

To: The Missouri Public Service Commission

From: OPC Witness Ms. Keri Roth

Date: 9/4/2018

**RE: WM-2019-0018
MEMORANDUM ON RATE COMPARISON
BETWEEN WATER SERVICE RATES AND SEWER SERVICE RATES**

I have done an analysis, which concludes that adopting the Missouri-American Water Company's tariffed rates for non-St. Louis County would result in the highest average net increase in rates compared to adopting Rogue Creek Utility's existing rates or adopting Missouri-American Water Company's tariffed rates for the City of Lawson.

As the foundation for my conclusion, I have reviewed (i) the Rogue Creek Utility (RCU)'s tariffed rates, (ii) the Missouri-American Water Company's tariffed rates for the City of Lawson (Lawson), and (iii) the Missouri-American Water Company's tariffed rates for non-St. Louis county residents (MAWC).

I ran three different scenarios assuming usage of 2,000, 3,000, or 4,000. In every scenario, the MAWC sewer rate was higher and the MAWC water rate was lower resulting in a net increase in the average customer's utility bill. In assessing the average net impact for each customer, I also have reviewed Staff's Official Case File Memorandum, and on page 2 of 13, the Staff's Memorandum indicates that all RCU customers take water services and sewer services. Therefore, my analysis of the average net impact on a customer did not weigh one service greater than another because customers take both services.

From my review, I conclude that the average customer of RCU will see a net increase between \$4.63 and \$9.25 in their utility bill if the Commission adopts the MAWC rate for non-St. Louis County residents. On the other hand, if the Commission adopts Lawson rates, total bills are likely to decrease between \$29.24 to \$8.06 per month. In support of my conclusions, I have prepared a chart that compares each scenario, which shows as follows:

WATER							
	Customer Charge	Commodity Charge per 1,000 gal		2,000 use	3,000 use	4,000 use	
RCU	\$ 23.06	\$ 3.89		\$ 30.84	\$ 34.73	\$ 38.62	
Lawson	\$ 23.33	\$ 10.28 **		\$ 33.61	\$ 43.89	\$ 54.17	
MAWC	\$ 9.00	\$ 6.25		\$ 21.50	\$ 27.75	\$ 34.00	

**Lawson customer charge includes the first 1,000 gallons

SEWER

	Customer Charge	Commodity Charge per 1,000 gal		2,000 use	3,000 use	4,000 use
RCU	\$ 44.16	n/a		\$ 44.16	\$ 44.16	\$ 44.16
Lawson	\$ 7.95	\$ 4.20 **		\$ 12.15	\$ 16.35	\$ 20.55
MAWC	\$ 58.13	n/a		\$ 58.13	\$ 58.13	\$ 58.13

**Lawson customer charge includes first 1,000 gallons