

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

In the Matter of a Working Case to Consider    )  
Proposals to create a Revenue Decoupling    )     File No. AW-2015-0282  
Mechanism for Utilities.                            )

**SUGGESTED COMMUNICATION**

**COMES NOW** Missouri-American Water Company (MAWC) and, suggests the following communication in conjunction with Staff’s investigation:

1.     The Missouri Public Service Commission (Commission) “opened this file to facilitate Staff’s efforts to investigate the structure and operation of possible revenue decoupling mechanisms for use in Missouri.”

2.     Because MAWC’s parent, American Water Works Company, Inc., has subsidiaries around the country, MAWC has opportunities to become somewhat familiar with regulatory efforts in other states. One of these efforts that is relevant to this working case is the Water Revenue Adjustment Mechanism (WRAM) that has been approved by the California Public Utility Commission (CPUC).

3.     The WRAM and the Modified Cost Balancing Accounts (MCBA) were first implemented in 2008 and were developed as part of a pilot program to promote water conservation. The CPUC adopted the mechanisms as part of conservation rate design pilot programs. The goals of the WRAM/MCBA are to sever the relationship between sales and revenue to remove any disincentive to implement conservation rates and programs; ensure cost savings are passed on to ratepayers; and reduce overall water consumption.<sup>1</sup> Because the CPUC has this experience with a decoupling approach,

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<sup>1</sup> California Office of Ratepayer Advocates (<http://www.ora.ca.gov/wram.aspx>).

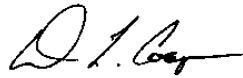
MAWC believes that it would be helpful for Staff to have the opportunity to discuss this mechanism with a CPUC Staff member.

4. Accordingly, MAWC has identified Raminder (Rami) Kahlon, Director, Division of Water and Audits, of the CPUC, as a possible contact for this purpose. Mr. Kahlon may be contacted at 415.703.1837, or [reminder.kahlon@cpuc.ca.gov](mailto:reminder.kahlon@cpuc.ca.gov).

5. MAWC's President, Frank Kartmann, has made initial contact with Mr. Kahlon and, in the alternative to Staff contact, would be happy to facilitate an opportunity for a teleconference with Mr. Kahlon that would allow for participation by all interested parties in this working case. MAWC looks forward to working with Staff and other interested parties to add this information to the process.

**WHEREFORE**, MAWC respectfully requests that, as a part of its investigation, the Staff contact Mr. Kahlon to discuss the CPUC's experience with its WRAM/MCBA.

Respectfully submitted,



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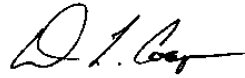
**ATTORNEYS FOR MISSOURI-AMERICAN  
WATER COMPANY**

**CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail or by U.S. Mail, postage prepaid, on August 18, 2015, to the following:

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