

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

In the Matter of Missouri-American Water)
Company's Request for Authority to Implement)
A General Rate Increase for Water and Sewer)
Service Provided in Missouri Service Areas)
File No. WR-2011-0337

STAFF RECOMMENDATION

COMES NOW the Staff of the Missouri Public Service Commission, by and through counsel and, for its recommendation, states:

1. On October 1, 2013, Missouri-American Water Company ("MAWC") filed a motion before the Commission seeking a waiver from its obligation to report certain billing information for May 2013. This reporting obligation (hereinafter referred to as "Reporting Requirements") was agreed to in the Non-Unanimous Stipulation and Agreement in Case No. WR-2011-0337, Item 11(B) which states:

The Company will provide to Staff monthly and quarterly data to the Manager of the Engineering and Management Services Unit (corresponding with its monthly and quarterly billed customers) identifying the number of bills issued outside the 26-35 day period for monthly billed customers and no more than 100 days for a quarterly billed customer.

2. In its Motion, MAWC stated that it would resume this reporting beginning with the June 2013 report and, relying on this assurance, Staff made no objection.

3. On October 30, 2013, the Commission issued its *Order Granting Waiver*, waiving MAWC's obligation to follow the Reporting Requirements for May 2013 with the understanding that reporting would resume with the June 2013 report.

4. On March 5, 2014, MAWC filed a second motion before the Commission seeking another waiver from its obligation to fulfill its Reporting Requirements for the entire period of May 2013 to June 2014. That same day, the Commission issued an

Order Setting Deadline for Filing, which directed objections for a waiver/variance be filed no later than March 21, 2014 and directed Staff to file a recommendation on MAWC's motion no later than March 21, 2014.

5. In compliance with the Commission's *Order*, Staff hereby recommends the Commission deny MAWC's request for this waiver. The Commission has already granted one variance with regard to these Reporting Requirements and, at that time, MAWC made assurances to both Staff and the Commission that it could and would resume its obligation to provide this information beginning with the June 2013 report. However, MAWC has failed to comply with the Reporting Requirements since the variance for May 2013 was granted. Moreover, MAWC has not given an explanation for its inability to provide this data for the last ten months (May 2013 through February 2014, inclusive), apart from ambiguous statements regarding its Business Transformation system conversion.

6. 4 CSR 240-13.015(1)(C) specifically defines a normal billing period as being not less than 26 nor more than 35 days for monthly billed customers and no more than 100 days for quarterly billed customers. Staff has strong concerns about MAWC's inability to monitor and report the number of customer bills issued outside of the normal billing period, particularly in light of the fact that Staff has already observed that it has resulted in overbilling of some customers. The Reporting Requirements are both reasonable and necessary to permit Staff and the utility to ensure that customers receive timely and accurate bills and that MAWC is in compliance with the rules and regulations of this Commission. The 26 to 35 day billing issue has also been recently addressed in the *Staff Report* filed March 14, 2014, in File No. WC-2014-0138.

WHEREFORE, Staff recommends the Commission deny MAWC's request for a variance or waiver of its obligation to comply with these Reporting Requirements.

Respectfully submitted,

/s/ Whitney Hampton

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CERTIFICATE OF SERVICE

I certify that a true and accurate copy of the foregoing was mailed, electronically mailed, or hand-delivered to all parties to this cause on this 20th day of March, 2014.

/s/ Whitney Hampton