

The Raytown Water Company

10017 E. 63rd Street
Raytown, MO 64133

Notice of Virtual Public Hearing

June 16, 2020

example



CHAUDHURI BUILDING ACCT,
6225 RAYTOWN TRFY
RAYTOWN, MO 64133-3846

Book: 1 Account: 1001000

Notice of Virtual Public Hearing Regarding Proposed Rate Increase

Dear Valued Customer:

Raytown Water Company (RWC or Company) has done a good job in managing it's budget from the last rate case filed April 1, 2015. Simply put, inflation from all fronts has caught up with RWC over the last 5 years. We will continue with our mission of "providing safe and adequate drinking water" service to our Raytown and Independence Customers.

Please see below and the enclosed information from the Staff of the Missouri Public Service Commission (Staff) and the Office of Public Counsel (OPC) regarding the virtual public hearing to be held on July 9, 2020 at 12:15 p.m.

Per Commission Rule 20 CSR 4240-10.075(6), a local public hearing is required as a result of RWC's decision to initiate a Staff assisted rate case. However, due to the ongoing threat of the COVID-19 pandemic, the Commission will be holding a virtual public hearing regarding proposed changes to the customer rates and charges of RWC. The purpose of this virtual public hearing is to preserve, on the record, those who wish to provide comments to the Commission during the hearing.

The virtual public hearing will be held at 12:15p.m. July 9, 2020, via WebEx, in WR-2020-0264. WebEx allows participants to connect by telephone or via internet. Those who register to participate by internet must provide an email address, which must be included on the registrant list provided to the presiding officer. **You MUST register by 5 p.m. July 2, 2020, by contacting raytowncomments@psc.mo.gov.** Those who are registered to connect via internet will receive an email invitation with access information by no later than 5 p.m. July 6, 2020. Those who register to participate by phone will receive dial-in information when registration is confirmed.

A live audio web stream at the Commission's website, www.psc.mo.gov, will provide audio of the hearing for those who are not registered to participate.

In lieu of a live question-and-answer session at an in-person public hearing, the parties will answer questions from customers and the public as provided in the parties' joint proposal for public comment. The formal question-and-answer period shall end five days after the hearing, on July 14, 2020. All inquiries received by July 14, 2020, shall receive an appropriate response. Answers to inquiries after July 14, 2020, may be handled informally according to the parties' usual practices. Please utilize the following email address in order to submit your questions: raytowncomments@psc.mo.gov If any customers would like to submit written comments on the record in lieu of testifying at the virtual public hearing, those comments must be submitted by July 9, 2020. Customers can submit written comments to raytowncomments@psc.mo.gov.

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As the Company notified you by a letter dated March 3, 2020, the Company has filed revised tariff provisions to implement new rates for its water services, to reflect a change in the design of its customer rates. A table summarizing the Company's proposed revisions to its rates and charges, and including a monthly customer bill comparison for a residential customer using 4,000 gallons of water, is set out at the end of this notice.

Lastly, please be advised that all currently available information regarding the Company's rate increase request may be obtained via the Public Service Commission's Website as follows and please also note that this information will be updated as the case moves forward.

1. Go to www.psc.mo.gov
2. In the menu column on the right side of the page click on "Access EFIS Without Login".
3. Scroll down to "View Information on the Specific Case" and click on the "Docket Sheet" link.
4. From the Docket Sheet page, enter WR-202-0264 in the Case Number Field and press the Enter key on your keyboard (this will bring up a page that contains all of the documents that have been filed in the case to date.)
5. To view a particular document, click on the item number in the left column.
6. A second window will open, Click on the document link to view the document.

If you have any questions about this notice or about anything else which I may be of assistance, please feel free to contact me at 816-356-0333.

Sincerely,

Neal S. Clevenger



President/General Manager

<u>Type of Charge</u>	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Proposed Amount of Rate Change</u>
Monthly Minimum Charge	\$11.31	\$12.96	\$1.65
Monthly Commodity Charge (per 1,000 gallons)	\$7.11	\$8.15	\$1.04
Total Monthly Bill (Estimated 4k Gal Usage)	\$39.75	\$45.56	\$5.81



THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION

WHO WE ARE

The Staff of the Missouri Public Service Commission (Staff) is an independent body of professional accountants, engineers, financial analysts, economists, customer experience specialists, and attorneys that evaluate utility requests and provide recommendations to the Missouri Public Service Commission. Staff may not own utility stock or bonds, or have any other monetary interest in a regulated utility. Staff also abides by regulations that prevent them from having discussions with Commissioners about issues during the case, outside of an evidentiary hearing.

ACTIVITY DURING THE CASE – WR-2020-0264

On March 1, 2020 Raytown Water Company (Raytown) filed a request for an increase in rates for water. Staff is reviewing information provided by Raytown and conducting an investigation to determine not only what the annual revenues should be, but also if any operational changes are necessary. The regulations that govern this process require that Staff seek to obtain a settlement with Raytown so as to avoid the expense of an evidentiary hearing. If an agreement among the parties cannot be reached, this rate case will proceed to a hearing in the fall of 2020.

Rates are established to cover the cost to provide the utility service, plus an authorized amount of return on the Company's investment. In order to determine what costs should go into the rates, Staff is in the process of conducting a full audit of the Company's books and records, examining capital improvements made to the treatment facilities, reviewing customer service practices, and determining any operational changes or maintenance that may be necessary. Costs are determined based on current and previous expenses, not future expenses.

STAFF POSITION

As Staff is still conducting its investigation, and has not yet developed a final position on a recommended annual revenue requirement, and resulting changes in rates, your feedback is critical to this process.



Marc Poston
Public Counsel

State of Missouri

Mike Parson
Governor

Office of the Public Counsel
Governor Office Building, Suite 650
200 Madison Street
PO Box 2230
Jefferson City, MO 65102-2230

Telephone: 573-751-4857
Facsimile: 573-751-5562
Email: mopco@opc.mo.gov
Web: <https://opc.mo.gov/>

TO: Members of the Public
FROM: The Missouri Office of the Public Counsel
RE: The Consumer Advocate's Handout Regarding The Raytown Water Company's request to increase its rates for water and wastewater services (Missouri Public Service Commission case number WR-2020-0264)
DATE: June 16, 2020

Who is the Public Counsel:

The Public Counsel is a position within the state government created by the Missouri State Legislature. The Public Counsel employs a number of legal and technical experts that together form the Office of the Public Counsel (or "OPC"). The purpose of the OPC is to represent and protect the interests of the public in any proceedings before the Missouri Public Service Commission (which is a separate entity). The OPC is tasked with ensuring that the citizens of this State receive the best possible service at the most reasonable rates possible from the various publically regulated utility companies operating in Missouri.

What this case is about:

This case was initiated by The Raytown Water Company (or "Raytown"), who is seeking to increase the rates that it charges for water services.

The Office of the Public Counsel's assessment of this case:

Raytown is only permitted to recover the cost of improvements and other expenses that are "prudently" incurred. The OPC has undertaken an audit of Raytown's records and accounts to determine the prudence of the costs and expenses that Raytown is claiming as the reason for its requested rate increase. The OPC has identified several areas that pose a concern and is currently continuing its investigation.

Based on its initial review, the OPC is recommending that the Company not receive a rate increase at this time. It is very important to understand that this conclusion was based on the existence of several problems that the OPC's initial audit identified which may be alleviated if the OPC receives further information from the Company. Therefore, while the OPC's current recommendation is not to permit a rate increase, that might change as our investigation continues and certain questions that our audit uncovered are addressed.

The single largest area of concern for the OPC involves the cost of certain “lost water” which refers to water that is pumped into Raytown’s water system but then is not sold to customers. The OPC recognizes that there may be legitimate reasons for the existence of this lost water, including Raytown’s obligations to the City of Kansas City, and is currently evaluating what options may be available to address its concerns. This includes determining whether the issue might be resolved simply with a modification to how Raytown books or tracks certain costs.

In addition to the foregoing, the OPC is also seeking to ensure that Raytown is not using its water operations to subsidize its non-regulated business activities, is investigating whether the Company diligently sought all available means to recover the cost of certain equipment that was damaged or stolen, and is asking the Company to address certain concerns related to its new office space. These and several other issues will all be addressed as part of continuing negotiations with the Company and the Staff of the Public Service Commission as to what rate increase, if any, Raytown should receive.

What should you, as an individual, do in this case:

The most important thing for you as an individual member of the public to do in this case is to stand up and be heard. We want to hear from you, and this virtual local public hearing is the best place to do that. Both prior to and after the local public hearing, there will be made available means by which you can informally ask any or all of the parties any questions (or raise any concerns) you might have about this case or your water services in general. In addition, there will be an opportunity for you to speak directly to Commissioners and provide testimony that will become a part of the record in this case through a virtual format. This is likely to be your one and only chance to talk to the Commission directly and tell the Commissioners exactly how you feel about this case. Therefore, even if someone else has said everything that you wanted to say, you should tell the Commission you agree just so it knows that more than one person holds that opinion.

In addition to providing testimony you, or anyone you know who would like to, may also file written comments in this case by going to https://psc.mo.gov/General/Submit_Comments and accessing the links provided. Alternatively, you can mail or email any comments that you would like to give directly to the OPC, using the contact information at the top of this handout, and we will submit your comments to the Commission. Finally, if you want to stay informed about this case or read up on what has already been filed, you can access this case on the Commission’s Electronic Filing Information System (or “EFIS”). Just go to <https://psc.mo.gov/General/EFIS>, find the link for “Docket Sheet” under EFIS Shortcuts, and enter the case number for this case (WR-2020-0264) in the box provided to see everything filed in this case.