

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Raytown Water)
Company's Request for Annual Operating) **File No. WR-2020-0264**
Revenue Increase)

ORDER DIRECTING RESPONSES

Issue Date: August 13, 2020

Effective Date: August 13, 2020

On March 2, 2020, Raytown Water Company filed a letter requesting an increase in its annual overall operating revenues in a staff assisted rate case. On August 4, 2020, the Commission's Staff, Raytown Water, and the Office of the Public Counsel (OPC) filed a unanimous disposition agreement to fully resolve Raytown Water Company's request.

The Commission will order the parties to respond to the following queries:

A. In regard to capital improvements: Please specify, by month and year, the time frame contemplated by the "three-year capital improvement plan," to indicate when the three-year period begins. In addition, please explain how the estimated cost of \$40,000, for each project, was reached. Finally, please identify the projects that are contemplated to be completed each year of the three-year plan.

B. The parties' *Notice of Unanimous Disposition Agreement* states the parties agreed to an increase of \$482,575, which is the same amount stated in Agreement Provision 1. Attachment A2 to the agreement states the overall revenue increase figure is \$482,576. Please clarify.

C. Please explain the relationship between the agreed-to increase of \$482,575, and the result of Staff's recommended revenue requirement increase calculation, which is reported by the auditing unit as \$419,859.

D. Agreement Provision 12(iv) states that the company shall adopt a policy that “all leaks ... will be completed within eight (8) months of the Company discovering the problem, weather permitting.” Does the provision require that Raytown Water adopt a policy that all leaks be repaired within eight months of discovery? Does such requirement apply to leaks discovered in the annual leak survey mentioned in Agreement Provision 12(vii)?

E. In regard to the annual leak detection survey in Agreement Provision 12(vii): What percentage of Raytown Water’s system is surveyed each year? How many years will it take to survey the whole system? How does Raytown Water determine what segments to survey?

F. In regard to water loss: What is Raytown Water’s current water loss percentage? Will reports of “benefits realized” to be reported under Agreement Provision 12(iii) include reductions in water loss? How will reductions in water loss be measured?

G. Notes in Raytown Water’s financial statements, filed with Raytown Water’s letter requesting an increase in operating revenues, indicate Raytown’s president and chairman of the board of directors owns a car wash that is “used periodically” by Raytown Water. Please disclose if the car wash is on Raytown Water’s water distribution system. If so, is the car wash metered and billed at the tariffed rate?

THE COMMISSION ORDERS THAT:

1. No later than August 20, 2020, the parties shall respond to the Commission’s inquiries above. Responses may be made as joint filings, if appropriate.
2. This order shall be effective when issued.



BY THE COMMISSION

A handwritten signature in black ink that reads "Morris L. Woodruff". The signature is written in a cursive style.

Morris L. Woodruff
Secretary

Jana C. Jacobs, Regulatory Law Judge,
by delegation of authority pursuant to
Section 386.240, RSMo (2016).

Dated at Jefferson City, Missouri,
on this 13th day of August, 2020.