

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

In the Matter of the Petition of)
Missouri-American Water Company for) **File No. WO-2015-0211**
Approval to Change its Infrastructure)
System Replacement Surcharge (ISRS))

MAWC’S STATEMENT OF POSITION

COMES NOW Missouri-American Water Company (MAWC) and, for its Statement of Position concerning the issues contained in the *List of Issues, List and Order of Witnesses, Order of Opening and Order of Cross-Examination* filed on May 22, 2015, states as follows to the Missouri Public Service Commission (Commission):

I. Revenue Reconciliation and 10% Cap

Should the amount of ISRS revenues authorized by the Commission associated with reconciliation of prior under or over collections be included or excluded from the ISRS revenue cap calculation for MAWC in this proceeding?

MAWC Position: Sections 393.1000 to 393.1006, RSMo do not provide for inclusion of prior under recovery/reconciliation amounts in the ISRS revenue cap calculation. Accordingly, the Commission should authorize MAWC to change its ISRS rate so that it is designed to produce additional ISRS revenues of \$1,919,991. To rule otherwise, would deny MAWC recovery of amounts associated with new investment for no reason other than the fact that prior ISRS rates were set assuming a usage level greater than that which MAWC has experienced, resulting in collection of less than what was authorized by the Commission. Further, Staff’s approach would endorse what is essentially a moving cap – a cap that would provide for the recovery of greater or lesser amounts based upon over or under collection of ISRS revenues in past periods.

Tinsley Dir., p. 2-7;
Tinsley Reb., p. 1-3.

II. Regulatory Asset

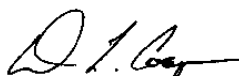
If MAWC is prohibited from recovering ISRS amounts due to the application of the ISRS cap, should it be authorized to record its under recovery in a regulatory asset account for consideration in MAWC's next rate case, or next ISRS filing after its ISRS has been set to zero?

MAWC Position: If Staff's approach is upheld by the Commission, the Commission should authorize MAWC to record its \$1,665,202 of under recovery due to prior reconciliation in a regulatory asset for consideration in MAWC's next rate case, or its next ISRS filing after its ISRS has been set to zero.

Tinsley Dir., p. 8;
Tinsley Reb., p. 3-4.

WHEREFORE, MAWC respectfully requests that the Commission consider this Statement of Position.

Respectfully submitted,



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ATTORNEYS FOR MISSOURI-AMERICAN
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CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 26th day of May, 2015, to:

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