

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

In the Matter of the Application of	)	
Missouri-American Water Company for an	)	<u>File No. WU-2017-0351</u>
Accounting Authority Order Related to Property	)	
Taxes in St. Louis County and Platte County	)	

**ST. LOUIS COUNTY'S STATEMENT OF  
POSITION ON THE ISSUES**

COMES NOW St. Louis County, Missouri and for its Statement of Position concerning the  
List of Issues submits as follows:

1. Should the Commission grant MAWC the Accounting Authority Order it has  
requested in this case?

**A. St. Louis County's Position. No.** MAWC has asserted that in late May and early  
June, 2017, MAWC was first notified by St. Louis County that the way in which it had previously  
assessed MAWC's property for property tax purposes for at least ten (10) years was  
dramatically changing. This is untrue. First, St. Louis County never assessed MAWC's property  
because MAWC is a self-reporting utility so that St. Louis County relied on MAWC for the  
assessment of MAWC's property located in St. Louis County. Second, MAWC was notified long  
before May, 2017 that the 20 year recovery period would be based on the class-life of the  
equipment as set out in the MACRS ("MACRS" being Modified Accelerated Cost Recovery  
System) table under the IRS Code, per Statute 137.122 R.S.Mo. and not the 7 year recovery  
period that MAWC was using. As a self-reporting utility, St. Louis County relied on MAWC's  
assessment of its personal property located in St. Louis County. For other counties located in  
Missouri, MAWC was using the proper assessment in its reporting of its property located in

those counties. Why MAWC failed to properly assess its personal property located in St. Louis County is unclear.

As early as March 19, 2007 by e-mail, Karen Leahy of St. Louis County informed Tammy Frost of Sansone, the tax representative for MAWC, how MAWC was to assess its personal property in St. Louis County. Ms. Leahy informed Ms. Frost that

“If you have depreciated the locally assessed personal property items in the past using our depreciation schedules, I see no reason why the 06 acquisitions shouldn’t be depreciated using the new recovery schedules. This would seem consistent with how we have been doing it. I have used the existing schedules to locally assess the railroads and other utility companies that report to us also, and will apply the 06 rates.” See

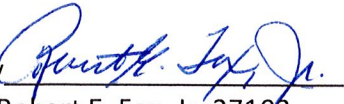
**Surrebuttal Testimony of John R. Wilde on Behalf of MAWC, ST\_JWR-Property Tax AAO\_Schedule 4, Case No. WU-2017-0351.**

MAWC’s assertion that the tax increase for St. Louis County is unusual and extraordinary is false. MAWC should have been reporting its personal property located in St. Louis County at the proper assessment rate since 2008, and as a self-reporting utility, it failed to do so. MAWC has no one to blame but itself for the position it finds itself in with regards to St. Louis County. MAWC has pooled the tax increase of the 50 year recovery period of Platte County with St. Louis County, which is extremely misleading. St. Louis County is only requiring MAWC to assess its property at the rate it was required to do so under 137.122 R.S.Mo. since 2008.

**As to the remaining issues, St. Louis County expresses no opinion.**

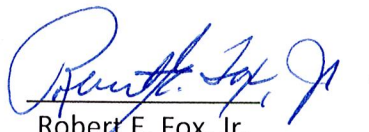
Respectfully Submitted

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**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 October 30, 2018, to all counsel of record.

  
Robert E. Fox, Jr.