17/2016	12/1/2046	\$ 107,480,000	\$ -	\$ 107,480,000	\$ 833,091	\$ 659,884	\$ 105,987,026	\$ 3,130	\$ 2,481	\$ 4,299,200	\$ 37,564	\$ 29,769	\$ 4,366,533
BD170041	3.750%	8/22/2017	9/1/2047	\$ 70,000,000	\$ -	\$ 70,000,000	\$ 555,503	\$ 164,103	\$ 69,280,394	\$ 2,019	\$ 598	\$ 2,625,000	\$ 24,228	\$ 7,171	\$ 2,656,400
BD170042	2.950%	9/13/2017	9/1/2027	\$ 12,646,633	\$ -	\$ 12,646,633	\$ 106,704	\$ 12,037	\$ 12,527,892	\$ 3,045	\$ 348	\$ 373,076	\$ 36,544	\$ 4,175	\$ 413,794
BD170043	4.200%	8/9/2018	9/1/2048	\$ 45,000,000	\$ -	\$ 45,000,000	\$ 373,664	\$ 19,391	\$ 44,606,945	\$ 1,301	\$ 68	\$ 1,890,000	\$ 15,616	\$ 811	\$ 1,906,427
BD170044	4.150%	5/13/2019	6/1/2049	\$ 75,000,000	\$ -	\$ 75,000,000	\$ 641,643	\$ 326,289	\$ 74,032,068	\$ 2,167	\$ 1,102	\$ 3,112,500	\$ 26,004	\$ 13,228	\$ 3,151,732
BD170045	3.450%	4/14/2020	5/1/2050	\$ 110,000,000	\$ -	\$ 110,000,000	\$ 992,538	\$ 192,936	\$ 108,814,527	\$ 3,232	\$ 628	\$ 3,795,000	\$ 38,788	\$ 7,542	\$ 3,841,329
BD170046	2.300%	6/14/2021	6/1/2031	\$ 90,000,000	\$ -	\$ 90,000,000	\$ 5,871,270	\$ 181,543	\$ 83,947,187	\$ 72,971	\$ 2,269	\$ 2,070,000	\$ 875,657	\$ 27,231	\$ 2,972,889
BD170047	3.250%	5/14/2021	6/1/2051	\$ 73,000,000	\$ -	\$ 73,000,000	\$ 691,198	\$ 185,938	\$ 72,122,864	\$ 2,160	\$ 581	\$ 2,372,500	\$ 25,917	\$ 6,973	\$ 2,405,390
BD170049	4.450%	5/5/2022	6/1/2032	\$ 200,000,000	\$ -	\$ 200,000,000	\$ 1,288,939	\$ 482,581	\$ 198,228,480	\$ 14,010	\$ 5,245	\$ 8,900,000	\$ 168,119	\$ 62,945	\$ 9,131,064
BD170050	3.625%	8/15/2023	6/15/2026	\$ 200,000,000	\$ -	\$ 200,000,000	\$ 1,714,035	\$ -	\$ 198,285,965	\$ 83,717	\$ -	\$ 7,250,000	\$ 1,004,601	\$ -	\$ 8,254,601
BD170051	5.150%	5/15/2024	3/1/2034	\$ -	\$ 115,000,000	\$ 115,000,000	\$ 1,210,482	\$ 1,021,775	\$ 112,767,743	\$ 8,149	\$ 3,047	\$ 5,922,500	\$ 97,791	\$ 36,568	\$ 6,056,859
BD170052	5.450%	5/15/2024	3/1/2054	\$ -	\$ 115,000,000	\$ 115,000,000	\$ 920,876	\$ 344,449	\$ 113,734,674	\$ 3,429	\$ 2,894	\$ 6,267,500	\$ 41,149	\$ 34,731	\$ 6,343,381
Carry Over Unamortized Debt Expense															
BD170009		7/2/2012	10/15/2037	\$ -	\$ -	\$ -	\$ 95,223	\$ -	\$ (95,223)	\$ 608	\$ -	\$ -	\$ 7,302	\$ -	\$ 7,302
BD170010		1/1/2005	6/30/2026	\$ -	\$ -	\$ -	\$ 26,055	\$ -	\$ (26,055)	\$ 1,241	\$ -	\$ -	\$ 14,889	\$ -	\$ 14,889
BD170013		6/11/2012	10/15/2037	\$ -	\$ -	\$ -	\$ 451,585	\$ -	\$ (451,585)	\$ 2,886	\$ -	\$ -	\$ 34,626	\$ -	\$ 34,626
BD170017		12/19/2016	12/1/2046	\$ -	\$ -	\$ -	\$ 753,336	\$ -	\$ (753,336)	\$ 2,832	\$ -	\$ -	\$ 33,981	\$ -	\$ 33,981
BD170020		12/1/2013	3/1/2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,772	\$ -	\$ -	\$ -	\$ -	\$ -
BD350006		1/1/2005	11/30/2029	\$ -	\$ -	\$ -	\$ 147,250	\$ -	\$ (147,250)	\$ 2,375	\$ -	\$ -	\$ 28,500	\$ -	\$ 28,500
BD350010		1/1/2005	5/31/2025	\$ -	\$ -	\$ -	\$ 13,156	\$ -	\$ (13,156)	\$ 1,645	\$ -	\$ -	\$ 13,156	\$ -	\$ 13,156
BD350011		1/1/2005	10/31/2026	\$ -	\$ -	\$ -	\$ 66,152	\$ -	\$ (66,152)	\$ 2,646	\$ -	\$ -	\$ 31,753	\$ -	\$ 31,753
BD350014		7/2/2012	10/15/2037	\$ -	\$ -	\$ -	\$ 474,620	\$ -	\$ (474,620)	\$ 3,027	\$ -	\$ -	\$ 36,327	\$ -	\$ 36,327
				<u>\$ 1,312,114,384</u>	<u>\$ 204,623,249</u>	<u>\$ 1,516,737,633</u>	<u>\$ 18,226,785.13</u>	<u>\$ 4,063,507</u>	<u>\$ 1,494,447,341</u>	<u>\$ 230,928</u>	<u>\$ 21,989</u>	<u>\$ 65,383,914</u>	<u>\$ 2,662,919</u>	<u>\$ 254,166</u>	<u>\$ 68,300,999</u>

Cost of Long-Term Debt [P] / [J]

4.57%

Missouri - American Water Company
Balance Sheet as of September 30, 2024 and Pro Forma
Giving Effect as of 9/30/24/2024 of the Proposed Financing

		[A]	[B]	[C] = [A]+[B]
		<u>Per Books</u>	<u>Proposed</u> <u>Financings</u>	<u>Pro Forma</u>
1	Utility Plant	101-107 4,636,571,344	1,059,750,000 (1)	5,696,321,344
2	Accumulated Provisions for Depreciation and Amortization	108 (647,034,994)		(647,034,994)
3	Utility Plant Acquisition Adjustments (net)	114-115 4,125,369		4,125,369
4	Total Net Utility Plant	3,993,661,719	1,059,750,000	5,053,411,719
5				
6	Nonutility Property	-		-
7	Other Investments	123-124 849,203		849,203
8	Total Other Property and Investments	849,203	-	849,203
9				
10	Cash	131 5,578,495		5,578,495
11	Special Deposits	132-134 2,752		2,752
12	Working Funds	135 1,550		1,550
13	Notes and Accounts Receivable	141-143 60,066,958		60,066,958
14	Accumulated Provision for Uncollectible Accounts	144 (3,303,078)		(3,303,078)
15	Receivable from Associated Companies	145-146 65,829,591		65,829,591
16	Materials and Supplies	151-157, 163 10,926,851		10,926,851
17	Prepayments	166 1,854,410		1,854,410
18	Accrued Utility Revenues	173 26,343,771		26,343,771
19	Miscellaneous Current and Accrued Assets	174 1,141,806		1,141,806
20	Total Current and Accrued Assets	168,443,106	-	168,443,106
21				
22	Unamortized Debt Discount and Expense	181 13,264,953	5,250,000 (2)	18,514,953
23	Preliminary Survey and Investigation	183 6,184,694		6,184,694
24	Miscellaneous Deferred Debits	186 76,196,627		76,196,627
25	Total Deferred Debits	95,646,274	5,250,000	100,896,274
26				
27	Total Assets	4,258,600,301	1,065,000,000	5,323,600,301
28				
29	Common Stock Issued	201 95,994,075		95,994,075
30	Preferred Stock Issued	204 -		-
31	Other Paid in Capital	208-211 983,143,091	540,000,000 (6)	1,523,143,091
32	Capital Stock Expense	214 -		-
33	Retained Earnings	215-216 422,503,612		422,503,612
34	Total Equity Capital	1,501,640,778	540,000,000	2,041,640,778
35				
36	Bonds LESS Reacquired Bonds	221-222 1,512,674,127	525,000,000 (3)	2,037,674,127
37	Total Long Term Debt	1,512,674,127	525,000,000	2,037,674,127
38				
39	Accounts Payable	232 109,978,594	- (4) (5)	109,978,594
40	Payables to Associated Companies	233-234 15,721,093		15,721,093
41	Taxes Accrued	236 28,885,913		28,885,913
42	Interest Accrued	237 18,227,899		18,227,899
43	Tax Collections Payable	241 4,093,773		4,093,773
44	Miscellaneous Current and Accrued Liabilities	242 26,555,539		26,555,539
45	Total Current and Accrued Liabilities	203,462,811	-	203,462,811
46				
47	Advances for Construction	252 2,013,078		2,013,078
48	Other Deferred Credits	253 80,803,508		80,803,508
49	Accumulated Deferred Investment Tax Credits	255 2,140,466		2,140,466
50	Accumulated Deferred Income Taxes	281-283 506,006,221		506,006,221
51	Total Deferred Debits	590,963,273	-	590,963,273
52				
53	Operating Reserves	261-265 32,853,595	-	32,853,595
54				
55	Contributions in Aid of Construction	271 322,286,484	-	322,286,484
56				
57	Total Capital and Liabilities	4,163,881,067	1,065,000,000	5,228,881,067

Missouri - American Water Company
Statement of Income for the Twelve Months Ended September 30, 2024 and Pro Forma
Giving Effect of the Proposed Financing

		[A]	[B]	[C] = [A]+[B]
		<u>Per Books*</u>	<u>Proposed</u>	<u>Pro Forma</u>
			<u>Financings</u>	
1	Operating Revenues	400	466,292,460	580,843,487
2				
3	Operation Expense	401	161,279,620	161,279,620
4	Maintenance Expense	402	11,155,911	11,155,911
5	Depreciation Expense	403	70,956,125	92,151,125
6	Amortization of Limited Term/Other Utility Plant	404-405	5,412,793	5,412,793
7	Amortization of Utility Plant Acquisition Adjustments	406	-	-
8	Amortization of Property Losses	407	158,893	158,893
9	Taxes Other Than Income Taxes - Utility Operating Income	408.1	39,740,599	55,636,849
10	Income Taxes, Utility Operating Income	409.1	(22,921,596)	(10,993,254)
11	Provision for Deferred Income Taxes -Utility Operating Income	410.1	36,805,043	36,805,043
12	Investment Tax Credits-Utility Operations, Restored to Operating Income	412.2	(104,692)	(104,692)
13	Total Operating Expenses		302,482,697	351,502,289
14				
15	Total Net Utility Operating Income		163,809,763	229,341,197
16				
17	Nonutility Operating Income	415-418	26,726	26,726
18	Interest and Dividend Income (Net)	419	269,818	269,818
19	Allowance for Funds Used During Construction	420	4,364,477	4,364,477
20	Gains(Losses) from Disposition of Non-Utility Property	422	1,042,492	1,042,492
21	Total Other Income		5,703,514	5,703,514
22				
23	Miscellaneous Amortization	425	323,943	323,943
24	Miscellaneous Income Deductions	426	388,702	388,702
25	Total Other Income Deductions		712,645	712,645
26				
27	Income Taxes, Other Income and Deductions	409.2	-	-
28	Total Taxes on other Income and Deductions		-	-
29				
30	Net Other Income and Deductions		4,990,868	4,990,868
31				
32	Interest on Long Term Debt	427	50,465,698	78,290,698
33	Amortization of Debt Discount and Expense	428	1,532,093	1,794,593
34	Other Interest	431	3,813,314	3,813,314
35	Total Interest Charges		55,811,104	83,898,604
36				
37	Net Income		112,989,526	150,433,461

Missouri - American Water Company
Calculation of Coverage Ratios
Per Books and Pro Forma Giving Effect of the Proposed Financing

	[A]	[B]	[C] = [A]+[B]
	Per Books	Proposed Financings	Pro Forma
1 Funds from operations / interest coverage			
2			
3 Funds from operations			
4 Net Income from continuing operations	112,989,526	37,443,935	150,433,461
5 Depreciation and Amortization	76,527,812	21,195,000	97,722,812
6 Deferred Income Taxes	36,805,043		36,805,043
7			
8 Other non-cash items			
9 Amortization - Miscellaneous	323,943		323,943
10 Amortization of Debt Expense	1,532,093	262,500	1,794,593
11 Allowance for Funds Used			
12 During Construction	63		63
13 Allowance for Borrowed Funds Used			
14 During Construction	(4,364,540)		(4,364,540)
15 Funds from operations	<u>223,813,940</u>	<u>58,901,435</u>	<u>282,715,375</u>
16			
17 Interest Expense			
18 Interest Expense on Long Term Debt	50,465,698	27,825,000	78,290,698
19 Interest on Short-Term Debt	3,813,314	-	3,813,314
20			
21 Total Interest Expense	<u>54,279,012</u>	<u>27,825,000</u>	<u>82,104,012</u>
22			
23			
24 Funds from operations / interest coverage	<u>4.12x</u>		<u>3.44x</u>
25			
26			
27 Funds from operations / total debt (%)			
28			
29 Total Debt			
30 Long Term Debt (including preferred stock)	1,512,674,127	525,000,000	2,037,674,127
31 Bank Debt - Pending Issuance of Securities	109,978,594	-	109,978,594
32			
33 Total Debt	<u>1,622,652,720</u>	<u>525,000,000</u>	<u>2,147,652,720</u>
34			
35 Funds from operations / total debt %	<u>13.79%</u>		<u>13.16%</u>
36			
37 Total debt / total capital (%)			
38			
39 Total Capital			
40 Total Debt	1,622,652,720	525,000,000	2,147,652,720
41 Total Common Equity ¹	1,501,640,778	540,000,000	2,041,640,778
42			
43 Total Capital	<u>3,124,293,498</u>	<u>1,065,000,000</u>	<u>4,189,293,498</u>
44			
45 Total debt / total capital	<u>51.94%</u>		<u>51.27%</u>

**Missouri - American Water Company
Pro-Forma Revenue Impact of Utility Plant Investments
Giving Effect of the Proposed Financing**

1	Estimated Rate Base		
2	Utility Plant in Service		\$1,059,750,000
3	Accumulated Depreciation (1)	3.0%	(31,792,500)
4	Accumulated Deferred Income Taxes (2)	12.5%	(132,468,750)
5	Estimated Rate Base		\$895,488,750
6			
7	Pre-Tax Return per Stipulation in Case No. WR-2022-0303		8.65%
8			
9	Pre-Tax Return		\$77,459,777
10			
11	Estimated Revenue Requirement		
12	Pre-Tax Return		\$77,459,777
13			
14	Annualized Depreciation Expense		21,195,000
15			
16	Property Taxes		15,896,250
17			
18	Total Revenue Requirement		\$114,551,027

(1) Assumes 2.0% annual composite depreciation rate

(2) 12.5% is average from MAWC ISRS/WSIRA cases since 2020, when the state tax rate was reduced to 4.0%.