

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the matter of the Petition of)
Missouri-American Water Company for) CASE NO. WO-2013-0406
Approval to Change its Infrastructure) TARIFF NO. YW-2013-0376
System Replacement Surcharge (ISRS).)

NOTICE OF AGREEMENT

COMES NOW Missouri-American Water Company (MAWC or Applicant), and hereby notifies the Missouri Public Service Commission (Commission) of MAWC's Agreement with the Commission Staff (Staff) Recommendation filed on May 2, 2013:

1. On May 2, 2013, the Staff filed a Recommendation that contained a Memorandum describing Staff's review of MAWC's Petition.
2. Having reviewed the May 2, 2013 Staff Recommendation, Memorandum and attachments thereof, MAWC hereby notifies the Commission that it does not object with the rates recommended in the Staff Memorandum and asks that the Commission issue an order as requested by the Staff.
3. However, the Company notes the following language was included in the Staff recommendation: "Staff is proposing to include additional deferred income tax reserves through the month of the effective date of rates in this ISRS case to better reflect the actual levels that will exist for these items at that time. In its original filing, Company included and Staff agrees with reflecting additional depreciation reserves through the month of the effective date of rates in this case." Company notes that the effective date of rates in this case will not be known until after the Commission order is issued establishing the effective date of new ISRS rates. The Company agrees with Staff's approach that in order to match investment with accumulated depreciation and accumulated deferred taxes, those account balances should be updated to a

consistent date as late in the process as is possible. That date is generally referred to as the "true-up date". The true-up date utilized by both Company and Staff for all three referenced accounts was March 31, 2013.

4. The Commission previously suspended MAWC's proposed ISRS tariff sheet (YW-2013-0376) until July 27, 2013. Because there appears to be no necessity for a hearing, MAWC would ask the Commission to act at its earliest convenience.

WHEREFORE, for the foregoing reasons, MAWC respectfully request the Commission consider this Notice of Agreement and thereafter issue an Order authorizing MAWC to file a tariff sheet that corresponds to the Infrastructure System Replacement Surcharge identified in the Staff Recommendation.

Respectfully submitted,

/s/ John J. Reichart

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ATTORNEY FOR
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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail on May 13, 2013, to the following:

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