BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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In the Matter of Missouri-American Water Company's Request for Authority to Implement General Rate Increase for Water and Sewer Service Provided in Missouri Service Areas.

Case No. WR-2022-0303

<u>NON-UNANIMOUS STIPULATION AND AGREEMENT ON</u> <u>CLASS COST OF SERVICE AND RATE DESIGN</u>

COME NOW the Midwest Energy Consumers Group ("MECG"), the Staff of the Missouri Public Service Commission ("Staff"), the Office of the Public Counsel ("OPC"), the Missouri Industrial Energy Consumers ("MIEC"), Public Water Supply District No. 2 of Andrew County"), and Consumers Council of Missouri, by and through their respective counsel, and, for their Non-unanimous Stipulation and Agreement on Class Cost of Service and Rate Design ("CCOS Stipulation"), respectfully state as follows to the Missouri Public Service Commission ("Commission"):

1. This Stipulation is being entered into for the purpose of settling issues 13 (Class Cost of Service) and 14 (Rate Design), as described in the *Amended List of Issues, List and Order of Witnesses, Order of Opening, and Order of Cross-Examination* in this case.

2. Admission of Testimony: The Signatories consent to the admission of, and request that the Commission admit into the record in this proceeding, without the need for witnesses to take the stand, all written testimony that has been filed herein.

3. As a result of extensive settlement discussion, the Signatories agree that for purposes of setting rates, the revenue requirement increase for each customer class should be as follows:

St. Louis County District (District 1)

Rate A	\$ 70,274,077
Rate B	\$ 161,566
Rate J	\$ 1,502,011
Private Fire	\$ 1,039,612

Other District (District 2)

Rate A	\$ 20,034,914
Rate B	\$ 113,178
Rate J	\$ 766,108
Private Fire	\$ 424,623

4. The Water and Sewer Infrastructure Rate Adjustment ("WSIRA") mechanism rate should be reset to zero as agreed in the revenue requirement stipulation in accordance with § 393.1509.6 RSMo.

5. The revenue requirement increase to Rate J in both District 1 and District 2 will be recovered 50% from the customer charge for customers in that class who have a 4" or larger meter with the remaining 50% recovered through the commodity charge. For those Rate J customers whose meter is smaller than 4", the currently applicable meter charges shall remain in place.

6. For Rate A and Rate B, in both District 1 and District 2 the currently applicable meter charges shall remain in place.

7. In the next rate case MAWC should file its two-step cost of service analysis filed

in this case and will file an additional cost-of-service analysis based on a single step allocation process to customer class that was used in Case No. WR-2017-0285 (referred to as the GF model). The Company should benchmark the two modeling approaches which will include a comparison of allocated costs by function and classification, as well as a detailed discussion of the differences between models.

8. The Arnold sewer revenues are to increase by \$316,071 and the other sewer revenues are to increase by \$1,550,740.

WHEREFORE, the Signatories respectfully request the Commission to issue an Order approving this Stipulation and Agreement and authorizing the Company to file tariffs to implement the terms hereof.

Respectfully,

<u>/s/ Tim Opitz</u>

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, emailed or hand-delivered to all counsel of record this 8th day of March 2023:

/s/ Tim Opitz