



removed include:

1. Repairs to customer owned appliances and equipment of \$15,100
2. Duplicate charges of \$24,586
3. Installation of new service lines of \$22,708
4. Customer owned lead service line replacement costs (beyond the \$63,295 already removed by both MAWC and Staff) of \$48,508.

5. In its Petition, MAWC also sought “to recover all state, federal and local income or excise taxes applicable to such ISRS income and to recover all other ISRS costs such as depreciation expense and property taxes due within 12 months of this filing.” Again Staff correctly did not include property taxes “as there will be no property tax liability from MAWC due within the next 12 months related to this ISRS investment.” Memorandum p. 4.

6. It seems logical to think MAWC would be aware of the fact that it would have no property tax liability due on this investment in the next 12 months, so this cost should not have been included in the verified petition.

7. In MAWC’s next ISRS filing Public Counsel intends to pursue review of the company’s Main Replacement Program. In response to OPC Data Request 1, the Company responded that their Main Replacement Program “is not a physical document rather it is maintained (in a system called) ArcGIS Online.”

8. MAWC suggests, and Public Counsel will arrange a mutually agreeable time with the Company to review the program at MAWC’s facility in St. Louis.

9. In response to OPC Data Request 2, when asked how the Company determines the priority of replacement, MAWC indicated that “[t]he condition of the water main is evaluated when a main is repaired due to a water main break.” MAWC employees “inspect the water main during the repair and determine if it is deteriorated or worn out.” Public Counsel recommends MAWC keep records of the findings from the inspection including but not limited to a full

description of the results of the inspection, including but not limited to ID and OD measurements, photographs of the worn out or deteriorated pipe, and any other evidence of the condition of the pipe which forms the basis for ISRS eligibility.

**WHEREFORE** Public Counsel offers this response to the Staff's Recommendation.

Respectfully submitted,

OFFICE OF THE PUBLIC COUNSEL

/s/ Lera Shemwell

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**CERTIFICATE OF SERVICE**

We hereby certify that a true and correct copy of the foregoing was served, either electronically or by hand delivery or by First Class United States Mail, postage prepaid, on this 29th day of October, 2018, with notice of the same being sent to all counsel of record.

/s/ Lera Shemwell