

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

In the Matter of Missouri-American Water)
Company's Application for a Certificate of)
Convenience and Necessity Authorizing it)
to Install, Own, Acquire, Construct,)
Operate, Control, Manage and Maintain a)
Sewer System in and around the City of)
Taos, Missouri)

File No. SA-2021-0120

**ORDER DIRECTING NOTICE AND SETTING DEADLINES FOR
INTERVENTION APPLICATIONS AND STAFF'S RECOMMENDATION**

Issue Date: October 29, 2020

Effective Date: October 29, 2020

On October 28, 2020, Missouri-American Water Company (MAWC) filed its application requesting a certificate of convenience and necessity to install, own, acquire, construct, operate, control, manage and maintain a sewer system in and around Taos, Missouri. MAWC requests Commission approval to acquire the City of Taos sewer system. Finally, MAWC requests a waiver of the Commission's 60-day notice requirement under 20 CSR 4240-4.017.

The Commission will direct notice be given and set a deadline for intervention applications. The Commission will also direct Staff to file a recommendation with regard to MAWC's application.

THE COMMISSION ORDERS THAT:

1. The Commission's data center shall provide notice of this order and MAWC's application to the Missouri Department of Natural Resources and the county commission for Cole County, Missouri.

2. The Commission's Public Policy and Outreach Department shall provide notice of MAWC's application to members of the General Assembly representing residents of Cole County, Missouri.

3. The Commission's Public Policy and Outreach Department shall provide notice of MAWC's application to news media serving residents of Taos and Cole County, Missouri.

4. Applications for intervention shall be filed no later than November 30, 2020. Any such filing shall be submitted through the Commission's electronic filing information system or delivered to:

Secretary
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

5. No later than December 10, 2020, the Commission's Staff shall file either a recommendation regarding MAWC's application or a status report advising when it expects to file a recommendation.

6. This order shall be effective when issued.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

Jana C. Jacobs, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo (2016).

Dated at Jefferson City, Missouri,
on this 29th day of October, 2020.

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

In the Matter of Missouri-American)
Water Company for a Certificate of)
Convenience and Necessity Authorizing)
it to Install, Own, Acquire, Construct,)
Operate, Control, Manage and Maintain)
a Sewer System in and around the City)
of Taos, Missouri.)

File No. SA-2021-

**APPLICATION AND
MOTION FOR WAIVER**

COMES NOW Missouri-American Water Company (“MAWC”) pursuant to Sections 393.140, and 393.170 RSMo, and 20 CSR 4240-2.060, 20 CSR 4240-3.305, and 20 CSR 4240-4.017(1)(D), and for its Application and Motion for Waiver, states as follows to the Missouri Public Service Commission:

BACKGROUND INFORMATION

1. This Application is being filed by MAWC to obtain a Certificate of Convenience and Necessity to install, own, acquire, construct, operate, control, manage and maintain a sewer system in and around the City of Taos, Missouri (“Taos system”).
2. MAWC is a Missouri corporation, active and in good standing with the Missouri Secretary of State, with its principal office and place of business at 727 Craig Road, St. Louis, Missouri 63141. Pursuant to Commission Rule 20 CSR 4240-2.060(1)(G), MAWC incorporates by reference the certified copies of its articles of incorporation and its certificate of good standing previously filed in File No. WO-2020-0190.
3. 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, Clay, Ray, and Platte Counties, and most all of St. Louis County, Missouri. MAWC currently provides water service to approximately 470,000 customers. MAWC provides sewer service to approximately 15,000 customers in Callaway, Jefferson, Pettis, Cole, Morgan, Platte, Taney, Stone, Christian, St. Louis, Clinton, Clay, Ray, 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. Other than proceedings before this Commission, 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.

4. Communications respecting this Application should be addressed to the undersigned counsel and:

Missouri-American Water Company:

Ms. Nikki Pacific

Manager Business Development – Proposal and Integration

Missouri-American Water Company

727 Craig Road

Creve Coeur, Missouri 63021

Direct Dial 314-996-2215

Nikki.pacific@amwater.com

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

5. MAWC proposes to purchase substantially all of the sewer assets of the currently unregulated Taos system and requests permission, approval and a CCN to own, acquire, construct, operate, control, manage and maintain the sewer system for the public in an area in and around the City of Taos, Missouri.

6. To provide service to the proposed area, MAWC will purchase the Taos system from the City of Taos, Missouri. Taos is a Fourth-Class City located in Cole County. Taos serves about 421 sewer accounts. The City of Taos has a population of approximately 878.

7. The Taos system consists of approximately 1/3 pressure sewer lines and 2/3 gravity sewer lines with five lift stations, as well as 22 duplex and 5 simplex pumping stations. MAWC is committed to investing in capital improvements in the Taos system over the next five (5) years.

8. On January 13, 2020, the Taos City Council voted to place the sale of the Taos system to MAWC on the June 2, 2020 ballot. A copy of the Ballot is attached hereto as **Appendix A**. The question on the ballot states:

Shall the City of Taos, Missouri be authorized to sell its wastewater (sewer) utility to Missouri American Water Company for the sum of \$4,100,000 (Dollars)?

9. On January 13, 2020, prior to the City Council meeting, the City of Taos held a Town Hall meeting and discussed the sale of the wastewater system to MAWC. MAWC sent several communications to the residents educating them on the potential sale.

10. On June 2, 2020, residents of the City of Taos voted to approve the sale of the Taos system to MAWC.

11. On July 31, 2020, MAWC entered into a *Purchase Agreement* with the City of Taos. A copy of the *Purchase Agreement* is attached as **Appendix B**.

12. MAWC proposes to purchase all the Taos system utility assets under the terms and provisions of the *Purchase Agreement*. A legal description of the area sought to be certificated is attached hereto as **Appendix C**. A map of the area sought to be certificated is

attached to this Application as **Appendix D**. MAWC proposes that the area to be certificated for sewer service be described as: “The City of Taos and the surrounding area.”

13. Attached hereto and marked as **Appendix E-C** is a list of ten residents or landowners within the proposed service area. **Appendix E-C** has been identified as Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)1., as it contains customer-specific information.

ADDITIONAL INFORMATION

14. Attached hereto and marked as **Appendix F-C** is a feasibility study for the Taos system for which MAWC seeks a CCN. No external financing is anticipated. **Appendix F-C** has been identified as “Confidential” in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)3. and 6., as it contains market specific information and information representing strategies employed in contract negotiations.

15. MAWC will receive a franchise from the City of Taos as called for by the *Purchase Agreement*.

TARIFFS/RATES

16. MAWC proposes to provide service pursuant to the rates charged by the City of Taos and to utilize the rules governing rendering of sewer service currently found in MAWC’s sewer tariff P.S.C. MO No. 26, until such time as the rates and rules are modified according to law.

17. The City of Taos is moving its residents to a \$65.00 flat monthly sewer rate.

PUBLIC INTEREST

18. The grant of the requested CCN (and approval of the underlying transaction) is in the public interest and will result in the provision of regulated sewer service to the current and

future residents of the service area. The sewer assets of the Taos system 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 sewer utility services to residents of the State of Missouri and is fully qualified, in all respects, to own and operate the Taos system currently being operated in and around the City of Taos.

MOTION FOR WAIVER

19. Commission 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. As such, and to the extent required, MAWC seeks a waiver of the 60-day notice requirement.

20. Rule 20 CSR 4240-4.017(1)(D) provides that a waiver may be granted for good cause. In this regard, MAWC 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, MAWC moves for a waiver of the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) and acceptance of this Application at this time.

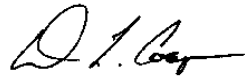
WHEREFORE, MAWC requests the Commission issue an order:

1. Granting MAWC permission, approval and a Certificate of Convenience and Necessity authorizing MAWC to install, acquire, build, construct, own, operate, control, manage and maintain a sewer system for the public within the area referred to herein;

2. Granting MAWC permission to acquire the sewer assets of the Taos system identified herein; and

3. Authorizing MAWC to take such actions as may be deemed necessary and appropriate to accomplish the purposes of the *Purchase Agreement* and the Application and to consummate related transactions in accordance with the *Purchase Agreement*.

Respectfully submitted,



Dean L. Cooper, Mo. Bar #36592
Jennifer L. Hernandez, Mo. Bar #59814
BRYDON, SWEARENGEN & ENGLAND P.C.
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Jefferson City, MO 65102-0456
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Corporate Counsel
MISSOURI-AMERICAN WATER COMPANY
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St. Louis, MO 63141
(314) 996-2279 telephone
(314) 997-2451 facsimile
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**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 28th day of October 2020, to:

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

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

/s/ Jennifer L. Hernandez

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 the 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.



List of Appendices

Appendix A	June 2, 2020 Ballot of the City of Taos, Missouri
Appendix B	Purchase Agreement dated July 31, 2020
Appendix C	Legal Description of proposed Taos Service Area
Appendix D	Map of proposed Taos Service Area
Appendix E-C	List of Ten Residents in Proposed Service Area
Appendix F-C	Feasibility Study

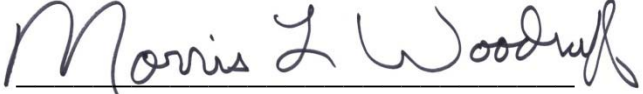
STATE OF MISSOURI

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 29th day of October, 2020.




Morris L. Woodruff
Secretary

MISSOURI PUBLIC SERVICE COMMISSION

October 29, 2020

File/Case No. SA-2021-0120

**Missouri Public Service
Commission**

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

Office of the Public Counsel

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P.O. Box 2230
Jefferson City, MO 65102
opcservice@opc.mo.gov

County of Cole, Missouri

County Commission Clerk
311 E High St., Rm 201
Cole County Courthouse Annex
Jefferson City, MO 65101
skorsmeyer@colecourt.org

**Missouri Department of Natural
Resources**

Legal Department
1101 Riverside Drive, 2nd Floor
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Jefferson City, MO 65102-0176

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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.