

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

In the Matter of the Application of Missouri- )  
American Water Company for a Certificate )  
of Convenience and Necessity Authorizing it )  
to Install, Own, Acquire, Construct, Operate, )  
Control, Manage, and Maintain a Water )  
System and Sewer System in and around the )  
City of Purcell, Missouri )

Case No. WA-2022-0293

**RESPONSE TO STAFF RECOMMENDATION**

**COMES NOW** the Office of the Public Counsel (the “OPC”) and in response to the Public Service Commission of the State of Missouri’s (the “Commission”) Order Granting Staff’s Motion for an Extension of Time to File a Recommendation and Setting Time for Responses (the “June 29, 2022 Order”) (Doc. 7) and the Staff of the Commission’s (“Staff”) Recommendation (Doc. 10) respectfully states:

The rates and rules under which Missouri-American Water Company (“MAWC”) intends to provide service to current City of Purcell, Missouri (“Purcell”) water and sewer customers may change as a result of MAWC’s currently pending water and sewer general rate cases. Due to this possibility, the OPC requests that the Commission order MAWC to provide additional notice to current Purcell customers.

**I. Background**

On April 21, 2022, MAWC filed an Application, Motion for Waiver, and Motion for Expedited Treatment seeking a “Certificate of Convenience and Necessity (“CCN”) to install, own, acquire, construct, operate, control, manage and maintain a water system and sewer system in and around the City of Purcell, Missouri.” (Appl. ¶ 1, Doc. 1). On that same day, MAWC filed a Motion to Consolidate, requesting that the Commission consolidate the water and sewer cases. (Doc. 2).

The next day, the Commission issued its Order Directing Notice, Setting an Intervention Deadline, Directing Staff to File a Pleading, and Setting Time for Responses to Motion to Consolidate. (Doc. 3).

The Commission later entered the June 29, 2022 Order granting Staff until July 28, 2022, to file Staff's Recommendation. (Doc. 7). The Commission also ordered that any responses to Staff's Recommendation or MAWC's Application be filed no later than August 25, 2022. (*Id.*). On that same day, the Commission granted MAWC's Motion to Consolidate and consolidated the water and sewer cases, with the water case (Case Number WA-2022-0293) designated as the lead case. (Doc. 8).

On July 28, 2022, Staff filed its Recommendation, recommending that the Commission issue MAWC the requested CCN, subject to certain, identified conditions. (Doc. 10). On August 8, 2022, MAWC filed its Response to Staff Recommendation stating that it has "no objection to the proposed conditions and actions." (Doc. 11).

## **II. Response**

In addition to the conditions identified by Staff, if the Commission grants MAWC's requested CCN, the OPC requests that the Commission order MAWC to provide additional notice to Purcell's current water and sewer customers. This notice should inform the customers about (1) the existence of MAWC's pending general rate case and (2) that their rates may change as the result of that case.

### **A. The Monsees Lake Case**

In Case Number WA-2022-0229 (the "Monsees Lake case"), a separate MAWC acquisition case, the OPC recently requested and the Commission approved similar relief. (*See* OPC Resp. to Staff Rec. 3, Case No. WA-2022-0229, Doc. 18; Order Approving Transfer of Assets

and Granting Cert. of Convenience & Necessity (the “July 21, 2022 Order”) 10, Case No. WA-2022-0229, Doc. 24). In that case, the OPC requested that the “Commission order MAWC to provide notice to customers that although MAWC intends to adopt Monsees’ current water and sewer rates, those rates may change based on MAWC’s current rate case, which has been noticed, but not yet filed.” (OPC Resp. to Staff Rec. 3). MAWC responded to the OPC’s request. (Resp. to OPC Mot. for Additional Notice Language, Case No. WA-2022-0229, Doc. 20). In its Response, MAWC proposed language and suggested that it include the language in the “closing letter MAWC sends to new customers upon the purchase closing.” (*Id.* 2). The OPC agreed that it was appropriate to include the language in the closing letter and raised no objection to MAWC’s proposed language. (OPC Reply to MAWC’s Resp. 3, Case No. WA-2022-0229, Doc. 23).

The Commission granted the OPC’s request. (July 21, 2022 Order 10, Case No. WA-2022-0229). The Commission stated that “[t]he Monsees Lake Estates Subdivision customers have not been informed of MAWC’s pending rate case and should be.” (*Id.* 6). The Commission granted MAWC’s request to use the language it proposed and ordered MAWC to include this language in the closing letter MAWC sends to new customers upon a purchase closing. (*Id.* 7, 10).

**B. The Commission Should Order MAWC to Provide Notice Similar to that Provided in the Monsees Lake Case to the Current Purcell Customers**

The Commission should order MAWC to provide similar notice to the Purcell customers. Here, MAWC intends to combine Purcell’s customers and consolidate rates.<sup>1</sup> (Rec. Mem. 7). MAWC intends to provide water and sewer service pursuant to rates and rules currently found in

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<sup>1</sup> As described in the Memorandum submitted with Staff’s Recommendation, Purcell currently provides water service using separate rates for customers who reside inside city limits and those who reside outside city limits. (Rec. Mem. 6). Staff asserts that “[a]ccording to MAWC, there are no additional costs related to providing service to a customer, whether within or outside city limits.” (*Id.* 7). “Therefore, MAWC proposes to combine all customers and consolidate rates, whether in or outside city limits . . . .” (*Id.*).

its existing water and sewer tariffs, until such time as the rates and rules are modified. (*Id.*; Appl. ¶ 20).

MAWC has included the Purcell acquisition in its current rate case. (Svindland Direct Testimony 23, Case No. WR-2022-0303, Doc. 3). Purcell's customers should receive notice that the rates which MAWC intends to charge upon its acquisition of the Purcell assets and the rules under which it intends to provide service may change as a result of MAWC's current rate case. (*See* July 21, 2022 Order 6-7, Case No. WA-2022-0229).

The OPC proposes language similar to that MAWC proposed in the Monsees Lake case, updated to reflect MAWC's proposal to provide service to the Purcell customers using the rates and rules in MAWC's current water and sewer tariffs and to recognize the consolidation of the water and sewer rate cases. (*See* Resp. to OPC Mot. for Additional Notice Language 2, Case No. WA-2022-0229). Specifically, the OPC proposes the following language:

MAWC will combine all of Purcell's customers and consolidate rates, whether residing inside or outside city limits. MAWC will provide water service pursuant to the existing rates currently applicable to MAWC's Joplin service area. It will utilize the rules governing the rendering of water service currently found in MAWC's water tariff, P.S.C. MO No. 13.

MAWC will provide sewer service pursuant to the existing rates currently applicable to MAWC's service area that includes Stonebridge, Branson Canyon, etc. It will utilize the rules governing the rendering of sewer service currently found in MAWC's sewer tariff, P.S.C. MO No. 26.

MAWC has filed a water and sewer rate case before the Missouri Public Service Commission, File No. WR-2022-0303, in which these rates and rules will be reviewed. It is expected that any change in rates as a result of this case will be effective by June 1, 2023.

Similar to its July 21, 2022 Order in the Monsees Lake case, if the Commission grants MAWC its requested CCN, the Commission should order MAWC to include this notice in the

closing letter it will provide to the Purcell customers. (*See* July 21, 2022 Order 10, Case No. WA-2022-0229).

**III. Conclusion**

WHEREFORE, the Office of the Public Counsel respectfully requests that if the Commission grants MAWC’s requested CCN, it order MAWC to provide additional notice to the customers of Purcell’s water and sewer systems.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that copies of the forgoing have been mailed, emailed, or hand-delivered to all counsel of record this 25th day of August 2022.

/s/ Lindsay VanGerpen