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STATE OF MISSOURI
PUBLIC SERVICE COMMISSION

At a Session of the Public Service
Commission held at its office
in Jefferson City on the 26th
day of May, 1993.

In the matter of the application of Missouri-American)
Water Company for approval of its acquisition of the) Case No. WM-93-255
common stock of Missouri Cities Water Company.)

ORDER DENYING REQUEST TO STAY PROCEEDINGS
AND GRANTING REQUEST TO SHORTEN TIME FOR DISCOVERY

On March 4, 1993, Missouri-American Water Company (MAWC), an operating public utility and Missouri corporation subject to regulation by the Public Service Commission, filed an application with the Commission for approval to perform a stock purchase agreement in which MAWC will acquire 100 percent of the common stock of Missouri Cities Water Company (MCWC). MCWC is an operating public utility subject to regulation by the Commission and currently furnishing water services to the public in, and adjacent to, the cities and communities of Brunswick, Mexico, Parkville, Platte Woods, Houston Lake, Lake Waukomis, Riverside, St. Charles, St. Peters, and Warrensburg, Missouri, and in parts of the unincorporated areas of Platte County and St. Charles County, Missouri.

On March 9, 1993, the Commission issued an order specifying that notice should be given of the proposed transaction per Commission rules and, in addition, specifying a deadline for intervention for all appropriate parties of April 9, 1993. On April 16, 1993, the Commission granted intervention, upon application, for the cities of Mexico, St. Peters, St. Charles, and O'Fallon, Missouri.

On April 23, 1993, the Commission denied a motion by the City of Mexico to stay the proceedings pending a condemnation action in the Circuit Court of Audrain County, Missouri, involving that part of the operating system of MCWC serving the Mexico, Missouri vicinity.

On May 11, 1993, the Commission issued an order setting a local public hearing in this matter to be held on June 1, 1993, at the request of the City of St. Peters.

On May 24, 1993, the City of Mexico, Missouri, an intervenor in this matter, filed two separate requests, one being to shorten the time for MAWC's answers to interrogatories from 20 to 7 days, and the other being to stay the evidentiary hearing, set for June 4, 1993.

As reason for its request to shorten the response time to its interrogatories to MAWC, the City of Mexico argues that, as the evidentiary hearing is June 4, 1993, the City does not have sufficient time to properly prepare, even if the submitted interrogatories are answered prior to the June 4, 1993 date. In addition, the City points out that, as MAWC has anticipated this proposed purchase, the answers to the proffered questions should be readily at hand to MAWC.

As reason for the Cities' request to stay the proceedings, it is argued that the expedited time frame is not in the public interest, as it does not allow the City adequate time to prepare. In addition, the City alleges that, when the litigation between the City and MAWC involving the Mexico division of MCWC is resolved by the appellate courts, the matter will again have to be submitted to the Commission, and, therefore, this proceeding should be stayed.

In regard to the request to shorten the response time of MAWC to the interrogatories submitted by the City of Mexico, the Commission finds that the request should be granted. The expedited schedule in this case is the result of a request by MAWC necessitated by the contract for purchase executed between MAWC and MCWC. If, as the City alleges, the interrogatory questions are not unduly burdensome, MAWC should be required to facilitate this proceeding by submitting its response to those questions by June 1, 1993. The Commission will order MAWC to respond by that date.

In regard to the Cities' request to stay the proceedings, it is the finding of the Commission that, as this is a request to purchase stock in MCWC, which includes a number of physical plants elsewhere than the City of Mexico, and as possible occurrences such as that taken by the City of Mexico have been contemplated in the stock purchase agreement filed by MAWC and MCWC, there is currently no valid reason to stay this proceeding due to pending litigation. The public and evidential portions of this case will proceed as scheduled.

IT IS THEREFORE ORDERED:

1. That the request by the City of Mexico to shorten the response time of MAWC to interrogatories submitted by the City is granted and MAWC is ordered to submit responses to those interrogatories no later than June 1, 1993.
2. That the request to stay these proceedings made by the City of Mexico is denied for reasons as set out above.
3. That this order shall become effective on the date hereof.

BY THE COMMISSION
Brent Stewart

Brent Stewart
Executive Secretary

(S E A L)

Mueller, Chm., Perkins,
Kincheloe and Crumpton, CC.,
Concur.
McClure, CC.,
Absent.