

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

In the Matter of Missouri-American Water	)	
Company's Request for Authority to Implement	)	Case No. WR-2015-0301
General Rate Increase for Water and Sewer	)	Case No. SR-2015-0302
Service Provided in Missouri Service Areas.	)	

**MISSOURI-AMERICAN WATER COMPANY'S RESPONSE TO OPC'S REPLY  
IN OPPOSITION TO MOTION FOR EXPEDITED TREATMENT**

COMES NOW Missouri-American Water Company (Missouri-American or Company), and for its response to the Office of the Public Counsel's (OPC) *Reply in Opposition to Motion for Expedited Treatment* respectfully states to the Missouri Public Service Commission (Commission) as follows:

1. On May 26, 2016, the Commission issued its *Report and Order* in the above-referenced matter. The Commission's *Order*, among other things, rejected the revised water and sewer tariffs which Missouri-American filed on July 31, 2015, initiating this matter and authorized Missouri-American to file tariffs sufficient to recover revenues as determined by the Commission and to otherwise comply with the *Order*.

2. On June 20 and 22, 2016, Missouri-American filed revised water tariffs and sewer tariffs, respectively, to comply with the Commission's *Order* (compliance tariffs). In addition, Missouri-American filed motions for expedited treatment and approval of the compliance tariffs requesting that the proposed tariff sheets become effective June 28, 2016, or as soon thereafter as is practicable. Copies of the compliance tariffs, as well as the *Motions for Expedited Treatment and Approval of Compliance Tariffs* were served on all parties of record, including OPC, on June 20, 2016, and June 22, 2016, respectively.

3. On June 24, 2016, OPC filed its *Reply in Opposition to Motion for Expedited Treatment*, claiming that it will not have sufficient opportunity to review the compliance tariffs and review work papers from Staff and/or Missouri-American that show how the rates were calculated. Accordingly, OPC urged the Commission to deny Missouri-American's *Motion for Expedited Treatment* of the compliance tariffs and "provide the public with the full statutory thirty (30) days to review the tariffs and provide feedback before those tariffs before those tariffs are considered by the Commission." (OPC Reply, ¶3.)

4. OPC's request should be denied, as it is nothing more than a delaying tactic that will unreasonably postpone Missouri-American's ability to receive additional revenues to which the parties have agreed, and the Commission has decided, Missouri-American is entitled.

5. Public Counsel states in support of its opposition to *Motion for Expedited Treatment* that the majority of Missouri-American customers are likely unaware of the Commission's rate consolidation decision and the impact that decision will have upon their rates. (OPC Motion, ¶4.) However, the Company proposed the consolidation of its water and sewer districts in its initial filing on July 31, 2015. Moreover, the issue of district consolidation was thoroughly discussed and debated, both in the context of written, prepared testimony and the public and evidentiary hearings held in this matter. At the time of the evidentiary hearing in this matter, there were at least five different proposals for district consolidation, including one proposed by OPC.<sup>1</sup> The rate impacts for each of these consolidation proposals was provided in MAWC Exhibits 48R1, 49R1, 50R1, 51R1 and 53R1. It is, therefore, misleading and disingenuous to suggest that the

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<sup>1</sup> See the *Non-Unanimous Stipulation and Agreement on Rate Design, District Consolidation and Sewer Revenue*.

public is not well aware of the issue of district consolidation and the impact such consolidation will have on customer rates.

6. Next, Public Counsel erroneously quotes §393.150 RSMo. for the proposition that “compliance” tariffs require 30-days’ notice to the Commission and thirty (30) days publication to inform the public of the rate change. (OPC Motion, ¶4.) OPC’s quote comes from §393.140(11). What Public Counsel fails to acknowledge is that this statute clearly provides that the Commission “for good cause shown may allow changes without the thirty days’ notice under such conditions as it may prescribe.” In the instant case, the tariffs initiating this case filed on July 31, 2015, contained a 30-day notice as required by §393.150 RSMo. The Commission further suspended those tariffs an additional ten months, again in accordance with the terms of §393.150. Thus, the rate design issues in the case have been fully vetted and the Commission has now issued its *Report and Order*. The instant tariff filings do nothing more than comply with the directives contained in the Commission’s *Order*. There is no reason to require the Company to postpone implementation of those compliance tariffs for a full thirty (30) days when they simply implement the directive of the Commission.

7. OPC also complains that the revised tariffs require complex rate adjustments that demand additional time for review, implying that the Commission’s decision was somehow a surprise and unknown to the parties. (OPC Motion, ¶4.) On the contrary, the overall revenue requirement increase approved by the Commission was the subject of a Non-Unanimous Stipulation among the parties and to which the OPC was a signatory. The adjustment to the monthly customer charge was an issue that was fully litigated among the parties and the Commission arrived at a customer

charge rate that was within a range of rates proposed by the parties. The consolidation of districts was also fully litigated by the parties, as all of the parties proposed some form of district consolidation. And, the Commission chose the district consolidation proposal of Staff, so this result should come as no surprise to OPC or any party. The adoption of a statewide customer charge was likewise not a surprise, as that was proposed by the Company in its initial filing and fully litigated, as was the restructuring of the volumetric rates to a single, uniform block rate for each customer class. While OPC may not agree with the ultimate decision of the Commission, it cannot, in good conscience, say that all of the "rate adjustments" adopted by the Commission were a surprise, as each and every one of them were proposed by one or more parties to the case.

8. Finally, Public Counsel states that it has requested the work papers calculating the compliance tariffs from Staff and MAWC, but those parties have not responded. First, it is important to note that OPC did not request the work papers until after 5 p.m. on Thursday, June 23, 2016. Those work papers were provided to Public Counsel Monday morning, June 27, 2016. Moreover, the Company provided to Public Counsel on or about April 5, 2016, Excel spreadsheets it used to calculate the various rate scenarios contained in MAWC exhibits 48R1, 49R1, 50R1, 51R1 and 53R1. Accordingly, Public Counsel had the means to perform its own rate calculations since it had the overall revenue requirement that had been agreed to by the parties, as well as the billing determinants (which identify the number of customers and the volumetric consumption levels by customer class by district).<sup>2</sup>

9. Again, it is disingenuous for Public Counsel to claim it does not have

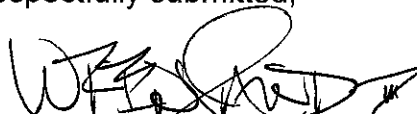
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<sup>2</sup> See *Non-Unanimous Partial Stipulation and Agreement* filed March 24, 2016.

sufficient time to review the compliance tariffs when it waited four days to request the work papers supporting the tariff filing and, more importantly, it already had the means and the information necessary to perform the rate calculations on its own.

WHEREFORE, in light of the foregoing, the Company respectfully requests the Commission deny Public Counsel's request that Missouri-American's water and sewer compliance tariffs not be allowed to go into effect on less than thirty (30) days' notice.

Respectfully submitted,



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ATTORNEYS FOR MISSOURI-AMERICAN  
WATER COMPANY

### CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail on June 28, 2016, to counsel for the parties to Case No. WR-2015-0301.

