

**STATE OF MISSOURI  
PUBLIC SERVICE COMMISSION**

At a session of the Public Service  
Commission held at its office in  
Jefferson City on the 9<sup>th</sup> day of  
March, 2011.

In the Matter of the Petition of Missouri-American     )  
Water Company for Approval to Change its             )  
Infrastructure System Replacement Surcharge (ISRS) )

**Case No. WO-2011-0106**  
Tariff No. YW-2011-0312

**ORDER APPROVING INFRASTRUCTURE SYSTEM REPLACEMENT  
SURCHARGE, BUT REJECTING TARIFF**

Issue Date: March 9, 2011

Effective Date: March 9, 2011

On December 22, 2010, Missouri-American Water Company filed a petition asking the Commission to approve changes to the company's infrastructure system replacement surcharge (ISRS) rate schedules. The proposed increase in ISRS rates would allow Missouri-American \$4,349,656 in ISRS revenue over the base revenue level approved by the Commission in the company's most recent rate case. To implement the surcharge, Missouri-American filed a tariff that carried an effective date of January 21, 2011.

On December 23, the Commission suspended Missouri-American's tariff until April 21. At the same time, the Commission directed that notice of Missouri-American's ISRS filing be provided to the County Commission of St. Louis County, to the members of the General Assembly representing St. Louis County, and to each party to Missouri-American's most recent rate case, WR-2010-0131. The Commission also directed that information about the filing be made available to the public through the media serving St. Louis County.

The Commission established January 14, as the date by which interested parties should apply to intervene. No party applied to intervene by January 14, but on February 4,

the Utility Workers of America Local 335, AFL-CIO, the union that represents some of Missouri-American's employees, applied to intervene out of time. The Commission granted the union's application to intervene on February 18.

The Commission's Staff filed its recommendation regarding Missouri-American's ISRS petition on February 18. Staff reports it has reviewed that petition and has examined the supporting documentation that the company submitted along with its petition. Staff indicates Missouri-American's petition complies with the statutory requirements found in Sections 393.1000 to 393.1006, RSMo. However, Staff recalculated the amount Missouri-American should be allowed to recover through its ISRS and concluded the company should be allowed to recover annual ISRS surcharge revenues of \$3,624,121.

The Commission ordered that any party wishing to respond to Staff's recommendation do so by February 25. Missouri-American responded to Staff's recommendation on February 25, indicating that it agrees with Staff's recalculation and does not object to the rates recommended by Staff. Missouri-American asks the Commission to issue an order authorizing the company to file a tariff sheet that corresponds to the ISRS amount identified in Staff's recommendation. No other party responded to Staff's recommendation.

Based on Missouri-American's application and Staff's recommendation, the Commission finds that Missouri-American's application complies with sections 393.1000 to 393.1006, RSMo. The Commission concludes that Missouri-American shall be permitted to change its ISRS to recover ISRS surcharge revenues of \$3,624,121. Because the revenues and rates authorized in this order differ from those contained in the tariff the company previously submitted, the Commission will reject that tariff. The Commission will allow Missouri-American an opportunity to submit a new tariff consistent with this order.

**THE COMMISSION ORDERS THAT:**

1. Missouri-American Water Company is authorized to establish an Infrastructure System Replacement Surcharge sufficient to recover ISRS revenues of \$3,624,121.

2. The tariff sheet filed by Missouri-American Water Company on December 22, 2010, and assigned tariff number YW-2011-0312, is rejected.

P.S.C. MO NO. 6  
(11<sup>th</sup> Revised) Sheet No. RT 18.0, Canceling (10<sup>th</sup> Revised) Sheet No. RT 18.0

3. Missouri-American Water Company is authorized to file a new tariff to recover the revenue authorized in this order.

4. This order shall become effective immediately upon issuance.

**BY THE COMMISSION**



Steven C. Reed  
Secretary

( S E A L )

Gunn, Chm., Clayton, Davis, Jarrett,  
and Kenney, CC., concur.

Woodruff, Chief Regulatory Law Judge