

BEFORE THE MISSOURI 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-2022-0303
A General Rate Increase for Water and Sewer)
Service Provided in Missouri Service Areas)

STATEMENT OF POSITIONS OF
THE MISSOURI INDUSTRIAL ENERGY CONSUMERS

COMES NOW the Missouri Industrial Energy Consumers ("MIEC") by and through counsel, and files its Statement of Position as follows:

Issue 13: Class Cost of Service

What is the appropriate allocation of revenue requirement among the rate classes of each company? Should the Commission utilize the Class Cost of Service Studies filed in this case to determine the appropriate allocation of the revenue requirement to the various customer classes? If so, what should be the allocation of the revenue requirement to the various customer classes? If so, what should be the allocation of the revenue requirement to each class? How should the revenues associated with special contracts be treated in developing the class cost of service?

The Commission should adopt the Company's COSS with the modifications recommended by MIEC witness Jessica York

Ms. York's modifications are necessary because the Company's COSS model structure does not produce an accurate measure of the cost of providing service to each customer class. The Company's COSS over-allocates distribution system costs to Rate J customers primarily due to the use of inappropriate distribution multipliers, and an inaccurate split of costs between the transmission and distribution functions (York Rebuttal p. 17).

The Staff's COSS models for both St. Louis County and non-St. Louis County customers are flawed, inaccurate and should not be relied upon as the basis for revenue apportionment in this case. The Staff's Cost of Service study has used data points which have not been explained or supported. As a result, Staff's COSS does not produce an accurate measure of the cost of providing service to each customer class should not be used as the basis of revenue apportionment for rate design in this case. (York Rebuttal, p. 2-3). Additionally, if special contract customers cannot receive a rate increase, the remaining revenue deficiency across the customer classes that are not capped at 1.25x the district average and that would receive increases below the system average. (York Rebuttal, p. 16).

Issue 14: Rate Design

The Company's proposal for consolidating the St. Louis County and non-St. Louis County districts should be rejected, and the current two-structure should be maintained. Additionally, the Commission should reject the Company's proposal for consolidated tariff pricing (CTP), and instead maintain the two pricing districts approved by the Commission in the last rate case. The cost of service for St. Louis County Rate J customers is less than the cost of service for Rate J outside St. Louis County. The Company's proposal for customers outside of St. Louis County to pay rates that are higher than industrial customers in St. Louis County would distort the cost of service for St. Louis County customers, is inequitable and should be rejected.

Respectfully submitted,

Curtis, Heinz, Garrett & O'Keefe, P.C.

By: /s/ Diana M. Plescia

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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been served on all parties.

/s/ Diana M. Plescia