Exhibit No.:

Issues:

Infrastructure System Replacement

Surcharge

Witness:

Brian W. LaGrand

Exhibit Type:

Direct

Sponsoring Party:

Missouri-American Water Company

Case No.:

WO-2019-0184

Date:

May 7, 2019

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WO-2019-0184

FILED

MAY 2 1 2019

DIRECT TESTIMONY

OF

Missouri Public Service Commission

BRIAN W. LAGRAND

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY

MO-Am Exhibit No. 4

Date 5/17/19 Reporter & RB

File No. WO-2019-0184

DIRECT TESTIMONY BRIAN W. LAGRAND MISSOURI-AMERICAN WATER COMPANY CASE NO. WO-2019-0184

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BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

IN THE MATTER OF MISSOURI-AMERICAN)	
WATER COMPANY'S PETITION TO	ĺ	
ESTABLISH AN INFRASTRUCTURE	ĺ	CASE
REPLACEMENT SURCHARGE	j	
	•	

CASE NO. WO-2019-0184

AFFIDAVIT OF BRIAN W. LAGRAND

Brian W. LaGrand, being first duly sworn, deposes and says that he is the witness who sponsors the accompanying testimony entitled "Direct Testimony of Brian W. LaGrand"; that said testimony and schedules were prepared by him and/or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge.

Brian W. LaGrand

State of Missouri County of St. Louis

SUBSCRIBED and sworn to

Before me this And day of _

2019.

Motary Public

My commission expires:

MARY BETH HERCULES
Notary Public - Notary Seal
STATE OF MISSOURI
St. Louis County
My Commission Expires April 26, 2020
Commission # 96546828

DIRECT TESTIMONY

BRIAN W. LAGRAND

1		I. INTRODUCTION
2	Q.	Please state your name and business address.
3	A.	My name is Brian W. LaGrand, and my business address is 727 Craig Road, St. Louis
4		MO, 63141.
5		
6	Q.	By whom are you employed and in what capacity?
7	A.	I am employed by Missouri-American Water Company ("MAWC", "Missouri-
8		American" or the "Company") as the Director of Rates and Regulatory Support.
9		
10	Q.	Please summarize your educational background and business experience.
11	A.	I received a Master of Business Administration degree from Washington University in
12		St. Louis in 1998, with a concentration in Finance, and a Bachelor of Science in
13		Business Administration degree from the University of Dayton in 1993, with a major
14		in Accounting. After graduation from the University of Dayton, I was licensed in Ohio
15		as a Certified Public Accountant, and was employed as an Auditor by J.D. Cloud and
16		Associates until 1996. After graduating from Washington University, I spent two years
7		at May Department Stores Company in the Capital Planning & Analysis department,
8		focusing on the evaluation of capital investments. In 2000 I began working for
9		Anheuser-Busch Companies as a Financial Analyst in the Treasury Group. My
20		responsibilities included managing the foreign currency derivative portfolio in Risk

Management and running the commercial paper and share repurchase programs in

Corporate Finance. In 2005 I moved into the Business & Wholesaler Development Group as a Sr. Business Analyst, where I worked on acquisitions of craft breweries and competitive analysis. In 2010 I joined American Water Works Service Company, Inc. ("Service Company") as a Manager in the Corporate Finance Group. My focus has included evaluation of acquisition opportunities across the country and the execution of many acquisitions, including several in Missouri. In November of 2016, I was promoted to my current position as Director of Rates and Regulatory Support for MAWC.

A.

Q. What are your current employment responsibilities?

My responsibilities as Director of Rates and Regulatory Support include the following:

1) Preparing and presenting all rate change applications and supporting documents and exhibits as prescribed by management policies, guidelines and regulatory commission requirements; 2) Preparing rate analyses and studies to evaluate the effect of proposed rates on the revenues, rate of return and tariff structures; 3) Executing the implementation of rate orders, including development of the revised tariff pricing necessary to produce the proposed revenue level; 4) Overseeing the preparation of revenue and capital requirements analyses; and 5) Providing support for financial analyses, including preparation of applicable regulatory commission filings.

- Q. Are you generally familiar with the operations, books and records of MAWC?
- 22 A. Yes.

Q. Have you previously testified before the Missouri Public Service Commission?

1 A. Yes. Please see <u>Schedule BWL-1</u> for a list of cases where I provided testimony before
2 the Missouri Public Service Commission ("Commission").

3

- 4 Q. What is the purpose of your direct testimony in this proceeding?
- 5 A. The purpose of my direct testimony is to sponsor information in support of MAWC's request to change its Infrastructure System Replacement Surcharge ("ISRS").

7

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8

II. ISRS APPLICATION

- 9 Q. Would you summarize MAWC's ISRS Application?
- 10 A. Yes. On February 20th, 2019, MAWC filed an Application to change its ISRS. The
 11 Application includes ISRS-eligible investments, net of Contributions in Aid of
 12 Construction, made between October 1, 2018 and March 31, 2019, annualized net
 13 depreciation expense, and property taxes due within the next 12 months. In the initial
 14 Application, the investment amounts for February and March were estimated.

15

- 16 Q. Has the Company updated the investment amounts?
- 17 A. Yes. During Staff's audit, in which they reviewed invoices and other supporting
 18 documentation concerning the investment costs, Staff identified a few invoices that are
 19 properly excluded from the Application. Additionally, MAWC updated the February
 20 and March investments to include actual numbers, rather than estimates. As a result of
 21 this process, the Company and Staff are now in agreement as to the amount of
 22 investment that should be included in the ISRS rate base. The Company's revised
 23 revenue requirement is \$9,706,228. Please see Schedule BWL-2.

1	Q.	Do the Company and Staff agree on the total revenue requirement?
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- 2 A. No. Staff's revenue requirement is \$8,878,845, which is \$827,383 lower than the
- 3 Company's calculation. Please see **Schedule BWL-3** for a reconciliation of the
- 4 Company and Staff positions.

5

- 6 Q. What is the difference between the Company and Staff's calculations?
- 7 A. The Company and Staff both included in rate base the incremental Deferred Tax
- 8 Liability that arises due to temporary timing differences in the book and tax
- 9 depreciation expense. However, the Company also included in rate base the
- incremental Deferred Tax Asset that arises from the Net Operating Loss created by the
- 11 tax deductions related to the repairs deduction and accelerated depreciation. The
- 12 Company's position on this issue explained in the direct testimony of Company witness
- John Wilde.

- 15 Q. Does this conclude your direct testimony?
- 16 A. Yes.

Schedule BWL-1

Brian W. LaGrand Missouri American Water MoPSC Case History

Docket Number	Case Type	Date Filed
WA-2012-0066	Acquistion - Saddlebrooke	8/26/2011
WU-2017-0296	Accounting Authority Order - Lead Lines	5/12/2017
WU-2017-0351	Accounting Authority Order - Property Taxes	6/29/2017
WR-2017-0285	General Rate Case	6/30/2017
WO-2018-0373	ISRS	8/20/2018

page 1 of 7

Water Utility Plant ProjectsRepl Task Orders Placed in Service (To	lacement Mains, and Associated Valves and Hydrants (RM)	RSMo 393.1000 (8a):
	Associated Valves and Hydrants	\$65,156,806
Net Contributions in Aid of Cor		(10,928
Deferred Taxes		(522,256
Accumulated Depreciation		(309,021
Total Net 393,1000 (8a)		\$64,314,602
Water Utilia, Plant ProjectsMai	n Cleanings and Relinings (RM) RSMo 393.1000 (8b):	
Task Orders Placed in Service (To		
STLC-Main Cleanings and Relin		\$0
Net Contributions in Aid of Cor		0
Deferred Taxes		0
Accumulated Depreciation		0
		\$0
Total Net 393.1000 (8b)		
Water Utility Plant Projects-Faci	lities Relocations (FR) RSMo 393.1000 (8c):	
Task Orders Placed in Service (To		
STLC-Relocated Facilities		\$1,010,834
Net Contributions in Aid of Cor	nstruction	(298,250
Deferred Taxes		(3,856
Accumulated Depreciation		(7,484
T		\$701,244
Total Net 393.1000 (8c)		
Accumulated Depreciation and D	Deferred Taxes on Investment in Current ISRS	
Accumulated Depreciation - Pr		(\$441,997
Deferred Taxes - Prior ISRS		(18,781
		(\$460,778
Total		19400,776
Total ISRS Rate Base		\$64,555,068
O HO T BU OF BUILDING	and least Order	9.44%
Overall Pre-Tax Rate Of Return pe	er Last Order	3,477
Revenue Requirement on Capital		\$6,093,998
Depreciation Expense		873,085
Property Taxes		2,739,145
Revenue Cap Adjustment		0
		\$9,706,228
Total Revenue Requirement		39,700,22 0
A disease amon		
Adjustments: Undercollection from ISRS reco	pociliation	-
Onderconcedion from Isla reco	All street and the st	
Adjusted Total Revenue Requirer	ment	\$9,706,228
Allocation of Revenue by Class		A0.004.00
Rate A		\$9,664,696
Rate B		11,809 29,723
Rate J		

	Replac	ements	Reloca	itions	Total All	Property
	2018	2019	2018	2019	2018	2019
Plant Additions	in Agradicantes		kan kan in	· · · · · · · · · · · · · · · · · · ·	aikitaininigityisi	i Aggreent C.A. A.
Plant Additions	17,018,563	48,138,244	749,363	261,471	17,767,926	48,399,71
Net Plant Additions	17,018,563	48,138,244	749,363	261,471	17,767,926	48,399,71
Total Tax Items		Wiles - 1				***************************************
TOTAL TEXT	200200000000000000000000000000000000000		This will be a second to a second to			Alphi Arthur (Archive)
Repairs Deduction]			
Net Plant Additions	17,018,563	48,138,244	749,363	261,471	17,767,926	48,399,71
Repairs %	55.4%	55.4%	55.4%	55.4%		
Total Repairs Deduction	9,430,065	26,673,625	415,226	144,882	9,845,291	26,818,50
Books Doorselvins			ļ			
Bonus Depreciation Net Plant Additions After Repairs	7,588,498	21.464.640	224420	145.500	7.400.555	
Bonus Depreciation %	7,380,498	21,464,619 0.0%	334,138 0.0%	116,588 0.0%	7,922,636	21,581,20
Total Bonus Depreciation	- 114 M H M A D 2 H M		100000000000000000000000000000000000000			
				 <u> </u>	i inga ana ana ang ana ang	vidaļamstytei≢.
Regular Depreciation						
Net Plant Additions After Repairs and Bonus	7,588,498	21,454,619	334,138	116,588	7,922,636	21,581,20
Year 1 Depreciation Rate	2.0%	2.0%	2.0%	2.0%		
Months Included	12.0	5.0	12.0	5.0		
Year 2 Depreciation Rate	4.0%	4.0%	4.0%	4.0%		
Months included	5.0	Ne com	5.0	a area i		
Total Regular Depreciation	278,245	178,872	12,252	972	290,497	179,84
Taxable Income - Contributions	(11,011)		(153,828)	(146,300)	(164 020)	11.46.70
	(11,011)	_	(133,020)	(146,300)	(164,839)	(146,30
Total Tax Deductions	9,697,299	26,852,497	273,650	(447)	9,970,949	26,852,050
			Land Control of the C	PARKET CONTINUES A VALUE	AND ASSESSED AND ASSESSED ASSESSED	(SASS) and the second of the party
Total Book Items	a Djarasasastabashi	(eligibility)			14.0500000000	
Net Book Depreciation	121212				· 	
Book Depreciation	121,248					
Book Amortization Total Nat Rook Tongschaller	(83)	187,773	5,967 (1,173)	1,516 (705)	127,215 {1,257}	(70
Book Amortization Total Net Book Depreciation Book/Tax Depreciation Temporary Difference	(83) 121,165	187,773 187,773 (26,664,724)				189,285 (705 188,58 5 (26,663,465
Total Net Book Depreciation	(83) 121,165	187,773	(1,173) 4,794	(705) 812	(1,257) 125,958	(70! 188,58
Total Net Book Depredation Book/Tax Depredation Temporary Difference Net Operating Loss / Taxable Income	(83) 121,165 (9,576,134)	187,773	(1,173) 4,794	(705) 812	{1,257} 125,958 (9,844,990)	(70) 188,585 (26,663,465
Total Net Book Depreciation Book/Tax Depreciation Temporary Difference Net Operating Loss / Taxable Income Operating Results Through Effective Date of Ne	(83) 121,165 (9,576,134)	187,773	(1,173) 4,794	(705) 812	(1,257) 125,958	(70) 188,58
Total Net Book Depredation Book/Tax Depredation Temporary Difference Net Operating Loss / Taxable Income	(83) 121,165 (9,576,134)	187,773	(1,173) 4,794	(705) 812	{1,257} 125,958 (9,844,990)	(76) 188,58: (26,663,46) 2019
Total Net Book Depreciation Book/Tax Depreciation Temporary Difference Net Operating Loss / Taxable Income Operating Results Through Effective Date of Ne Current ISRS Application	(83) 121,165 (9,576,134)	187,773	(1,173) 4,794	(705) 812	{1,257} 125,958 (9,844,990) 2018	(70: 188,58: (26,663,46: 2019
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Total Net Book Depredation BOOK/Tax Depreciation Temporary Difference Net Operating Results Through Effective Date of Net Operating Results September 1985 Revenues Depreciation Expense Prior ISRS See Nevenues Depreciation Expense Book/Tax Temporary Difference Prior Tax Income Book/Tax Depreciation Temporary Difference Pre-NOL Taxable Income / (Loss) Ool Taxable Income	(83) 121,165 (9,576,134) w ISRS	187/73 (26,666,724)	(1,173) -0,791 (268,856)	(705) 812. 1,258	(1,257) 125,958 (9,844,990) 2018 \$0 (125,958) (55,303) (181,261) 1,594,490 (68,875) (12,300) (334,603) 1,178,711 (9,844,990) (8,847,541) 8,847,541 \$0	(76: 188,58: (26,663,46: 2019 \$0 {188,585 (435,416 (624,001) 2,657,483 (344,377 (61,502 (557,672 1,693,932 (26,63,465 (25,593,534 25,593,534 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0
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Total Net Book Depreciation Book/Tax Depreciation Temporary Difference Net Operating Loss / Taxable Income Operating Results Through Effective Date of Net Current ISRS Application ISRS Revenues Depreciation Expense Interest Expense Pro-Tax Income Prior ISRS SAS Revenues Book/Tax Temporary Difference Interest Expense Prior Tax Income Sook/Tax Temporary Difference Pre-NOL Taxable Income / {Loss} VOL Inxable Income Net Deferred Income Taxes	[83] 121,165 (9,576,134) w ISRS	187/773 (26,664,724)	(1,173) 4,791 (268,856) (268,856)	(705) 812 1,258	(1,257) 125,958 (9,844,990) 2018 \$0 (125,958) (55,303) (181,261) 1,594,490 (68,875) (12,300) (334,603) 1,178,711 (9,844,990) (8,847,541) 8,847,541 \$0 Total All Pr 2018 (9,844,990)	(70: 188,58: (26,663,465) 2019 \$0. (188,585: (435,416: (624,001) 2,657,483 (344,377 (61,502 (557,672 1,693,932 (26,663,465) (25,593,534 25,593,534 (30) (20)
Total Net Book Depredation BOOK/Tax Depreciation Temporary Difference Net Operating Results Through Effective Date of Net Operating Results September 1985 Revenues Depreciation Expense Prior ISRS SRS Revenues Depreciation Expense Book/Tax Temporary Difference Interest Expense Pre-Tax Income Book/Tax Depreciation Temporary Difference Pre-NOL-Taxable Income / (Loss) IOL Taxable Income	(83) 121,165 (9,576,134) w ISRS Replacen 2018 (9,576,134) 25,4%	187,773 (25,656,724) (26,664,724) (26,664,724) (26,664,724)	(1,173) 4,794 (268,856) (268,856) (288,856) (268,856) (268,856)	(705) 812 1,258 0015 0015 2019 1,258 25.4%	(1,257) 125,958 (9,844,990) 2018 \$0 {125,958} {55,303} (181,261) 1,594,490 (68,875) (12,300) (334,603) 1,178,711 (9,844,990) (5,847,541) 8,847,541 50 1006 All P7 2018 (9,844,990) 25,4%	(70: 188,58: (25,663,465) 2019 \$(188,58: (435,416) [624,001] 2,657,483 (344,377 (61,502 (557,672 1,693,932 (26,663,465) (25,593,534 25,593,534 25,593,534 25,593,534 25,593,534 25,593,534 25,593,534 25,593,534
Total Net Book Depreciation Book/fax Depreciation Temporary Difference Net Operating Loss / Taxable Income Operating Results Through Effective Date of Ne Current ISRS Application ISRS Revenues Depreciation Expense Interest Expense Pre-Tax Income Prior ISRS SAS Revenues Depreciation Expense Book/fax Temporary Difference Interest Expense Pre-Tax Income Pre-Tax Income Sook/Tax Depreciation Temporary Difference Pre-NOL Taxable Income / {Loss} NOL Fixable Income Nock/fax Depreciation Temporary Difference Pre-NOL Taxable Income Taxes	[83] 121,165 (9,576,134) w ISRS	187/773 (26,664,724)	(1,173) 4,791 (268,856) (268,856)	(705) 812 1,258	(1,257) 125,958 (9,844,990) 2018 \$0 (125,958) (55,303) (181,261) 1,594,490 (68,875) (12,300) (334,603) 1,178,711 (9,844,990) (8,847,541) 8,847,541 \$0 Total All Pr 2018 (9,844,990)	(70: 188,585 (26,663,465 2019 \$0 (188,585 (435,416 (624,001) 2,657,483 (344,377 (61,502 (557,672 1,693,932 (26,663,465 (25,593,534 25,593,534 25,593,534 25,593,534 25,593,534 25,593,534 25,593,534 25,593,534
Total Net Book Depreciation Book/fax Depreciation Temporary Difference Net Operating Loss / Taxable Income Operating Results Through Effective Date of Ne Current ISRS Application ISRS Revenues Depreciation Expense Interest Expense Pre-Tax Income Prior ISRS SAS Revenues Depreciation Expense Book/fax Temporary Difference Interest Expense Pre-Tax Income Pre-Tax Income Sook/Tax Depreciation Temporary Difference Pre-NOL Taxable Income / {Loss} NOL Fixable Income Nock/fax Depreciation Temporary Difference Pre-NOL Taxable Income Taxes	(83) 121,165 (9,576,134) w ISRS Replacen 2018 (9,576,134) 25,4%	187,773 (25,656,724) (26,664,724) (26,664,724) (26,664,724)	(1,173) 4,794 (268,856) (268,856) (288,856) (288,856) (268,856)	(705) 812. 1,258 1,258 2019 1,258 25,4% 320	(1,257) 125,958 (9,844,990) 2018 \$0 (125,958) (55,303) (181,261) 1,594,490 (68,875) (12,300) (334,603) 1,178,711 (9,844,990) (6,847,541) 300 2018 (9,844,990) 25,4% (2,505,378)	(70: 188,58: (26,663,465: (2019) \$0 (188,583: (435,416: (624,001) 2,657,483: (344,377: (61,502: (557,672: 1,693,932: (26,663,465: (25,593,534: 25,593,534: 25,593,534: (26,663,465: (26,663,465) (26,663,465) (26,663,465) (26,663,465) (26,663,465)
Total Net Book Depreciation Book/Fax Depreciation Temporary Difference Net Operating Loss / Taxable Income Operating Results Through Effective Date of Ne Current ISRS Application ISRS Revenues Depreciation Expense Interest Expense Pre-Tax Income Prior ISRS SAS Revenues Depreciation Expense Book/Tax Temporary Difference Interest Expense Pre-Tax Income Sook/Tax Depreciation Temporary Difference Pre-NOL Taxable Income / {Loss} NOL Fixable Income Nock/Tax Depreciation Temporary Difference Sook/Tax Depreciation Temporary Difference Fixe NOL Taxable Income Taxes Sook/Tax Depreciation Temporary Difference Interest Deferred Income Taxes Sook/Tax Depreciation Temporary Difference Interest Deferred Income Taxes Sook/Tax Depreciation Temporary Difference Interest Deferred Tax Liability IOL Interest Tax Rate Interest Tax Rate Interest Tax Rate	Replaces 2018 (9,576,134) Replaces 2018 (9,576,134) 25,4% (2,436,959)	187/73 (25,666,724) (26,666,724) 2019 (26,664,724) 25,4% (6,785,707)	(268,856) (268,856) Relocati 2018 (268,856) (268,856)	(705) 812 1,258 0015 0015 2019 1,258 25.4%	(1,257) 125,958 (9,844,990) 2018 \$0 {125,958} {55,303} (181,261) 1,594,490 (68,875) (12,300) (334,603) 1,178,711 (9,844,990) (5,847,541) 8,847,541 50 1006 All P7 2018 (9,844,990) 25,4%	(70: 188,585 2019 \$0 [188,585] (435,416 [624,001] 2,657,483 (344,377 (61,502 (557,672 1,693,932 (26,663,465) (25,593,534 25,593,534 25,593,534 25,593,534 25,593,534 25,593,534
Total Net Book Depreciation BOOK/Tax Depreciation Temporary Difference Net Operating Results Through Effective Date of Net Operating Expense Personal Expense Prior ISRS SAS Revenues Book/Tax Temporary Difference Prior Tax Income Book/Tax Temporary Difference Pre-NOL Taxable Income / {Loss} VOL Taxable Intome. Net Deferred Income Taxes Book/Tax Depreciation Temporary Difference Pre-Nol Taxable Income Taxes	[83] 121,165 (9,576,134) w ISRS Replacer 2018 (9,576,134) 25,4% (2,436,959) 8,782,690	187,773 (25,666,724) (26,664,724) (25,4% (6,785,707) (25,405,940	[1,173] 4,794 [268,856] [268,856] 2018 [268,856] 25.4% [68,419] 64,850	(705) 812. 1,258 1,258 2019 1,258 25,4% 320 187,594	(1,257) 125,958 (9,844,990)] 2018 \$0 (125,958) (55,303) (181,261) 1,594,490 (68,875) (12,300) (334,603) 1,178,711 (9,844,990) (8,847,541) 8,247,541 \$0 2018 (9,844,990) 25,4% (2,505,378) 8,847,541	(70: 188,585 (26,663,465: 2019
Total Net Book Depreciation Book/Fax Depreciation Temporary Difference Net Operating Loss / Taxable Income Operating Results Through Effective Date of Ne Current ISRS Application ISRS Revenues Depreciation Expense Interest Expense Pre-Tax Income Prior ISRS SAS Revenues Depreciation Expense Book/Tax Temporary Difference Interest Expense Pre-Tax Income Sook/Tax Depreciation Temporary Difference Pre-NOL Taxable Income / {Loss} NOL Fixable Income Nock/Tax Depreciation Temporary Difference Sook/Tax Depreciation Temporary Difference Fixe NOL Taxable Income Taxes Sook/Tax Depreciation Temporary Difference Interest Deferred Income Taxes Sook/Tax Depreciation Temporary Difference Interest Deferred Income Taxes Sook/Tax Depreciation Temporary Difference Interest Deferred Tax Liability IOL Interest Tax Rate Interest Tax Rate Interest Tax Rate	Replaced 2018 (9,576,134) 2018 (9,576,134) 25,4% (2,436,959) 8,782,690 25,4%	187,773 (25,655,724) (25,655,724) (25,654,724) (25,454,707) (25,455,707) (25,405,940 (25,4%)	(1,173) 4,794 (268,856) (268,856) 28,4% (68,419) 64,850 25,4%	(705) 812 1,258 2019 1,258 25,4% 320 187,594 25,4%	(1,257) 125,958 (9,844,990) 2018 \$0 {125,958} {55,303} (181,261) 1,594,490 (68,875) (12,300) (334,603) 1,178,711 (9,844,990) (8,847,541) 8,847,541 2018 (9,844,990) 25,4% (2,505,378) 8,847,541 25,4%	(70: 188,58: [26,663,465] 2019 \$0. (188,585; (435,416,16) (624,001) 2,657,483 (344,377 (61,502 (557,672 1,693,932 (26,663,465) (25,593,534 25,593,534 (26,683,465) (25,593,534 (25,593,534 (25,593,534 (25,593,534 (25,593,534) (25,593,534)

Missouri-American Water Company ISRS #18 Tariff Rates

	ISRS Revenue Requirement	Customer Usage (000g) 1	Required Rate per 1,000 Gallons
Rate A	\$9,664,696	32,207,358	\$0.30008
Rate B	11,809	1,609,828	\$0.00734
Rate J	29,723	4,227,969	\$0.00703
Total	\$9,706,228	38,045,155	

¹ Per billing determinants in Case WR-2017-0285

	Current	Proposed	Adjustment to
	Rate	Rate	Current Rate
Rate Per 1,000 Gallons			
Rate A	\$0.19770	\$0.30008	\$0.49778
Rate B	\$0.00180	\$0.00734	\$0.00914
Rate J	\$0.00170	\$0.00703	\$0.00873

	Current	Proposed	Adjustment to
	Rate	Rate	Current Rate
Per 100 Gallons			
	\$0.01977	\$0.03001	\$0.04978
В	\$0.00018	\$0.00073	\$0.00091
لا	\$0.00017	\$0.00070	\$0.00087

1	Property Tax Estimate - St. Louis County				
2	Year Placed in Service		2018	2019	Total
3	Vintage Year		1	N/A	
4 5	Plant Additions				
6	WO-2018-0373		64,158,929	0	
7	WO-2019-0184	<u></u>	17,767,926	48,399,714	
8	Total Investment		81,926,855	48,399,714	
9	% Good		96.250%	46,3 <i>33,714</i> N/A	
10	Subtotal		78,854,598	N/A	
11					
12	Retirements				
13	WO-2018-0373		(3,802,317)	0	
14	WO-2019-0184	- 1	(1,387,596)	(1,921,839)	
15	Total Retirements		(5,189,913)	(1,921,839)	
16	% Good		20.000%	N/A	
17	Subtotal		(1,037,983)	N/A	
18					
19	Net Plant to be Assessed		77,816,616	N/A	
20	Assessment Rate		32.000%	32.000%	
21	Assessed Value	i – kalipuli silaty E	24,901,317	N/A	
22	Tax Rate		11.000%	11.000%	
23	Tax Due on ISRS Investment		2,739,145	N/A	
24		<u></u>			
25	Due within 12 months from filing?		Yes	No	
26			olivent use-uselest avertuelikistata attanti		
27	Property Tax Expense to Include in ISRS (Due wit	thin 12 Months)			2,739,145
28	Description Allegation of Lance				
29 30	Property Tax Allowed in Prior ISRS				0
	Net Incremental Property Tax Included in This IS				
31 32	werneremental property lax included in this is				2,739,145
32					

20 Year MACRS Table

Year	MACRS	% Good
1	3.750%	96.250%
2	7.219%	89.031%
3	6.677%	82.354%
4	6.177%	76.177%
5	5.713%	70.464%
6	5.285%	65.179%
7	4.888%	60.291%
8	4.522%	55.769%
9	4.462%	51.307%
10	4.461%	46.846%
11	4.462%	42.384%
12	4.462%	37.922%
13	4.461%	33.461%
14	4.462%	28.999%
15	4.461%	24.538%
16	4.461%	20.077%
17	4.462%	20.000%
18	4.461%	20.000%
19	4.462%	20.000%
20	4.461%	20.000%
21	2.231%	20.000%

58 Not

Notes: 1) MACRS % from IRS Publication 946, Table A-1

2) There is a 20% floor on the % Good

Missouri-American Water Company ISRS #18 Cost of Service Allocation

	Base Revenues	Share of
	WR-2017-0285	Base Revenue
Rate A Customers	\$194,983,761	94.64%
Rate B Customers	3,141,065	1.52%
Rate J Customers	7,906,028	3.84%
Total	\$206,030,853	100.00%

6	
7	
8	

ACCOMMUNICACIÓN DE CONTRACTOR	Plant	Share of
	Additions	Plant Additions
Mains Less Than or Equal to 12"	\$58,969,276	89.121%
Hydrants	1,917,963	2.899%
Subtotal - Small Mains and Hydrants	60,887,239	92.020%
Mains Greater than 12"	5,280,401	7.980%
Total	\$66,167,640	100.000%

	Share of Small	Share of
	Mains & Hydrants	Large Mains
Rate A Customers	100.000%	94.638%
Rate B Customers	0.000%	1.525%
Rate J Customers	0.000%	3.837%

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX	Share of ISRS	Base Revenues	Percent
	Revenues	WR-2017-0285	Increase
Rate A Customers	9,664,696	194,983,761	4.957%
Rate B Customers	11,809	3,141,065	0.376%
Rate J Customers	29,723	7,906,028	0.376%

Missouri-American Water Company ISRS #18 Net Contributions

Mains, Valves and Hydrant Replacements		19 - May-19	Total
Reimbursements	(\$11,011)	\$0	(\$11,011)
Amortization	\$83	\$0	\$83
Net CIAC	(\$10,928)	\$0	(\$10,928)

8				
9	Relocations	Oct-18 - Mar-19	Apr-19 - May-19	Total
10	Reimbursements	(\$238,478)	(\$61,650)	(\$300,128)
11				
12	Amortization	\$1,664	\$214	\$1,878
13				
14	Net CIAC	(\$236,814)	(\$61,436)	(\$298,250)
	11 1 11 11 11 11 11 11 11 11 11 11 11 1			

Missouri-American Water Company ISRS #18 Net Depreciation Expense

1		Replacements F	Relocations	Total
2	Base Depreciation Expense	\$913,778	\$14,772	\$928,549
3				
4	Reimbursements' Amortization	(153)	(4,172)	(4,325)
5				1
6	Depreciation Expense Associated with Retirements			(51,139)
7				\
8	Net Depreciation Expense	internal control till by Schours Chine til at 1991 byen		\$873,085

Schedule BWL-3

Missouri American Water WO-2019-0184 ISRS Reconciliation

1	Original Company ISRS Application	8,405,079
2		
3	Update for February & March 2019 Actuals	1,302,150
4		
5	Updated Company ISRS Request	9,707,229
6		
7	Staff Adjustments - Accepted by Company	(1,001)
8		
9	Adjusted Company ISRS Request	9,706,228
10		
11	Net Operating Loss Deferred Tax Asset Excluded by Staff	(827,383)
12		
13	Staff ISRS Recommendation	8,878,845