

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held by telephone and internet audio conference on the 26th day of August, 2020.

In the Matter of the Application of Missouri-)
American Water Company's Request for)
Authority to Implement General Rate)
Increase for Water and Sewer Service)
Provided in Missouri Service Areas)

File No. WR-2020-0344

**ORDER SETTING TEST YEAR
AND ADOPTING PROCEDURAL SCHEDULE**

Issue Date: August 26, 2020

Effective Date: August 26, 2020

On June 30, 2020, Missouri-American Water Company (Missouri-American) filed tariff sheets designed to implement a general rate increase for water and sewer services. The Commission suspended those tariff sheets until May 27, 2021.

Test Year

As part of its original filing, Missouri-American filed a motion requesting the Commission establish a future test year in this case. Missouri-American's motion requests the Commission establish rates based on a future test year covering the period through May 31, 2022. All of the other parties filed a joint response in opposition to Missouri-American's proposed future test year. Those parties recommended the Commission adopt a historical test year, but also suggested the Commission consider allowing the parties to present adjustments consistent with a future test year similar to the test year that was established in Missouri-American's last general rate case (File No. WR-2017-0285). Missouri-American filed a response indicating that if the Commission

declined to adopt the proposed future test year, Missouri-American would not oppose the historic test year with the adjustments.

On August 13, 2020, all the parties, except Missouri-American, filed a joint procedural schedule with a proposed test year. The parties, except Missouri-American, recommended the Commission set a test year of the 12-months ending December 31, 2019, with an update period of the six months ending June 30, 2020, and a true-up period of the six months ending December 31, 2020. Those parties recommended that the true-up process and hearing be for the sole purpose of updating various known and measurable cost of service components to December 31, 2020. Additionally, the parties propose making specific (discreet) adjustments to the June 30, 2020, known and measurable revenue requirement calculation. The parties also requested that if Commission adopt this proposed test year, it order all parties to present historical revenue requirement calculations as of consistent points in time. Thus, in addition to its future test year proposal, Missouri-American will be required to submit a historical test year revenue requirement, updated with historical results, so that the parties can accurately quantify the value of the issues once they have been decided by the Commission.

After reviewing the filings and arguments made by the parties, the Commission concludes that the historic test year with adjustments should be adopted as recommended in the August 13, 2020, proposed procedural recommendation as filed by all the parties, except Missouri-American.

Procedural Schedule

In addition to the jointly proposed procedural schedule, Missouri-American also filed a proposed procedural schedule on August 13, 2020. In its proposed procedural schedule, Missouri-American requests that the Commission use this case as a pilot to test the feasibility of what the company refers to as a “simplified testimony schedule.” The Staff of the Commission (Staff), the Office of the Public Counsel (Public Counsel), and the Missouri Energy Consumers Group (MECG) filed a response opposing Missouri-American’s proposed procedural schedule.

Missouri-American’s procedural schedule would limit the filing of prefiled written testimony to direct, rebuttal, and surrebuttal, and would consolidate the revenue requirement and rate design rebuttal testimonies into a single filing date. This limitation would change the traditional way evidence is presented in a general rate proceeding before the Commission. Missouri-American’s proposal would result in only the company presenting a direct case and Staff, Public Counsel, and the intervening parties only responding with adjustments to the company’s evidence. Whereas traditionally, Staff, Public Counsel, and the other parties are given the opportunity to provide an independent case-in-chief. Staff, Public Counsel, and MECG also point out that Missouri-American’s proposed procedural schedule would effectively limit the non-utility parties’ to a single opportunity to put forth prefiled written testimony, necessitating that information to be deduced at hearing through cross-examination at the hearing. Staff, Public Counsel, and MECG also argue that Missouri-American’s proposed schedule will significantly limit Staff’s time to conduct a full audit of the utility’s operation and a full class cost of service study. Finally, Staff, Public Counsel, and MECG point out that due to the unusual

circumstances of the current Covid-19 pandemic, much of the review and preparation of this case is expected to take place in a remote working environment making this an inconvenient time to conduct a “pilot” such as this.

The Commission has reviewed the proposed procedural schedules. Due to the added complications of conducting a complex rate case because of the COVID-19 pandemic, the Commission will not make major changes in the way this rate case is conducted. The Commission determines that the schedule put forth by the non-utility parties is the most appropriate and should be adopted with some modifications.¹ The Commission will also establish the other procedural guidelines proposed by the non-utility parties with the exception that Commission Rule 20 CSR 4240-2.090’s requirement that a party must seek a telephone conference with the presiding officer before filing a discovery motion is not waived.

THE COMMISSION ORDERS THAT:

1. The parties shall use a test year of the 12-months ending December 2019, with an update period of the six months ending June 2020, and a true-up period of the six months ending December 2020. The true-up process and hearing will be for the sole purpose of updating various known and measurable cost of service components to December 31, 2020. Additionally, the parties may make specific (discreet) adjustments to the June 30, 2020, known and measurable revenue requirement calculation.

2. All parties must present historical revenue requirement calculations as of consistent points in time. Thus, Missouri-American shall submit a historical test year

¹ Some changes have been made to the proposed schedule to fit the Commission’s calendar. In addition, the Commission will attempt to set local public hearings in early January, but these dates will be set by a separate order.

revenue requirement, updated with historical results in accordance with the requirements of Ordered Paragraph 1.

3. The following procedural schedule is adopted:

Item	Date
Company Update	September 11, 2020
Discovery Conference	September 29, 2020
Discovery Conference	October 27, 2020
All Non-CCOS/Rate Design Direct Testimony by Non-Company Parties	November 24, 2020
Discovery Conference	December 2, 2020
Rev. Requirement Technical Conference	December 3, 2020
CCOS/Rate Design Direct Testimony by Non-Company Parties	December 9, 2020
Class Cost of Service/Rate Design Technical Conference	December 15, 2020
List of Issues (among parties only)	December 22, 2020
Local Public Hearings	January 2021
Discovery Conference	January 12, 2021
Revenue Requirement Rebuttal Testimony (all parties)	January 15, 2021
CCOS/Rate Design Rebuttal Testimony (all parties)	January 22, 2021
True-up Data (provided to parties)	January 29, 2021
Surrebuttal Testimony – All Parties	February 9, 2021
Parties provide valuation of their positions to Staff for the Reconciliation	February 11, 2021
Last Day to Request Main Case Discovery	February 11, 2021

Reconciliation	February 12, 2021
List of Issues, List and Order of Witnesses, Order of Opening, and Order of Cross-Examination	February 12, 2021
Settlement Conference	February 15, 2021
Last Day to Object to Discovery	February 16, 2021
Discovery Conference	February 17, 2021
Statements of Positions	February 18, 2021
Evidentiary Hearing	Feb. 22 – March 5, 2021
True-up Direct	March 5, 2021
True-up Rebuttal	March 16, 2021
Initial Briefs	March 19, 2021
Last Day to Request True-up Case Discovery	March 19, 2021
True-up Hearing	March 25, 2021
Reply and True-up Briefs	April 2, 2021

4. The hearing shall be held at the Commission's office at the Governor Office Building, Room 310, 200 Madison Street, Jefferson City, Missouri. This building meets accessibility standards required by the Americans with Disabilities Act. If you need additional accommodations to participate in this hearing, please call the Public Service Commission's Hotline at 1-800-392-4211 (voice) or Relay Missouri at 711 before the hearing. Due to the COVID-19 emergency, further accommodations for an electronic hearing may be arranged closer to the hearing upon request of the parties or by the Commission on its own motion.

5. The parties shall comply with the following procedural requirements:

a. The parties shall provide all workpapers, in electronic format, whenever feasible, within two business days following the date on which the related testimony is filed.

b. Where workpapers or data request responses include models or spreadsheets or similar information originally in a commonly-available format where inputs or parameters may be changed to observe changes in inputs or outputs, if available in that original format, the party providing the workpaper or response shall provide this type of information in that original format.

c. All parties shall provide copies of testimony, schedules, exhibits, and pleadings to other counsel of record by electronic means and in electronic form essentially concurrently with the filing of such testimony, schedules, exhibits, or pleadings where the information is available in electronic format. The parties shall not be required to put information that does not exist in electronic format into electronic format for purposes of exchanging it.

d. With respect to Data Requests:

i. Beginning October 5, 2020, the response time for all data requests shall be fourteen (14) calendar days, with ten (10) calendar days to object or to notify the requesting party that more than fourteen (14) calendar days will be needed to provide the requested information.

ii. After non-Company Revenue Requirement direct testimony is filed (November 24), the response time for data requests shall be ten (10) calendar days to provide the requested information, and five (5) business days to object or to notify the requesting party that more than ten (5) calendar days will be needed to provide the requested information.

iii. After Revenue Requirement rebuttal testimony is filed (January 15), the response time for data requests shall be five (5) business days to provide the requested information, and three (3) business days to object or to notify the requesting party that more than five (5) business days will be needed to provide the requested information.

e. With respect to discovery:

i. Discovery conferences will be held in Room 305 beginning at 10:00 a.m., at the Commission's office at the Governor's Office Building, 200 Madison Street, Jefferson City, Missouri. Due to the COVID-19 emergency, further accommodations for electronic hearing may be arranged closer to the hearing upon request of the parties or by the Commission on its own motion.

ii. Not less than three (3) business days before each discovery conference, any party that has a discovery disagreement or concern involving another party shall file a brief statement describing that disagreement or concern and identifying any other parties involved. Such statement does not need to be a formal motion to compel. Any party may attend a discovery conference, but only those parties involved in an identified discovery disagreement must attend.

iii. Discovery conferences shall be on the record and shall be transcribed by a court reporter.

iv. Any pending written discovery motion may be taken up at a discovery conference and may be ruled upon by the presiding regulatory law judge either on the record, or in a written order.

v. The parties shall make an effort to resolve all discovery disputes well before the hearing; however, the Parties shall present any outstanding motions to compel to the regulatory law judge at the beginning of the main hearings or the true-up hearings.

vi. The parties shall make an effort to not include confidential information in data request questions, and the parties shall make an effort not to over-designate information as confidential. If confidential information must be included in data request questions, the confidential information should be appropriately designated as such pursuant to 20 CSR 4240-2.135. Responsibility to make this designation is upon the party claiming such. Other parties are entitled to rely on the presence or absence of such designation.

vii. Any data requests issued by or to Staff shall be submitted and responded to in the Commission's Electronic Filing and Information System (EFIS).

viii. All data requests other than those issued by or to Staff, as well as all objections to data requests, or notifications of the need for additional time to respond, shall be sent by e-mail to counsel for the other parties. Counsel may designate other counsel to be added to the certified service list and shall assume responsibility for compliance with any restrictions on confidentiality. If any party responds to a data request in EFIS, the response is available in EFIS to all counsel on the certified service list. Data request responses, other than responses to data requests issued by or to Staff, will be served on counsel for the requesting party's employee or representative who submitted the data request and shall be served electronically, if feasible and not voluminous as defined by Commission rule. If a party desires the response to a data request that has been served on another party, the party

desiring a copy of the response must request in writing a copy of the responses from the party answering the data request; thereby providing the responding party the opportunity to object. If a data request has been responded to, a party's request for a copy of the response shall timely be responded to, considering that the underlying data request has already been responded to.

f. Although not all parties may agree upon how each issue should be described or on whether a listed issue is in fact a proper issue in this case, the parties shall agree upon and file a list of the issues to be heard, the witnesses to appear on each day of the hearing, the order in which they will be called, and the order of cross-examination for each witness. The Commission will view any issue not contained in this list of issues as uncontested and not requiring resolution by the Commission.

g. Each party shall file a simple and concise statement summarizing its position on each disputed issue. Position Statements shall track the list of issues. Any position statement shall set forth any order requested, cite any law authorizing that relief, and allege facts relevant under the law with citations to any pre-filed testimony in support.

h. All pleadings, briefs, and amendments shall be filed in accordance with Commission Rule 20 CSR 4240-2.080. Briefs shall follow the same list of issues as filed in the case and must set forth and cite the proper portions of the record concerning the remaining unresolved issues that are to be decided by the Commission.

i. If part of the testimony or documents are prefiled and served upon the parties before a hearing, a party need only provide a copy of the testimony or document to the court reporter to be marked as an exhibit at the hearing. If not prefiled and served upon the parties, then a party who has a document marked for use at the hearing shall have sufficient copies of the document to provide a copy not only to the court reporter, but also to each Commissioner, the presiding officer, and counsel for each other party. The presiding regulatory law judge may direct that copies of all evidence be provided only electronically to the Commission.

j. Exhibit numbers are assigned in the following manner:

Missouri-American	1-9
Commission Staff	100-199
Office of the Public Counsel	200-299
Midwest Energy Consumers Group	300-349
Missouri Industrial Energy Consumers	350-399
City of St. Joseph	400-449

City of Riverside	450-499
Consumers Council of Missouri	500-549
Municipal League of Metro St. Louis	550-599
The Empire District Electric Company	600-649
Public Water Supply District #2	650-699
Sunnydale Properties	700-749
Triumph Foods	750-799

k. Each party shall prepare a list of its pre-filed, pre-marked exhibits and submit a copy of that list to every other party and to the regulatory law judge as set out above. The lists shall not be filed in the EFIS case file. Exhibits that may be offered during cross-examination, but which have not been pre-filed, need not be included on the list. However, when those documents are offered during the hearing, they will be assigned a number from that party's number group.

6. This order shall be effective when issued.



BY THE COMMISSION

Morris L. Woodruff

Morris L. Woodruff
Secretary

Silvey, Chm., Kenney, Rupp, Coleman, and
Holsman CC., concur.

Dippell, Senior Regulatory Law Judge