BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of S.K. & M. Water and Sewer) Company's Application for an Increase in) Annual Sewer System Operating Revenues) In the Matter of S.K. & M. Water and Sewer) Company's Application for an Increase in) Annual Water System Operating Revenues) File No. SR-2022-0239 File No. SR-2022-0239

UPDATE REGARDING INITIAL CUSTOMER NOTICE

COMES NOW the Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and states the following:

1. On March 8, 2022, SK&M initiated rate cases¹ with the Missouri Public Service Commission ("Commission") in which it requested an increase of \$4,000 in its annual water system operating revenues and \$8,000 in its annual sewer system operating revenues.

2. In the Non-Unanimous Agreement Regarding Disposition of Small Utility Company Revenue Increase Request in Case No. SR-2019-0157, SK&M agreed to complete tasks by stated deadlines in order to collect an Environmental Improvement Contingency Fund ("EICF") charge from its customers, pursuant to 20 CSR 4240-10.095. SK&M is the first company authorized to collect an EICF charge.² SK&M agreed to file the present rate case by January 31, 2022.

¹ Case Nos. SR-2022-0239 and WR-2022-0240, respectively.

² SK&M is authorized to use the proceeds of this fund to pay for some deferred maintenance activities, but the primary purpose for this additional charge added to rates is to pay for an engineering report to determine the best solution to several environmental problems with the drinking water and sewer systems. To date, SK&M has failed to provide the engineering report, nor has it regularly filed the quarterly reports it agreed to file showing monthly EICF funds received, deposits to the escrow account, expenditures, and end of the month balances. While COVID impacted the company's ability to comply with the requirements of the Commission's *Order*, it should have been possible to complete this task some time ago.

3. On March 10, 2022, Staff filed a *Rate Case Timeline* in in each matter specifying due dates for the activities required by the Commission's Staff Assisted Rate Case Procedure.³

4. According to the *Rate Case Timeline*, an initial customer notice and notice of a public hearing were scheduled to be mailed to customers and filed in EFIS by SK&M no later than March 28, 2022.

5. Staff stated in its *Pleading Regarding Initial Customer Notice*, filed March 28, 2022, that SK&M would mail two notices to its customers, because as of that date, the Commission had not ordered a local public hearing date. As originally planned, the first mailing would have been mailed March 28, 2022 to comply with the timeline. It would include the information required in 20 CSR 4240-10.075(7)(A), except for the time, date, and location of the local public hearing. A second mailing would include the local public hearing time, date, and location once the Commission ordered it.

6. A final draft of the first notice, approved by Staff, the Office of the Public Counsel ("OPC"), and SK&M, was emailed to SK&M on March 26, 2022. SK&M did not mail the notice March 28, 2022.

7. On March 29, 2022, the Commission ordered that the local public hearing be held on April 21. In response to this order, and since SK&M had not sent out the required customer notice, Staff then prepared a revised draft customer notice to include all information required in 20 CSR 4240-10.075(7)(A), and sent it to SK&M on March 30, 2022.

³ 20 CSR 4240-10.075.

8. Staff has attempted to facilitate communication with SK&M prior to this filing and since the filing of these cases, and worked with SK&M and OPC to incorporate the local public hearing date into the initial notice

9. To the best of Staff's knowledge, as of the date of this filing, SK&M has not sent an initial customer notice to its customers.

10. Staff will continue to try to work with SK&M to see that the customer notice is sent and the rate case progresses appropriately. However, if further efforts are not successful, Staff reserves the ability to pursue any necessary remedies against SK&M, up to and including the filing of a complaint against SK&M.

WHEREFORE, Staff submits this pleading for the Commission's information and consideration.

Respectfully submitted,

<u>/s/ Casi Aslin</u>

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was delivered to the parties and/or their counsel of record by U.S. Postal Service postage prepaid, or by hand, or served electronically, on this 5th day of April, 2022.

<u>/s/ Casi Aslin</u>