

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

In the Matter of Missouri-American Water)
Company's Request for Authority to)
Implement General Rate Increase for) **File No. WR-2017-0285, et al.**
Water and Sewer Service Provided in)
Missouri Service Areas)

POSITION STATEMENT
OF
PUBLIC WATER SUPPLY DISTRICT NOS. 1 AND 2
OF ANDREW COUNTY

COME NOW Intervenors Public Water Supply District Nos. 1 and 2 of Andrew County ("Water Districts ") and, pursuant to the Commission's *Order Assigning Evidence Blocks and Directing Parties To Include Citations for Position Statements* entered February 13, 2018 and *Order Modifying Deadline To File Statement of Positions* entered February 20, 2018, state their positions on the following issues in this matter:

The "List of Issues, Order of Witnesses, Order of Cross-Examination and Order of Opening Statements," filed by the Staff on behalf of all of the parties on February 15, 2018, sets forth thirty-four (34) topical issues and sub-issues. The Water Districts intend to participate in the Revenue Stabilization Mechanism (RSM) and Water Rate Design portion of the case, in particular, Issues 30 and 31. While the Water Districts will not actively participate in addressing the revenue requirement issues in this proceeding, they request that the Commission carefully consider the rate impacts that they have absorbed in past cases.

30. Revenue Stabilization Mechanism (RSM)

a. Should the Commission adopt a Revenue Stabilization Mechanism?

Position: The Water Districts oppose the adoption of a Revenue Stabilization Mechanism in this proceeding. Should such a mechanism be adopted, it should not apply to the large volume sale for resale class. Applicability to only the residential and commercial classes would be more consistent with the mechanism statutorily authorized for the natural gas utilities, as found in Section 386.266.3. (See, Water District Exhibit 675, Rebuttal Testimony of Donald Johnstone, p. 8.)

31. Water Rate Design

(Inclusive of sub-issues “a” – “i”)

Position: Continued movement to a company-wide consolidated rate would produce a rate that better reflected the cost as defined in the historical context of the Water District Intervenors and the St. Joseph District. It would also reflect the consolidation policy of the Commission, as reported in WR-2015-0301.

There should be only one Rate B (sale for resale class) that would be applicable to all service areas; the Commission should reject the Company’s proposal that would maintain nonconsolidated rates to be applicable to sale for resale customers (*i.e.*, one rate for District 1 and one rate for District 2 and District 3 customers).

The Water Districts reserve the right to inquire into all the various sub-issues at hearing and to formulate final positions thereon. (See, Water District Exhibit 675, Rebuttal Testimony of Donald Johnstone, pp. 2-7.)

The Water Districts reserve the right to cross-examine witnesses and to file a post-hearing brief on any issue in this case.

Respectfully submitted,

/s/ **Larry W. Dority**

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CERTIFICATE OF SERVICE

I hereby certify that true copies of the foregoing document has been e-mailed on this 21st day of February, 2018, to all counsel of record.

/s/ Larry W. Dority

Larry W. Dority