

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

In the Matter of Missouri-American Water)
Company's Request for Authority to Implement) Case No. WR-2022-0303
General Rate Increase for Water and Sewer)
Service Provided in Missouri Service Areas.)

STIPULATION AND AGREEMENT

COME NOW Missouri-American Water Company (“MAWC” or the “Company”), the Staff of the Missouri Public Service Commission (“Staff”), the Office of the Public Counsel (“OPC”), the Midwest Energy Consumers Group, City of St. Joseph, and Consumers Council of Missouri (collectively, the “Signatories”), by and through their respective counsel, and, for their Stipulation and Agreement (this “Stipulation”), respectfully state as follows to the Missouri Public Service Commission (“Commission”):

1. Public Water Supply District No. 2 of Andrew County, City of Riverside, The Empire District Electric Company, the Missouri Industrial Energy Consumers, Triumph Foods, LLC, and Sunnydale Properties are not Signatories to this Stipulation. However, counsel for each have stated that they do not object to this Stipulation.

2. This Stipulation is being entered into for the purpose of settling issues 1, 2, 3b, 3c, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 20, 21, 22 and 23 as described in the *List of Issues, List and Order of Witnesses, Order of Opening, and Order of Cross-Examination* in this case on February 16, 2023.

3. **Admission of Testimony:** The Signatories consent to the admission of, and request that the Commission admit into the record in this proceeding, without the need for witnesses to take the stand, all written testimony that has been filed herein.

4. **Total Revenue Requirement:** As a result of the settlements codified in this

Stipulation, the Signatories agree that MAWC’s annual revenue requirement on a total company basis should be increased to \$437.5 million. The revenue requirement of \$437.5 million represents an increase of approximately \$95 million over present rate revenues. The approximately \$95 million includes approximately \$50.3 million, which is currently being collected through the Water and Sewer Infrastructure Rate Adjustment (“WSIRA”) mechanism.

5. **Water and Sewer Infrastructure Rate Adjustment (“WSIRA”):** MAWC’s current WSIRA tariff will be reset to zero as of the effective date of new rates resulting from this proceeding, in accordance with § 393.1509.6 RSMo. Further:

a. For purposes of the WSIRA, the overall pre-tax weighted average cost of capital shall be 8.65%. Agreement to use of a “pre-tax” cost of capital for this purpose does not limit in any way any party’s ability to challenge recovery of income tax amounts associated with WSIRA investments in future proceedings; and,

b. All WSIRA-eligible investments placed in service beginning January 1, 2023, shall be eligible for the WSIRA mechanism in accordance with Sections 393.1500 et seq., RSMo. However, MAWC’s next WSIRA petition shall not be filed until after the effective date of rates resulting from this case.

6. **Billing Determinants:** The billing determinants to be used for establishing customer rates are included as Attachments A (water) and B (sewer) to this Stipulation.

7. **Tax Cut and Jobs Act of 2017 (“TCJA”):** The TCJA tracker balance as of December 31, 2022, shall be applied to the remaining stub period TCJA amortization and the remainder returned to customers as a one-time customer bill credit within ninety (90) days after the effective date of rates resulting from this case. MAWC will provide notice to the Commission when the credit has been completed.

Additionally, the existing tracker will be continued to capture the differences between protected Excess Accumulated Deferred Income Tax (“EADIT”) returned to customers as part of the revenue requirement in this case, and the actual amortization recorded by the Company using Average Rate Assumption Method (“ARAM”) for protected EADIT balances and a ten (10) year amortization period for non-stub period unprotected EADIT balances.

8. **Main Break and Water Loss Report:** MAWC agrees to conduct an annual review regarding its water main breaks and water loss by district, and, for those districts in which water loss is greater than 20%, MAWC shall include a list of items believed to be major contributors to that water loss. MAWC shall provide such review to Staff, OPC, and other interested Signatories no later than the date its Commission annual report is filed, beginning with the year 2024, until the completion of MAWC’s next general rate case.

9. **Late Payment Charge:** MAWC’s Late Payment Charge (currently 1.50% per month) shall be eliminated for both water and sewer.

10. **Pensions and Other Post-Employment Benefits (“OPEBs”):** Pensions and OPEBs shall be treated as described in Attachment C to this Stipulation.

11. **Depreciation Rates:** MAWC shall continue to use the depreciation rates approved in MAWC’s last general rate case, Case Number WR-2020-0344. The depreciation rates are included in Attachments D and E to this Stipulation.

12. **Property Tax:**

a. The amount of revenue requirement used to set rates for property tax shall be set at \$ 34,063,451, pursuant to Section 393.1275, RSMo.

b. MAWC’s deferred property tax balance as of December 31, 2022, shall be included in rate base and amortized over 60 months.

13. **Lead Service Line Replacement (“LSLR”):**

a. MAWC will continue to defer and book to USOA Account 186 the costs of customer-owned LSLRs applying its long-term borrowing rate as to the carrying costs. MAWC will amortize over ten (10) years the amounts deferred. MAWC’s long-term debt rate shall be applied to the unamortized balance.

b. Additionally, MAWC agrees to file bi-annually a Lead Service Line Report in this case (Case No. WR-2022-0303) that includes the following:

- Known and estimated existing lead lines by source;
- Lines replaced each reporting period filing as well as cumulative total lines replaced to date;
- Location (zip code +4) and customer type of line replacement (e.g., residential, commercial, school, commercial, etc.);
- Average cost, and breakdown by company and customer side, per district for each reporting period;
- Nature and type of pipe replaced (e.g., lead, copper, galvanized gooseneck, etc.);
- Water sampling results.

The Company agrees to meet on a bi-annual basis with Staff and the OPC to review performance to date (e.g., data) as well as the Company’s progress in securing federal funding for lead line replacements. The Company will also work with Staff and the OPC on the appropriateness of updating the Company’s Frequently Asked Questions (“FAQ”) section of its website as well as the inclusion of a lead line replacement dashboard. The Parties to this Stipulation agree to support the Company’s motion to close WW-2019-0242.

14. **Call Center Operational Audit:** There shall be a Call Center Operational Audit

conducted in accordance with the provisions of **Attachment F** to this Stipulation.

15. **Tank Painting Tracker:** The Signatories agree that MAWC will establish a regulatory asset or liability for tank painting and inspection expense. The regulatory asset or liability will increase or decrease each year for the difference between the actual tank painting and inspection expense and the amount included in rates: \$1,975,173. In the Company's next rate case, the deferred balance will be amortized over 5 years. There shall be no rate base treatment on any balance. The tracker will be maintained through the effective date of rates resulting from MAWC's next general rate case.

16. **Main Extensions:** MAWC's Tariff Rule 23 (Extension of Company Mains) shall be modified to remove the 120-day time frame, remove the 4x annual revenue requirement in all instances, and implement a 75/25 sharing mechanism as to total costs state-wide. Sample tariff sheets for this purpose are attached to this Stipulation as **Attachment G**.

17. **Assistance to Troubled Systems:** Costs related to assistance provided to troubled systems shall be amortized over 60 months.

18. **Customer Programs:** MAWC will participate in the Critical Needs Program and the Rehousing Pilot Program. MAWC will provide \$250,000 of annual funding to the Critical Needs Program and \$100,000 of annual funding to the Rehousing Pilot Program. Such funding will be shared 50/50 between the Company and its customers.

19. **Withdrawals:** MAWC withdraws, without prejudice, its request for a revenue stabilization mechanism pursuant to Section 386.266.4, RSMo, its request for a bad debt expense tracker, its request for a production cost tracker, its request for a depreciation deferral mechanism, and its request for a post-in-service carrying cost capitalization mechanism.

General Terms

20. Unless otherwise explicitly provided herein, none of the Signatories shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost of service or valuation determination or cost allocation, rate design, revenue recovery, or revenue-related methodology. Except as explicitly provided herein, none of the Signatories shall be prejudiced or bound in any manner by the terms of this Stipulation in this or any other proceeding. This Stipulation has resulted from extensive negotiations among the parties, and the terms hereof are interdependent and non-severable. If the Commission does not approve this Stipulation unconditionally and without modification, or if the Commission approves the Stipulation with modifications or conditions to which a party objects, then this Stipulation shall be void and none of the Signatories shall be bound by any of the agreements or provisions hereof.

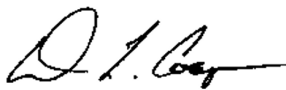
21. In the event the Commission accepts the specific terms of this Stipulation without condition or modification, the Signatories waive their respective rights to present oral argument and written briefs pursuant to RSMo. §536.080.1, their respective rights to the reading of the transcript by the Commission pursuant to §536.080.2, their respective rights to seek rehearing pursuant to §386.500, and their respective rights to judicial review pursuant to §386.510, as to the issues settled by this Stipulation only. These waivers apply only to a Commission order approving this Stipulation without condition or modification issued in this proceeding and only to the issues that are resolved hereby. These waivers do not apply to any issues not explicitly addressed by this Stipulation. The Signatories agree that all discussions, suggestions, or memoranda reviewed or discussed, related to this Stipulation shall be privileged and shall not be subject to discovery, admissible in evidence, or in any way used, described or discussed.

22. This Stipulation and its attachments contain the entire agreement of the Signatories concerning the issues addressed herein.

23. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery, investigatory powers or other statutory powers which the Commission presently has. Thus, nothing in this Stipulation is intended to impinge or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information.

WHEREFORE, the Signatories respectfully request the Commission to issue an Order approving this Stipulation and Agreement and authorizing the Company to file tariffs to implement the terms hereof.

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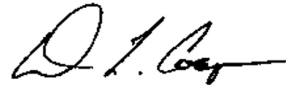
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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on March 3, 2023, to counsel for all parties.



Residential Water Billing Determinants

	St. Louis	Other MO	Total
Meter Billings	Monthly	Monthly	Company
5/8"	3,428,899	1,322,938	4,751,837
3/4"	292,675	18,979	311,654
1"	127,597	71,329	198,927
1.5"	9,082	1,789	10,871
2.0"	12,350	1,565	13,915
3.0"	251	36	287
4.0"	302	0	302
6.0"	290	0	290
8.0"	515	12	527
10.0"	36	0	36
12.0"	0	0	0
Low Income			0
Total	3,871,997	1,416,649	5,288,645

	St. Louis	Other MO	Total
Usage (1,000 Gallons)	Monthly	Monthly	Company
Rate A Volume	23,020,060	5,456,895	28,476,955
Block 1 - Mexico		115,292	115,292
Block 2 - Mexico		48,386	48,386
Block 3 - Mexico		9,176	9,176
Total	23,020,060	5,629,750	28,649,809

	St. Louis	Other MO	Total
Flat Rate Billings	Monthly	Monthly	Company
Rankin/Whitebranch		2,690	2,690
Table Rock		370	370
Monsees Lake		768	768
Total	0	3,828	3,828

Commercial Water Billing Determinants

	St. Louis	Other MO	Total
Meter Billings	Monthly	Monthly	Company
5/8" - Rate A	86,338	66,854	153,192
3/4" - Rate A	34,542	1,929	36,471
1" - Rate A	24,945	22,078	47,023
1.5" - Rate A	12,415	4,128	16,542
2.0" - Rate A	36,989	19,920	56,909
3.0" - Rate A	3,204	609	3,813
4.0" - Rate A	2,220	948	3,168
6.0" - Rate A	1,966	201	2,167
8.0" - Rate A	2,740	179	2,919
10.0" - Rate A	647	17	664
12.0" - Rate A	0	0	0
5/8" - Rate J	0	0	0
3/4" - Rate J	12	0	12
1" - Rate J	12	12	24
1.5" - Rate J	48	0	48
2.0" - Rate J	190	231	420
3.0" - Rate J	72	60	132
4.0" - Rate J	179	84	263
6.0" - Rate J	107	133	240
8.0" - Rate J	212	24	236
10.0" - Rate J	96	36	132
12.0" - Rate J	0	0	0
Total	206,935	117,441	324,376

	St. Louis	Other MO	Total
Usage (1,000 Gallons)	Monthly	Monthly	Company
Rate A Volume	7,213,898	2,305,648	9,519,546
Rate J Volume	1,059,355	605,737	1,665,092
Total	8,273,253	2,911,384	11,184,638

Industrial Water Billing Determinants

	St. Louis	Other MO	Total
Meter Billings	Monthly	Monthly	Company
5/8" - Rate A	0	334	334
3/4" - Rate A	0	48	48
1" - Rate A	0	348	348
1.5" - Rate A	0	12	12
2.0" - Rate A	1	873	874
3.0" - Rate A	11	74	85
4.0" - Rate A	18	97	115
6.0" - Rate A	11	64	75
8.0" - Rate A	0	48	48
10.0" - Rate A	2	0	2
12.0" - Rate A	0	0	0
5/8" - Rate J	0	113	113
3/4" - Rate J	0	12	12
1" - Rate J	0	60	60
1.5" - Rate J	12	0	12
2.0" - Rate J	120	360	480
3.0" - Rate J	168	74	242
4.0" - Rate J	324	246	570
6.0" - Rate J	360	123	483
8.0" - Rate J	108	60	168
10.0" - Rate J	72	0	72
12.0" - Rate J	0	0	0
Total	1,207	2,946	4,153

	St. Louis	Other MO	Total
Usage (1,000 Gallons)	Monthly	Monthly	Company
Rate A Volume	7,822	132,665	140,487
Rate J Volume	2,103,593	2,340,795	4,444,388
Special Contract 1		790,200	790,200
Special Contract 2		195,285	195,285
Total	2,111,415	3,458,946	5,570,361

Other Public Authority Water Billing Determinants

	St. Louis	Other MO	Total
Meter Billings	Monthly	Monthly	Company
5/8" - Rate A	1,780	3,792	5,572
3/4" - Rate A	2,050	227	2,277
1" - Rate A	1,717	2,218	3,935
1.5" - Rate A	914	1,007	1,921
2.0" - Rate A	2,954	4,539	7,493
3.0" - Rate A	457	551	1,008
4.0" - Rate A	329	539	867
6.0" - Rate A	467	96	563
8.0" - Rate A	156	108	264
10.0" - Rate A	36	0	36
12.0" - Rate A	0	0	0
5/8" - Rate J	0	0	0
3/4" - Rate J	0	0	0
1" - Rate J	0	24	24
1.5" - Rate J	0	0	0
2.0" - Rate J	0	83	83
3.0" - Rate J	0	12	12
4.0" - Rate J	0	36	36
6.0" - Rate J	0	0	0
8.0" - Rate J	24	36	60
10.0" - Rate J	34	0	34
12.0" - Rate J	0	0	0
Total	10,918	13,268	24,186

	St. Louis	Other MO	Total
Usage (1,000 Gallons)	Monthly	Monthly	Company
Rate A Volume	386,616	484,467	871,083
Rate J Volume	96,448	181,760	278,208
Total	483,064	666,227	1,149,291

Sale for Resale Water Billing Determinants

	St. Louis	Other MO	Total
Meter Billings	Monthly	Monthly	Company
5/8"	0	0	0
3/4"	0	0	0
1"	0	24	24
1.5"	0	0	0
2.0"	0	156	156
3.0"	0	48	48
4.0"	0	108	108
6.0"	0	72	72
8.0"	0	12	12
10.0"	0	0	0
12.0"		0	0
Total	0	420	420

	St. Louis	Other MO	Total
Fixed Charge	Monthly	Monthly	Company
Special Contract B (Fixed)	12		12
Total	12	0	12

	St. Louis	Other MO	Total
Usage (1,000 Gallons)	Monthly	Monthly	Company
Rate B Volume	1,615,664	1,131,783	2,747,447
Special Contract A	1,209,793		1,209,793
Special Contract B	1,219,594		1,219,594
Special Contract C		19,250	19,250
Total	4,045,051	1,151,032	5,196,083

Private Fire Water Billing Determinants

	St. Louis	Other MO	Total
Meter Billings	Monthly	Monthly	Company
2.0"	1,620	1,012	2,632
3.0"	12	36	48
4.0"	6,631	4,195	10,826
6.0"	27,494	8,771	36,265
8.0"	15,964	5,245	21,209
10.0"	396	810	1,206
12.0"	984	252	1,236
Hydrant	456	3,000	3,456
Total	53,557	23,321	76,878

	St. Louis	Other MO	Total
Usage (1,000 Gallons)	Monthly	Monthly	Company
Rate A Fire Volume	52,275	4,269	56,545
Total	52,275	4,269	56,545

Residential Sewer Billing Determinants

Unit Billings	Arnold	Other MO	Total
Arnold	101,380		101,380
Other Sewer High		71,817	71,817
Other Sewer Low		88,976	88,976
Taos		5,169	5,169
Hallsville		8,052	8,052
Monsees Lake		768	768
Total	101,380	174,782	276,162

Usage (1,000 Gallons)	Block 1	Block 2	Total
Arnold	505,846	35,506	541,352
Total	505,846	35,506	541,352

Commercial Sewer Billing Determinants

Meter Billings	Arnold	Other MO	Total
Arnold	7,798		7,798
Minimum Charge - High		860	860
Other Sewer High 5/8"		538	538
Other Sewer High 3/4"		0	0
Other Sewer High 1"		372	372
Other Sewer High 1.5"		168	168
Other Sewer High 2"		198	198
Other Sewer Low 5/8"		3,589	3,589
Other Sewer Low 3/4"		0	0
Other Sewer Low 1"		824	824
Other Sewer Low 1.5"		754	754
Other Sewer Low 2"		821	821
Other Sewer Low 3"		93	93
Other Sewer Low 4"		48	48
Other Sewer Low 6"		12	12
Taos		132	132
Hallsville		612	612
Total	7,798	9,021	16,818

Usage (1,000 Gallons)	Block 1	Block 2	Total
Arnold	24,067	219,857	243,924
Other Sewer High	6,637	22,733	29,370
Other Sewer Low	18,997	102,794	121,791
Total	49,701	345,383	395,084

Industrial Sewer Billing Determinants

Meter Billings	Arnold	Other MO	Total
Other Sewer Low 5/8"		0	0
Other Sewer Low 3/4"		0	0
Other Sewer Low 1"		0	0
Other Sewer Low 1.5"		0	0
Other Sewer Low 2"		0	0
Other Sewer Low 3"		12	12
Other Sewer Low 4"		0	0
Total	0	12	12

Usage (1,000 Gallons)	Block 1	Block 2	Total
Arnold			0
Arnold Speical 1			0
Growth - Arnold			0
Other Sewer Low	72	1,417	1,489
Total	72	1,417	1,489

Other Public Authority Sewer Billing Determinants

Meter Charge	Arnold	Other MO	Total
Arnold	11,618		11,618
Minimum Charge - High		12	12
Other Sewer High 1"		36	36
Other Sewer High 2"		24	24
Other Sewer High 3"		24	24
Other Sewer Low 5/8"		168	168
Other Sewer Low 1"		114	114
Other Sewer Low 1.5"		96	96
Other Sewer Low 2"		102	102
Taos		12	12
Hallsville		84	84
Total	11,618	672	12,290

Usage (1,000 Gallons)	Block 1	Block 2	Total
Arnold	362	122	484
Other Sewer High	439	2,189	2,628
Other Sewer Low	1,626	3,331	4,957
Total	2,427	5,642	8,069

Pension Tracker Mechanism and OPEB Tracker Mechanism

A. The Signatories agree that the rates established in this case for the MAWC pension plan include an allowance of \$1,819,551. (All amounts are stated after application of a payroll expense O&M allocation factor.) The difference between the amount of pension expense included in MAWC's rates and the amount funded by MAWC shall be included in the Company's rate base in future rate proceedings, and the balance existing at the later of the end of the test year, the test year update or true-up, as applicable in the Company's next rate case shall be amortized to expense over a five-year period. The pension tracker balance resulting from this case will start to be booked in the month following the effective date of new rates in this rate case, and will continue to be booked until the end of the month for the effective date of new rates in the Company's next rate case. The Company shall be authorized to record as a regulatory asset/liability, as appropriate, the difference between the pension expense used in setting rates and the pension expense as recorded for financial reporting purposes as determined in accordance with GAAP (or such standard as the FASB may issue to supersede, amend, or interpret the existing standards). A portion of the service cost component will be capitalized, based on the labor capitalization percentage, and the non-service cost components will be expensed. All portions will be recorded to O&M for regulatory purposes.

B. The cumulative pension tracker amount in MAWC's rate base as of December 31, 2022, is a \$9,599,085 reduction to rate base, and the annual amortization of that amount to expense is (\$1,919,817) (reflected as an annual reduction in expense). No Service Company pension costs are included in MAWC's pension tracker balance in this case.

C. The Company shall be allowed rate recovery for prudent contributions it makes to its pension trust that exceed the ERISA minimum for any of the following reasons:

i) The minimum required contribution is insufficient to avoid the benefit restrictions

specified for at-risk plans pursuant to the Pension Protection Act of 2006, thereby causing an inability by MAWC to pay out pension benefits to recipients in its normal and customary manner, including lump sum payments; or

- ii) The minimum required contribution is not sufficient to avoid any Pension Benefit Guarantee Corporation (PBGC) variable premiums.

Prudent additional contributions made pursuant to the paragraph will increase MAWC's rate base, and will receive the regulatory treatment as described in paragraph A of this Section. MAWC shall inform Staff and Public Counsel of contributions of additional amounts to its pension trust funds pursuant to this paragraph in a timely manner. Staff, Public Counsel and other Signatories reserve the right to challenge the prudence of any additional contributions made by MAWC pursuant to this paragraph in subsequent MAWC rate proceedings.

D. The Signatories agree that rates established in this case for MAWC's OPEB expense reflect an allowance of (\$3,265,591). (All amounts are stated after application of a payroll O&M allocation factor.) The Company will fund its OPEB trusts based upon its expense as calculated for financial reporting purposes. The difference between the amount of OPEB expense included in MAWC's rates and the amount recorded on MAWC's books and funded by the Company shall be included in the Company's rate base in future proceedings, and the balance existing at the later of the end of the test year, the test year update or true-up, as applicable in the Company's next rate case shall be amortized to expense over a five-year period. The OPEB tracker balance resulting from this case will start to be booked in the month following the effective date of new rates in this rate case, and will continue to be booked until the end of the month for the effective date of new rates in the Company's next rate case. The Company shall be authorized to record as a regulatory asset/liability, as appropriate, the difference between the OPEB expense used in setting rates and the OPEB expense as recorded for financial reporting purposes as determined in accordance with GAAP (or such standard as the FASB may issue to supersede, amend, or interpret the existing standards). A

portion of the service cost component will be capitalized, based on the labor capitalization percentage, and the non-service cost components will be expensed. All portions will be recorded to O&M for regulatory purposes.

E. The cumulative OPEB tracker amount in MAWC's rate base as of December 31, 2022, is a \$6,294,904 reduction to rate base and the annual amortization of that amount to expense is (\$1,258,981) (reflected as an annual reduction in expense). No Service Company OPEB costs are included in MAWC's OPEB tracker balance in the case.

F. The provisions of FAS 158 may require certain adjustments to the prepaid pension asset/OPEB asset and/or accrued liability with a corresponding adjustment to equity (i.e. decreases/increases to Other Comprehensive Income). The Company will be allowed to set up a regulatory asset/liability to offset any adjustments that would otherwise be recorded to equity caused by applying the provisions of FAS 158 or any other FASB statement or procedure that requires accounting adjustments to equity due to the funded status or other attributes of the pension or OPEB plans. The Signatories acknowledge that the adjustments described in this paragraph will not increase or decrease rate base.

G. Nothing in this Agreement is intended to impair the ability of any Signatory in MAWC's next rate case proceeding to challenge the prudence of the Company's calculated levels of pension and OPEBs expenses that it proposes to recover from the tracker mechanisms.

MISSOURI AMERICAN WATER COMPANY – Water
Schedule of Depreciation Rates
WR-2022-0303

USOA Account Number	Account Description	Remaining Life Depreciation Rate %	Average Service Life (Years)	Iowa Curves	% Net Salvage
<u>Source of Supply</u>					
311.0	Structures & Improvements	1.97%	60	R4	-25%
312.0	Collecting & Impoundment Reservoirs	0.35%	85	R3	0%
313.0	Lake, River & Other Intakes	3.57%	70	S0.5	-10%
314.0	Wells & Springs	2.52%	55	R1.5	-5%
315.0	Infiltration Galleries and Tunnels	1.77%	60	R2.5	0%
316.0	Supply Mains	1.45%	80	R3	-25%
317.0	Miscellaneous Source of Supply – Other	4.97%	25	SQ	0%
<u>Pumping Plant</u>					
321.0	Structures & Improvements	3.95%	75	R2.5	-15%
322.0	Boiler Plant Equipment	3.05%	37	R3	-5%
323.0	Power Generation Equipment	3.05%	37	R3	-5%
324.0	Steam Pumping Equipment	1.89%	47	R1	-10%
325.0	Electric Pumping Equipment	1.89%	47	R1	-10%
326.0	Diesel Pumping Equipment	1.89%	47	R1	-10%
327.0	Hydraulic Pumping Equipment	1.89%	47	R1	-10%
328.0	Other Pumping Equipment	1.89%	47	R1	-10%
<u>Water Treatment Plant</u>					
331.0	Structures & Improvements	2.34%	80	R2.5	-15%
332.0	Water Treatment Equipment	2.18%	48	R1.5	-20%
333.0	Miscellaneous Water Treat, Other	3.33%	30	SQ	0%
<u>Transmission and Distribution</u>					
341.0	Structures & Improvements	1.49%	55	R2.5	-20%
341.1	Structures & Improve - Special Crossing	1.49%	55	R2.5	-20%
342.0	Distribution Reservoirs & Standpipes	1.70%	65	R2.5	-25%
343.0,1,2,3	Transmission & Distribution Mains	1.39%	90	R2.0	-30%
344.0	Fire Mains	1.56%	85	S1	-30%
345.0	Customer Services	2.92%	65	R2.0	-100%
346.0	Customer Meters	2.40%	42	R1.5	-10%
347.0	Customer Meter Pits & Installation	2.40%	42	R1.5	-10%
348.0	Fire Hydrants	1.85%	65	R1.5	-30%
349.0	Misc Trans & Dist – Other	2.96%	50	R3	0%
<u>General Plant</u>					
390.0	Structures & Improve - Shop & Garage	3.02%	55	R2.5	-20%
390.1	Structures & Improve - Office Buildings	2.09%	47	S0	-20%
390.3	Structures & Improve – Miscellaneous	3.72%	55	R2.0	-20%
390.9	Structures & Improve – Leasehold	2.75%	25	R4	0%
391.0	Office Furniture	3.49%	20	SQ	0%
391.1	Computer & Peripheral Equipment	19.06%	5	SQ	0%
391.2	Computer Hardware & Software	19.06%	5	SQ	0%
391.25	Computer Software	5.00%	20	SQ	0%
391.26	Personal Computer Software	10.00%	10	SQ	0%
391.3	Other Office Equipment	10.46%	15	SQ	0%
391.4	BTS Initial Investment	5.00%	20		0%
392.1	Transportation Equipment - Light trucks	5.57%	9	L1.5	15%
392.2	Transportation Equipment - Heavy trucks	0.00%	10	L1.5	15%
392.3	Transportation Equipment – Autos	0.00%	6	L1.5	15%
392.4	Transportation Equipment – Other	6.15%	15	S3	5%
393.0	Stores Equipment	3.88%	25	SQ	0%
394.0	Tools, Shop, Garage Equipment	3.73%	20	SQ	0%
395.0	Laboratory Equipment	3.90%	15	SQ	0%
396.0	Power Operated Equipment	3.79%	12	L1	20%
397.1	Communication Equip - Non Telephone	5.76%	15	SQ	0%
397.2	Communication Equip – Telephone	8.94%	10	SQ	0%
398.0	Miscellaneous Equip	6.48%	15	SQ	0%
399.0	Other Tangible Equipment	2.43%	20	SQ	0%

MISSOURI AMERICAN WATER COMPANY – Sewer
Schedule of Depreciation Rates
WR-2022-0303

USOA Account Number	Account Description	Remaining Life Depreciation Rate %	Average Service Life (Years)	Iowa Curves	% Net Salvage
<u>Collection Plant</u>					
351	Structures & Improvements	2.03%	50	R3	-5%
352.1	Collection Sewers (Force)	1.64%	60	R2.5	-10%
352.2	Collection Sewers (Gravity)	1.58%	70	R3	-20%
353	Services To Customers	2.87%	55	R2.0	-40%
354	Flow Measuring Devices	3.38%	25	S2.5	0%
356	Other Collection Equipment	3.15%	50		0%
357	Communication Equipment	6.67%	15	SQ	0%
<u>Pumping Plant</u>					
361	Structures & Improvements	2.17%	45	R3	0%
362	Receiving Wells	2.87%	30	L2.5	0%
363	Electric Pumping Equip, (Includes Generators)	4.31%	15	L1.5	-5%
364	Diesel Pumping Equipment	4.31%	15	L1.5	-5%
365	Other Pumping Equipment	4.31%	15	L1.5	-5%
<u>Treatment and Disposal Plant</u>					
371	Structures & Improvements	1.43%	60	R2.5	-5%
372	Treatment & Disposal Equipment (Includes pumps, blowers, generators)	3.97%	30	S0.5	-20%
373	Plant Sewers	1.60%	50	R2.5	0%
374	Outfall Sewer Lines	3.04%	35	L2.0	0%
<u>General Plant</u>					
390.0	Structures & Improve – General	3.11%	35	R2.5	-5%
390.9	Structures & Improve – Leasehold	5.00%	20	R4	0%
391.0	Office Furniture	5.00%	20	SQ	0%
391.1	Computer & Peripheral Equipment	20.00%	5	SQ	0%
391.2	Computer Hardware & Software	20.00%	5	SQ	0%
391.25	Computer Software	5.00%	20	SQ	0%
391.26	Personal Computer Software	10.00%	10	SQ	0%
391.3	Other Office Equipment	6.67%	15		0%
391.4	BTS Initial Investment	5.00%	20		0%
392.0	WW Transportation Equipment	3.45%	10	L2.5	5%
392.1	Transportation Equipment - Light trucks	3.45%	10	L2.5	5%
392.2	Transportation Equipment - Heavy trucks	3.45%	10	L2.5	5%
392.3	Transportation Equipment – Autos	3.45%	10	L2.5	5%
392.4	Transportation Equipment – Other	3.45%	10	L2.5	5%
393.0	Stores Equipment	4.00%	25	SQ	0%
394.0	Tools, Shop, Garage Equipment	5.00%	20	SQ	0%
395.0	Laboratory Equipment	6.67%	15	SQ	0%
396.0	Power Operated Equipment	7.71%	15	L2.5	0%
397.1	Communication Equip - Non Telephone	6.67%	15	SQ	0%
397.2	Communication Equip – Telephone	6.67%	15	SQ	0%
398.0	Miscellaneous Equip	6.43%	15	SQ	0%
399.0	Other Tangible Equipment	0.00%	30	R2.0	0%

MAWC Call Center Operational Audit

Purpose:

The purpose of this call center operational audit is to evaluate the conditions and decisions made by the Customer Care Team (CCT) and Customer Insight Team (CIT) (Collectively referred to as “Customer Team”) of the Customer Service Organization of American Water Works Service Company that may have contributed to the decreased performance of the call centers that service MAWC’s customers from July 2020 to the present (“relevant time period”). In particular, this audit will identify and evaluate the Customer Team’s decision-making process utilized to address decreased and increased performance related to the scope of the audit during the relevant time period, and will evaluate the Customer Team’s operating practices, systems, and procedures and develop recommendations to ensure effective practices in place as well as those that may be helpful in the future.

Scope:

I. Geographic Routing:

The audit will include an analysis of the Customer Team’s decision to no longer provide Geographic Routing for its call centers that handle MAWC customer calls. This will include an analysis of the call routing technology employed by the Customer Team to distribute calls in the queue.

II. Customer Care Team Response:

The audit will review the Customer Team’s efforts to address the Average Speed of Answer (ASA) and Abandoned Call Rate (ACR) and will include analysis of the cause for any fluctuation in the levels of ASA and ACR within the relevant time period. This will also include an analysis of the effectiveness of the Interactive Voice Response system (IVR) in assisting its customers. The audit will include an examination of how MAWC utilizes customer feedback within the Customer Care Team. That examination will look at the internal methods used to determine customer satisfaction with the call center (looking specifically at items such as survey structure, response rate, and effectiveness at measuring the intended variable) and its responsiveness to customer feedback.

III. Recruitment and Training:

The audit will review the Customer Team’s management decisions in the recruitment, hiring, and training for Customer Care Agents (CCA) as well as attrition rate and factors causing attrition. The analysis will include a review of the CCT’s process of transitioning to a remote work environment for CCA within the relevant time period as well as whether the transition to remote work impacted call center operations.

Audit Process:

The Customer Team and MAWC employees will cooperate fully with the auditor by timely providing relevant information requested to complete the audit including, but not limited to, connecting the auditors with individuals who can assist the auditor as appropriate. The selected auditor shall be retained by MAWC and provide the audit report exclusively to MAWC, which shall file the audit report confidentially with the Commission, pursuant to 20 CSR 4240-2.135(2)(A) 3 and 5. The audit will express an independent opinion that identifies observations regarding Customer Team operations related to the scope of this audit, which will include analysis of operations that impacted call center performance, with the goal towards informing MAWC, the Staff of the Missouri Public Service Commission (Staff), and the Office of the Public Counsel (OPC) of the status of the Customer Team operations and any recommendations related to the scope of this audit, including improvements to any processes, if any. The audit report shall provide recommendations regarding actions that can be taken to continue to reduce ASA and ACR levels while enhancing customer service. It shall include a prioritization of action items (low, medium, high). It shall also provide recommendations intended to prevent a reoccurrence of the identified issues to the extent possible. The audit firm conducting the audit will provide a confidential status report on the progress of the audit at least twice during the course of the audit's time frame for completion. This confidential status report will be provided to MAWC, to MO PSC Staff and the Office of the Public Counsel. The audit shall conclude within six (6) months of the auditor being selected.

Third-Party Audit Request for Proposal (RFP):

A committee comprised of an equal number of Staff, OPC and MAWC representatives shall develop a RFP for the audit to be issued by MAWC. The RFP shall be circulated internally among the committee within 120 days of the effective dates of new rates in this case. The selection of a successful bidder, if any, shall be conducted by the same committee and shall be made by majority vote. In the event the committee cannot agree to the identity of the auditor, the committee shall submit such question to the Commission for decision. The independent third-party auditor's contract shall preserve the auditor's independence by precluding Staff, OPC, or MAWC representatives from directing or influencing the audit report's conclusions. Upon completion, MAWC shall file the audit report confidentially with the Commission in the Electronic Filing Information System (EFIS).

Audit Costs:

It is expressly acknowledged that MAWC shall provide \$100,000, funded below the line (and not recovered in rates), for purposes of funding the independent third-party call center operational audit. Any additional expense beyond \$100,000, required by the Commission, will be split evenly between ratepayers and shareholders.

For ratemaking purposes, any cost in excess of \$100,000 shall be deferred to account 182.3 (other regulatory assets). This deferral will not receive a return, and will be amortized over 3 years, subject to the 50/50 split provided immediately above, in retail rates and cost of service in the first MAWC general rate case subsequent to the completion of the audit.

Missouri-American Water Company
Name of Issuing Corporation

For

Missouri Service Area
Community, Town or City

**Rules and Regulations Governing the Rendering of
Water Service**

Rule 23 – Extension of Company Mains

- A. This rule shall govern the extension of the Company’s water mains after the date hereof which are necessary to serve Customers within its service area. The Company’s water mains can be extended within the service territory of each of its operations within the State of Missouri either by the Company’s forces, Company’s contractor or by an Applicant’s contractor in accordance with Company’s standards and contractual requirements. For any design/installation option, the following terms and conditions shall apply:
 - 1. When an Applicant makes a request for an extension of water main, the Company shall first determine the closest adequate and reliable source of water in its existing distribution system. The Company will then determine the sizes, types, route and location of mains, loops and other tie-ins if necessary, replacement and upsizing of existing mains if necessary to meet the Applicant’s requirements, and ancillary equipment needed to serve Applicant’s property. Design of the extension will be based on domestic flow requirements as stated by the Applicant and fire flow requirements as determined by the local fire authority and the direct impact of the additional domestic flow and fire flow requirements of the Applicant to the Company’s existing Customers. If there is no local fire authority or the local fire authority declines to impose a flow requirement, then the fire flow requirements will be determined by the Applicant and approved by the Company. At a minimum, the fire flow requirements determined by the Applicant will meet Insurance Services Office, Inc. (ISO) standards. The local fire authority will determine fire hydrant locations unless there is no local fire authority or the local fire authority declines to locate fire hydrants, in which case the Company will determine the fire hydrant locations.
 - 2. The Applicant and Company shall fund the cost of the proposed water main extension at a ratio of 75/25 (i.e., 75% Applicant funded and 25% Company funded) for all districts. *
 - 3. Applicants requesting a main extension to serve a single premises in a recorded, residential single lot development can choose the aforementioned option in Provision A.2., above, or the option whereby the Company will be responsible for all of the costs, except easement acquisition, associated with extending the main up to one hundred feet (100’) (Free Extension). If the main extension required is greater than one hundred feet (100’) in length, all costs above the Free Extension shall be borne by the Applicant calculated on a per-foot basis. *

* Indicates new rate or text

+ Indicates change

Date of Issue: 2023 Effective Date: 2023

Issued By: Rich C. Svindland, President
727 Craig Road, St. Louis, MO 63141

Missouri-American Water Company
 Name of Issuing Corporation

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Missouri Service Area
 Community, Town or City

**Rules and Regulations Governing the Rendering of
 Water Service**

<p>4. The Applicant/Company funding ratio of 75/25 for all districts will only apply to the cost for the main extensions and may include, but is not limited to, all material and labor costs of piping, public fire hydrants (as applicable), valves, fittings, casing pipe, inspection fees, testing (including but not limited to: bacteriological, chlorination, de-chlorination, pressure and flushing), water used for flushing purposes, and all overheads charged to all materials, labor, services, etc. provided by the Company.</p> <p>5. The Applicant/Company funding ratio of 75/25 for all districts, shall not apply to restoration charges or easement acquisition costs. Applicant will be responsible for one hundred percent (100%) of the restoration charges and easement acquisition costs for the main extension, except the Company will be one hundred percent (100%) responsible for restoration charges related to the Free Extension.</p> <p>6. In those instances where the Company determines that the water service requirements, including supply for fire protection of the Applicant requires the reconstruction, replacement or reinforcement of the Company's existing water mains or other appurtenances (e.g. Pressure Reducing Valves, Booster Stations, Air Valves, water service lines, etc.), the Applicant will be responsible for such reconstruction, replacement or reinforcement including all the material, labor costs, engineering and engineering review, inspection fees, testing (including but not limited to: bacteriological, chlorination, de-chlorination, pressure and flushing), restoration costs, all abnormal layout or layout review costs incurred by the Company as well as all overheads charged to all materials, labor, services, etc. provided by the Company. The Applicant may also be responsible for all, or a portion, of the costs for any new booster stations, water storage tanks, and water plant upgrades that Company determines are necessary solely to provide service to the development for which the main extension is requested.</p> <p>7. The Applicant will also be required to pay all costs associated with the acquisition and preparation of any easements or permits necessary for the installation of the aforementioned facilities relating to the main extension.</p> <p>8. The Applicant or the Applicant's authorized agent shall contract with the Company for such extension in accordance with the Company's standards and contractual requirements.</p> <p>B. Installations by the Company or Company's Contractor: If the Applicant or Applicant's authorized agent contracts with the Company to install the main extension, the following shall apply:</p> <p>1. At the Applicant's option, the Company will either lay out the required water main extension on plans furnished by the Applicant at the cost of the Applicant, or the plans and specifications for the main extension may be prepared by the Applicant's engineer and submitted for Company approval.</p>	<p>*</p> <p>*</p> <p>*</p> <p>*</p> <p>*</p>
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* *Indicates new rate or text*

+ *Indicates change*

Date of Issue: _____, 2023 Effective Date: _____, 2023

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**Rules and Regulations Governing the Rendering of
Water Service**

- C. **Installations by Applicant’s Contractor (Developer Lay Option):** The Applicant, or the Applicant’s agent, may elect to use its own contractor to construct the main extension (also known as the Developer Lay option). Under this option, the Applicant’s contractor must be approved by the Company and the following terms and conditions shall apply:
1. At the Applicant’s option, either the Company will lay out the required water main extension on plans furnished by the Applicant, or the plans and specifications will be prepared by the Applicant’s engineer and submitted for Company approval.
 2. Upon request, the Company will provide written specifications and other related documents for the proposed extension and a Developer Lay Proposal for the installation by Applicant’s contractor, along with a copy of the water main layout.
 3. The Developer Lay Proposal costs will include the Company’s estimated costs of materials, labor, inspection fees, and other miscellaneous expenses such as stores expenses, administrative salaries, overhead expenses, transportation expenses, water used for flushing purposes and construction equipment expenses and similar expenses.
 4. The Applicant, or the Applicant’s agent, shall execute a Main Extension Contract with the Company on forms provided by the Company. Upon completion of the main extension, the Applicant, or the Applicant’s agent, shall agree to convey the completed main extension and necessary easements to the Company on the terms and conditions stated in the Main Extension Contract.
 5. Upon execution of the Main Extension Contract by the Applicant and the Company, the Applicant will pay to the Company the total estimated Developer Lay Proposal costs as determined in Provision C.3., above. Applicant will also provide all additional information as detailed in the Main Extension Contract.
 6. Upon completion of the Main Extension, and prior to acceptance of the extension by the Company, the Applicant will provide to the Company a final statement of Applicant’s costs to construct such extension. This final statement of costs will be added to the actual costs for Company to provide services as per the Developer Lay Proposal. Upon acceptance of the main extension, the Company will then issue payment to the Applicant of twenty-five percent (25%) pursuant to Provision A.2, above. The Company will adjust its payment based on the shortfall or excess of the difference between the actual Developer Lay costs and the Developer Lay Proposal payment made by the Applicant pursuant to Provision C.5, above. *
 7. For Applicants who have chosen the option of a one hundred foot (100’) Free Extension:
 - a) If the Applicant has chosen the option of a one hundred foot (100’) Free Extension, pursuant to Provision A.3. above, and the extension will be one hundred feet (100’) or less in length, then *

* Indicates new rate or text

+ Indicates change

Date of Issue: _____, 2023 Effective Date: _____, 2023

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727 Craig Road, St. Louis, MO 63141

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For

Missouri Service Area
Community, Town or City

**Rules and Regulations Governing the Rendering of
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Company will perform the necessary construction to extend its main(s).

- b) If the Applicant has chosen the option of a one hundred foot (100') Free Extension and the extension is greater than one hundred feet (100') in length, then prior to the Applicant scheduling the main extension, the Applicant shall advance payment equal to the Company's total estimated Developer Lay Proposal costs (Provision C.3. above). After completion of the main extension by the Applicant, Applicant must provide support to the Company of the total costs incurred by Applicant, exclusive of the advanced payment for the Developer Lay Proposal costs. Upon verification of the costs supplied by Applicant, Company will add those costs to the actual Developer Lay Proposal costs it incurred and divide the sum by the number of feet in the main extension project to determine a cost per linear foot. The cost per foot will be multiplied by 100 to arrive at the cost of the one hundred foot (100') Free Extension to be borne by the Company. The Company will add the amount of the one hundred foot (100') Free Extension to the advanced payment made by Applicant, in accordance with Provision C.3. above, and subtract the actual Developer Lay Proposal costs incurred by the Company to arrive at an amount to be paid to, or by, the Applicant.

As an example for Provision C.7.b), above:

Applicant pays to Company \$500 for estimated total Developer Lay Proposal costs
 Applicant pays his own contractor \$1,000
 Actual Developer Lay Proposal costs incurred by Company are \$200
 Total Main Extension in feet is 400 feet

Calculation:

	\$1,000.00	(Cost incurred by Applicant exclusive of advanced payment for Developer Lay Proposal)
Plus	<u>200.00</u>	(Actual Developer Lay Proposal Costs)
Equals	\$1,200.00	
Divide by	400	(Main Extension in Linear Feet)
Equals	\$3.00	per foot
Multiply by	100	
Equals	\$300.00	(Cost for first 100 linear feet that Company will absorb)
Add	\$500.00	(Amount Applicant advanced to the Company for estimated Developer Lay Proposal costs)
Subtract	<u>\$200.00</u>	(Actual Developer Lay Proposal Costs)
	\$600.00	Amount Company pays to Applicant

D. Miscellaneous Provisions

* *Indicates new rate or text*

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Date of Issue: August 26, 2011 Effective Date: October 15, 2011

Issued By: Frank Kartmann, President
727 Craig Road, St. Louis, MO 63141

Missouri-American Water Company
Name of Issuing Corporation

For

Missouri Service Area
Community, Town or City

**Rules and Regulations Governing the Rendering of
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1. Main extensions made under this rule shall be and remain the property of the Company.
2. The Company reserves the right to further extend the main and to connect mains on intersecting streets and easements. If the Company extends the main at its own cost, Applicant shall not be entitled to a Customer Frontage Refund if new Customers connect to that part of the main extension funded by the Company.
3. The size and type of material of the main extensions made under this rule shall be determined by the Company and sized to meet water service requirements, including supply for fire protection, of the Applicant. If the Company chooses to increase the size of the extension in order to meet the Company's overall system requirements beyond what is necessary to meet water service requirements, including supply for fire protection, of the Applicant, all additional costs caused by the larger size of pipe shall be borne by the Company.
4. No interest will be paid by the Company on payments made by the Applicant for the main extension.
5. All main extensions made under this rule must be installed in easements or right-of-way as determined by the Company.
6. If extensions are required on private roads, streets, through private property, or on private property adjacent to public right-of-way, a proper deed of easement, acceptable to the Company must be furnished to the Company without cost to the Company, as described in the Main Extension Contract.
7. Company main extensions shall be determined by the Company and installed to permit Company Service Lines and Customer Service Lines to be installed in accordance with the Company's installation requirements for water service lines.
8. In determining the length of main extensions, the main shall be extended to cover fully the frontage of the subdivision lot or property to be served, and if the last lot to be served is a corner lot or a lot immediately adjacent to a corner lot, the terminal point of the main extension made hereunder shall be located so that the water main installed hereunder ties in with the existing water main located in the intersecting street; and further provided that if there is no main located in the intersecting street, the terminal point of the main extension made hereunder shall be located at the nearest right-of-way line of the intersecting street. When the Company main extension is installed in an easement on private property or in public right-of-way, within the boundaries of a multi-lot subdivision, the end of each main extension shall be terminated near the farthest property line. The Company may shorten the length of the main extension that the Applicant would otherwise be required to make under this provision, if, in the Company's judgment, the main should not be extended further due to pressure, volume or water quality concerns or cannot physically be extended further.
9. In the event Company determines that the main should not be extended by the Applicant to the full extent otherwise required by these rules, the Company shall nevertheless require the Applicant to

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Missouri-American Water Company
 Name of Issuing Corporation

For

Missouri Service Area
 Community, Town or City

**Rules and Regulations Governing the Rendering of
 Water Service**

provide all necessary easements commensurate with the main extension as originally proposed by the Applicant.

- 10. Water main extensions must be installed in accordance with the Company's then current specifications and standards.
- 11. At the Company's discretion, the Company, the Company's contractor or an Applicant's contractor in accordance with Company's standards and contractual requirements, will make all connections to Company's water mains.
- 12. At the Company's discretion, any necessary reconstruction of existing mains or installation of mains larger than twelve inches (12") in diameter will be done by Company's forces, Company's contractor or by an Applicant's contractor in accordance with the Company's standards and contractual requirements.
- 13. The Company reserves the right to assess additional charges if the Company is required to create multiple layouts or to perform multiple reviews pursuant to an Applicant's request.

E. Customer Frontage Charge Refunds

- 1. If requested by the Applicant at the time of entering into the Main Extension Contract with the Company, the Applicant shall have the option of requesting a Customer Frontage Charge Refund. The Customer Frontage Charge Refund only applies to that portion of the main extension that is to be installed by or on behalf of an Applicant to reach a public, private, commercial, government or religious development or personal dwelling described in the Main Extension Contract. The Customer Frontage Charge Refund will be made to Applicant, or its assignee, subject to the following conditions:
 - a) A Customer Frontage Charge will be collected in advance from each new Customer, (in addition to the tap fee, connecting a new-metered service line) when the new Customer connects to the portion of the main extension covered by the Applicant's contract.
 - b) The Customer Frontage Charge is calculated at the rate of fifty percent (50%) of the actual per foot cost of the mains as paid by the Applicant, with appurtenances, times the front footage (front footage shall mean the property footage along the main) of the premises to be served.
 - c) No Customer Frontage Charge Refunds will be made for mains required to serve within new platted subdivisions for lots owned or controlled by the Applicant which the main extension is expressly intended to serve. Refunds may be made for lots located outside the new platted subdivision that can be served by the Applicant's main extension. Refunds for any lots may be made to Applicants who utilize the Free Extension serving recorded, residential single lot developments where the portion of the water main extension is above the Free Extension limits.
 - d) Customer Frontage Charge Refunds shall only be made for the first five (5) years after the Applicant's main extension is accepted into the Company's system. At the expiration of the five

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Missouri-American Water Company
Name of Issuing Corporation

For

All Missouri Service Areas
Community, Town or City

**Rules and Regulations Governing the Rendering of
Water Service**

(5) year period, the refund account will be closed, and no further Customer Frontage Charge refunds will be made.

e) The Customer Frontage Charge Refunds made by the Company shall, in no event, exceed the amount paid by the Applicant to the Company for the main extension (i.e., 75% for all projects and excluding any portion funded by the Company) regardless of whether the main extension was performed by the Company, or a contractor performed the main extension on behalf of the Applicant.

F. This Section F is applicable only to Main Extensions in St. Louis County & St. Charles County. Because Commission jurisdiction constitutes a legislative recognition that the public interest in proper regulation of public utilities transcends municipal or county lines, and that a centralized control must be entrusted to an agency whose continually developing expertise will assure uniformly safe, proper and adequate service by the Company, no regulations or ordinances of local governments shall be permitted to impose differing construction methods (excepting local permit requirements for excavation and restoration of public rights-of-way), material selections, water main sizes or licensing qualifications of the Company's employees or of those independent contractors employed to install, replace or maintain water mains owned or to be owned by the Company when such work is performed under the supervision of or inspection by Company agents or employees, unless such requirement is adopted and approved by the Commission upon complaint alleging that such requirement is necessary for safe and adequate service and requesting uniform application throughout Company's service area.

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* *Indicates new rate or text*

+ *Indicates change*

Date of Issue: _____, 2023 Effective Date: _____, 2023

Issued By: Rich C. Svindland, President
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