

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

In the Matter of the Joint Application of the City     )  
of Centralia, Missouri and Public Water Supply     )  
District No. 10 of Boone County, Missouri for     )  
Approval of a Third Amendment to a Written     )  
Territorial Agreement Concerning Territory     )  
within Boone County, Missouri     )

**Case No. WO-2009-0351**

**RECOMMENDATION REGARDING THIRD AMENDMENT  
TO WATER SERVICE TERRITORIAL AGREEMENT**

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for its *Recommendation Regarding Third Amendment to Water Service Territorial Agreement* states the following:

**PROCEDURAL HISTORY**

1. On April 2, 2009, the City of Centralia (Centralia) and the Boone County Public Water Supply District No. 10 (District) (collectively referred to as the Joint Applicants) filed a *Joint Application* with the Missouri Public Service Commission (the Commission) seeking approval of a third amendment (Amendment) to the water service territorial agreement approved by the Commission in Case No. WO-2002-208.

2. On April 6, 2009, the Commission issued its *Order Directing Notice, Setting Date for Requests to Intervene and Directing Filing*, ordering Staff to file a recommendation in this matter no later than May 11, 2009.

### **GOVERNING LAW**

3. Section 247.172.1, RSMo (2000)<sup>1</sup> provides that “[c]ompetition to sell and distribute water, as between and among public water supply districts, water corporations subject to public service commission jurisdiction, and municipally owned utilities may be displaced by written territorial agreements, but only to the extent hereinafter provided for in this section.”

4. Section 247.172.4. states that “[b]efore becoming effective, all territorial agreements entered into under the provisions of this section, including any subsequent amendments to such agreements, or the transfer or assignment of the agreement or any rights or obligations of any party to an agreement, shall receive the approval of the public service commission by report and order.”

5. Pursuant to Section 247.172.5, the Commission may approve a territorial agreement if the Commission determines that the territorial agreement in total is not detrimental to the public interest.

6. The filing requirements for application for approval of water service territorial agreements are outlined in Commission Rule 4 CSR 240-3.625.

### **STAFF’S FINDINGS REGARDING THE JOINT APPLICATION AND THE AMENDMENT**

6. Based on its review of the *Joint Application*, Staff has determined that such application meets the requirements contained in 4 CSR 240-3.625 in that:

- a. A copy of the Amendment was attached to the *Joint Application*;
- b. The Amendment designates the boundaries of the respective water service areas of Centralia and the District;

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<sup>1</sup> Unless otherwise noted, all references to statute refer to the Missouri Revised Statutes (2000), as currently supplemented.

c. A map showing the service area that is the subject of the Amendment was attached to the *Joint Application*;

d. A boundary description of the service area that is the subject of the Amendment was attached to the *Joint Application*.

7. Staff states that the provisions of 4 CSR 240-3.625(1)(B) regarding the filing of tariff provisions are not applicable for purposes of the subject *Joint Application*, since the Joint Applicants are not otherwise subject to the Commission's jurisdiction.

8. No filing fee is due pursuant to 4 CSR 240-3.630(4).

9. In respect to the *Joint Application*, Staff further finds the following:

a. Implementation of the Amendment will not result in a change of water supplier for any existing customers of either Centralia or the District;

b. The Amendment will enable the Joint Applicants to avoid duplication of water utility services within the affected area, will improve the ability of the Joint Applicants to plan for future water service, and will enable customers in the affected service area to know who will provide their water service, all to the benefit of the Joint Applicants' current and future customers; and

c. The Amendment does not affect the provisions of the *Joint Application* pertaining to the original territorial agreement, the first amendment, or the second amendment thereto, which acknowledged that the original territorial agreement in no way affects or diminishes the rights and duties of any water supplier that was not a party to the original territorial agreement to provide service within the service areas set forth in that agreement.

**STAFF’S CONCLUSIONS REGARDING THE  
JOINT APPLICATION AND THE AMENDMENT**

10. Based on its review of the *Joint Application* and the Amendment, Staff has reached the following conclusions:

a. That the *Joint Application* and the Amendment meet the requirements of the applicable provisions of Section 247.172 and the Commission rules; and

b. That the Amendment is "not detrimental to the public interest."

**STAFF’S RECOMMENDATION**

11. Based on its review of the *Joint Application* and the Amendment, Staff recommends that the Commission issue an order that approves the *Joint Application* and the Amendment to the previously-approved territorial agreement that is the subject of this case.

**WHEREFORE**, Staff respectfully submits for the Commission’s consideration its recommendation in this matter.

Respectfully submitted,

**/s/ Eric Dearmont**

Eric Dearmont

Assistant General Counsel

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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 counsel of record this 11th day of May, 2009.

**/s/ Eric Dearmont**

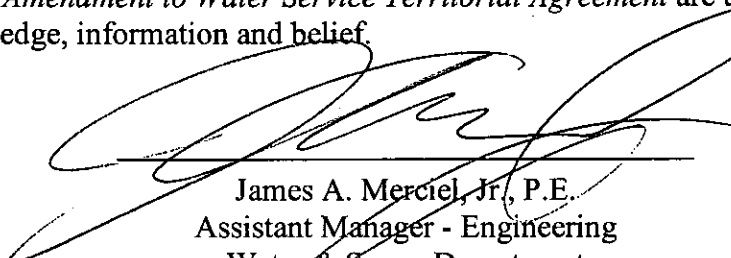
BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

AFFIDAVIT OF JAMES A. MERCIEL, JR.

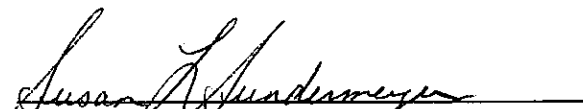
STATE OF MISSOURI     )  
                                      ) ss  
COUNTY OF COLE     )

Case No. WO-2009-0351

James A. Merciel, Jr., of lawful age, on his oath states: (1) that he is the Assistant Manager – Engineering in the Water and Sewer Department of the Missouri Public Service Commission; (2) that he participated in the preparation of the foregoing *Recommendation Regarding Third Amendment to Water Service Territorial Agreement*; (3) that he has knowledge of the matters set forth in the foregoing *Recommendation Regarding Third Amendment to Water Service Territorial Agreement*; and (4) that the matters set forth in the foregoing *Recommendation Regarding Third Amendment to Water Service Territorial Agreement* are true and correct to the best of his knowledge, information and belief.

  
James A. Merciel, Jr., P.E.  
Assistant Manager - Engineering  
Water & Sewer Department  
Utility Operations Division

Subscribed and sworn to before me this 11<sup>th</sup> day of May 2009.

  
Notary Public



SUSAN L. SUNDERMEYER  
My Commission Expires  
September 21, 2010  
Callaway County  
Commission #06942086