

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

In the Matter of the Proposed Missouri-American) **File No. WT-2019-**
Water Company 2nd Revised Tariff Sheet No. R.65) Tracking No. JW-2019-0019

MOTION TO SUSPEND TARIFF

COMES NOW, Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for the following Motion to Suspend Tariff, states as follows:

1. On Tuesday, August 21, 2018, Missouri-American Water Company (MAWC or Company) filed its P.S.C. Mo. No. 13, 2nd Revised Tariff Sheet No. R. 65 (2nd Revised R. 65) to replace the 1st Revised Tariff Sheet No. R. 65.

2. The 2nd Revised R. 65 has an effective date of September 20, 2018.

3. The 2nd Revised R. 65 proposes to alter how MAWC will account for income taxes that accrue from Contributions in Aid of Construction (CIAC) received by the Company within in a given year.

4. More particularly, the 2nd Revised R. 65 proposes that:

Any Federal, State or Local income tax incurred by the Company due to the receipt of taxable Advances or Contributions in Aid of Construction, as defined by the Internal Revenue Service, the State of Missouri, or other taxing authority, and not otherwise paid by a third party, will be paid by the Company. Such income taxes shall be segregated in a deferred account for inclusion in rate base in the Company's next general rate proceeding.

5. Because the 2nd Revised R. 65 proposes a change to the tax treatment of CIAC that is different from the past approved R. 65, and because of 2nd Revised R. 65's proposed effect on rate base and therefore rates in a subsequent rate case proceeding, Staff respectfully recommends the Commission suspend the operation this tariff and conduct further proceedings to determine whether to adopt or reject the proposed tariff.

For context regarding the issue before the Commission, Staff has attached a summary of the comments made at a related workshop, File No. WW-2018-0388.

WHEREFORE, Staff respectfully moves the Commission to suspend Missouri-American's proposed 2nd Revised Sheet No. R. 65, tracking number JW-2019-0019, open a formal tariff docket, and for any further relief the Commission deems just and reasonable.

Respectfully submitted,

/s/ Jacob T. Westen

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CERTIFICATE OF SERVICE

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all parties and or counsel of record on this 24th day of August, 2018.

/s/ Jacob T. Westen