

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

In the Matter of Missouri-American)
Water Company for a Certificate of)
Convenience and Necessity Authorizing)
it to Install, Own, Acquire, Construct,) File No. WA-2021-0376
Operate, Control, Manage and Maintain)
a Water System and Sewer System in)
and around the City of Eureka, Missouri.)

MAWC’S REPLY TO STAFF’S RESPONSE TO ORDER

COMES NOW Missouri-American Water Company (“MAWC” or “Company”), by and through the undersigned counsel, and, as its *Reply to Staff’s Response to Order*, states as follows to the Missouri Public Service Commission (“Commission”):

1. On December 29, 2021, the Commission issued its *Order Directing Applicant to Supplement Application*, wherein, among other things, it stated that “[i]n reviewing the documents filed in this matter, the Commission does not find any Flinn Engineering reports. The Commission will order that any and all versions of the report be filed.”

2. On December 30, 2021, MAWC filed its response to that Order and identified where the reports could be found in the field testimony.

3. On January 3, 2022, Staff filed its *Response to December 29, 2021 Order Re the Flinn Engineering Report*. Attached thereto as Appendix A and Appendix B were the Flinn Reports dated January 18, 2020 and March 16, 2020. In its *Response*, Staff called attention to the differing estimated residual values found in the January 18, 2020 and March 16, 2020 Flinn Reports.

4. This difference in the residual values is explained by MAWC, in its response to DR 35, included as Schedule BWL-3 in the Direct Testimony of Brian LaGrand (as referenced in MAWC's December 30, 2021 Response):

As with many municipal systems, records of construction are rare and therefore the age of the system infrastructure is difficult to determine. The January 18, 2020 report was revised in the March 16, 2020 report to address additional information obtained related to the age of the infrastructure in the Eureka water and sewer systems. This consisted mainly of GIS data and historical aerial views that allowed a more accurate determination of the timeline of development in the Eureka area. Specifically, the assumption in the January report was that 70% of buried assets were installed when the system was placed in service (water 1959 and sewer 1950), and that 5% was installed with the installation of each well (water distribution) and lift station (sewer). As described in the March report, "We assumed the distribution system was expanded with the addition of each well. The quantity of distribution assets was prorated based on the approximate amount of new buildings in the period between well installations. The St. Louis County GIS parcel data includes the year each building was built. The data was queried for buildings within the municipality of Eureka. The data included 3,925 parcels, which is consistent with the number of customers (3,947). The estimated percent of distribution assets per period is shown in Table 4." And "We assumed the sewer system was expanded with the installation of lift stations. The percentage of assets per period were assumed to be similar to the calculation described above for the water distribution assets." Please see MoPSC 0035 Attachment 3 for the parcel data utilized to revise the March 2021 report.

Using GIS data is a significantly more accurate and appropriate method of estimating the age of the assets. While completing the original January report, Flinn Engineering was unaware of the specific GIS data available.

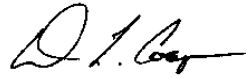
Missouri American is not aware of any other changes between the two reports other than the assumed age of the infrastructure and the resulting residual value of the systems.

(Sched. BWL-3, p. 1-2; *See also* Direct Testimony of Kelly A. Simpson (Item 23 on EFIS, p. 6-8).

5. MAWC re-affirms it has no other appraisal or valuation reports related to the Eureka systems.

WHEREFORE, Missouri-American Water Company requests that the Commission accept this *Reply to Staff's Response to Order* and, grant such other and further relief as the Commission considers just in the circumstances.

Respectfully submitted,



Dean L. Cooper Mo. Bar 36592
Jesse W. Craig Mo. Bar 71850
BRYDON, SWEARENGEN & ENGLAND P.C.
312 East Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102-0456
Telephone: (573) 635-7166
dcooper@brydonlaw.com

Timothy W. Luft, MBE #40506
Corporate Counsel
MISSOURI-AMERICAN WATER COMPANY
727 Craig Road
St. Louis, MO 63141
(314) 996-2279 telephone
(314) 997-2451 facsimile
timothy.luft@amwater.com

ATTORNEYS FOR MISSOURI-AMERICAN
WATER COMPANY

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 5th day of January, 2022, to:

General Counsel's Office
staffcounsel@psc.mo.gov
Karen.Bretz@psc.mo.gov

Office of the Public Counsel
opcservice@opc.mo.gov

David Linton
dlinton@mlklaw.com

