

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

In the Matter of Missouri-American)	<u>File No. WT-2020-0353</u>
Water Company's Proposed Tariff)	Tracking No. JW-2020-0185
Sheet Filing)	

STAFF RECOMMENDATION

COMES NOW, Staff of the Missouri Public Service Commission ("Staff"), by and through counsel, and for its *Recommendation*, states as follows:

1. On April 23, 2020, Missouri-American Water Company ("MAWC" or "Company") filed the following revised tariff sheets:

- P.S.C. MO No. 13, 3rd Revised Sheet No. R 4, cancelling 2nd Revised Sheet No. R 4
- P.S.C. MO No. 13, 3rd Revised Sheet No. R 6, cancelling 2nd Revised Sheet No. R 6
- P.S.C. MO No. 13, 3rd Revised Sheet No. R 7, cancelling 2nd Revised Sheet No. R 7
- P.S.C. MO No. 13, 1st Revised Sheet No. R 14, cancelling Original Sheet No. R 14
- P.S.C. MO No. 13, 2nd Revised Sheet No. R16, cancelling 1st Revised Sheet No. R 16
- P.S.C. MO No. 13 1st Revised Sheet No. R 32, cancelling Original Sheet No. R 32
- P.S.C. MO No. 13, 1st Revised Sheet No. R 45, cancelling Original Sheet No. R 45
- P.S.C. MO No. 13, 2nd Revised Sheet No. R 47, cancelling 1st Revised Sheet No. R 47

2. As a result of MAWC's April 23, 2020 filing, Staff sought suspension of the various tariff sheets for further proceedings before the Commission in its May 11, 2020, *Motion to Suspend Tariff Sheets*.

3. On May 14, 2020, the Commission issued its *Order Suspending Tariffs, Directing Notice, Setting Intervention Deadline, and Directing Filing of Staff Recommendation (Order Directing Notice)*. That *Order* suspended the tariffs for 60 days,

until July 22, 2020, noting that Staff may ask for further suspensions, and a need for administrative economy.

4. On June 16, 2020, MAWC filed a substitute sheet P.S.C. MO No. 13, 2nd Revised Sheet No. R 14, cancelling 1st Revised Sheet No. R 14, in order to correct a typographical error.

5. MAWC's stated purpose for the tariff revisions is to begin the process of changing the ownership, and responsibility for maintenance, of certain segments of the water service line between the company-owned main to the customer premise in its St. Louis County service area. Currently, the customer owns and is responsible for the entirety of the Water Service Line, from the company-owned main, to the customer's premise. In all of MAWC's other service territories, the Customer is only responsible for the portion of the Water Service Line from the meter to the premise.

6. Staff has reviewed MAWC's revised tariff sheets, and recommends approval of the tariff sheets filed as Tracking No. JW-2020-0185 on April 23, 2020, and substituted on June 16, 2020. As is more thoroughly explained in the Memorandum attached hereto as Appendix A, Staff is supportive of the changes as they will provide consistency throughout MAWC's service territories as to the treatment of service lines between the company owned main and the customer's premise, and will allow for MAWC to better implement its Lead Service Line Replacement Program.

WHEREFORE, Staff respectfully requests that the Commission issue an order approving the following tariffs sheets:

- a. P.S.C. MO No. 13, 3rd Revised Sheet No. R 4, cancelling 2nd Revised Sheet No. R 4
- b. P.S.C. MO No. 13, 3rd Revised Sheet No. R 6, cancelling 2nd Revised Sheet No. R 6

- c. P.S.C. MO No. 13, 3rd Revised Sheet No. R 7, cancelling 2nd Revised Sheet No. R 7
- d. P.S.C. MO No. 13, 1st Revised Sheet No. R 14, cancelling Original Sheet No. R 14
- e. P.S.C. MO No. 13, 2nd Revised Sheet No. R16, cancelling 1st Revised Sheet No. R 16 (as substituted on June 16, 2020)
- f. P.S.C. MO No. 13 1st Revised Sheet No. R 32, cancelling Original Sheet No. R 32
- g. P.S.C. MO No. 13, 1st Revised Sheet No. R 45, cancelling Original Sheet No. R 45
- h. P.S.C. MO No. 13, 2nd Revised Sheet No. R 47, cancelling 1st Revised Sheet No. R 47

Respectfully submitted,

/s/ Mark Johnson

Mark Johnson
Deputy Counsel
Missouri Bar No. 64940
P.O. Box 360
Jefferson City, MO 65012
(573) 751-7431 (Telephone)
(573) 751-9285 (Fax)
Mark.johnson@psc.mo.gov

Attorney for the Staff of the
Missouri Public Service Commission

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 30th day of June, 2020.

/s/ Mark Johnson

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
File No. WT-2020-0353; Tariff File No. JW-2020-0185

FROM: James A. Busch, Utility Regulatory Manager, Water and Sewer Department

/s/ James A. Busch / 06-30-2020 /s/ Mark Johnson / 06-30-2020
Industry Analysis / Date Staff Counsel's Office / Date

SUBJECT: Staff Recommendation for the Approval of Missouri-American Water
Company's Tariff Filing

DATE: June 30, 2020

BACKGROUND

On April 23, 2020, Missouri-American Water Company (MAWC or "Company") filed the following revised tariff sheets:

- P.S.C. MO No. 13, 3rd Revised Sheet No. R 4, cancelling 2nd Revised Sheet No. R 4
- P.S.C. MO No. 13, 3rd Revised Sheet No. R 6, cancelling 2nd Revised Sheet No. R 6
- P.S.C. MO No. 13, 3rd Revised Sheet No. R 7, cancelling 2nd Revised Sheet No. R 7
- P.S.C. MO No. 13, 1st Revised Sheet No. R 14, cancelling Original Sheet No. R 14
- P.S.C. MO No. 13, 2nd Revised Sheet No. R 16, cancelling 1st Revised Sheet No. R 16
- P.S.C. MO No. 13 1st Revised Sheet No. R 32, cancelling Original Sheet No. R 32
- P.S.C. MO No. 13, 1st Revised Sheet No. R 45, cancelling Original Sheet No. R 45
- P.S.C. MO No. 13, 2nd Revised Sheet No. R 47, cancelling 1st Revised Sheet No. R 47

The tariff filing was given Tariff File No. JW-2020-0185. The Revised Tariff Sheets had an effective date of May 23, 2020. On May 11, 2020, Staff filed to suspend the tariff sheets. On May 14, the Commission issued its Order, suspending the tariff sheets until July 22, 2020. On June 16, 2020, MAWC filed a substitute sheet P.S.C. MO No. 13, 2nd Revised Sheet No. R 14, cancelling 1st Revised Sheet No. R 14, due to a typographical error.

The purpose of the tariff revision is to begin the process of changing the ownership of certain segments of the water service line between the Company-owned main to the Customer premise in the Company's St. Louis County service area. This change will mean that the ownership of certain segments of the water service line will be consistent throughout MAWC's service territories.

Staff is supportive of the change in ownership of certain segments of the water service line in the St. Louis County service area. Staff recommends approval of the tariff sheets filed as Tracking No. JW-2020-0185.

ANALYSIS

In MAWC's currently effective Tariff, Service Line or Water Service Line is defined in paragraph 51 of Definitions, in part, as "Generally referring to a pipeline between the main and the Customer's premises..." (P.S.C. MO No. 13, 2nd Revised Sheet No. R 6). In 51. a, the Customer's Service Line or Customer's Water Service Line is generally defined as the portion of the Water Service Line from the main to the Customer's Premise, except in St. Louis County. In 51. b, the Company Service Line is defined as the pipeline from the main to the Customer's Service Line, except there is no Company Service Line in the St. Louis County Operations. Thus, in the St. Louis County Service Area, the Customer owns and is responsible for the entirety of the Water Service Line. In all other service territories, the Customer is only responsible for the portion of the Water Service Line from the meter to the Premise. The Customer owning the service line up to the meter setting is also the norm for other water companies throughout Missouri.

For over two decades, MAWC has been expanding its footprint in Missouri. It started out by providing water service to the cities of St. Joseph and Joplin. In the mid-1990s, it added the assets of Missouri Cities (St. Charles, Mexico, Brunswick, Warrensburg, and Riverside). It then added the Jefferson City and St. Louis County service territories in the early 2000s. Since then, it has added many small water and sewer systems throughout Missouri.

In Case No. WR-95-205, MAWC agreed to change its rules for service in its St. Joseph service territory so that the Company will maintain the portion of the water service line between the main and meter/property line, to be consistent with all other service territories, which included Joplin and the newly acquired Missouri Cities properties. In Case No. WR-99-236, United Water Missouri, the owner of the Jefferson City water system prior to MAWC's acquisition, agreed to change the ownership of the portion of the Water Service Line between the main and the customer's property line. These changes brought consistency, and reflects the general standard under which most water systems operate.

For MAWC, the one exception has been its St. Louis County Operations. Generally, this has not been a major issue between the customers in St. Louis County and MAWC. However, with MAWC's Commission-approved Lead Service Line Replacement, the ownership issue has become a hindrance. To solve the problem, MAWC decided to take the step to transfer ownership of the portion of the service line between the main and the customer's meter/property line. The transfer will not happen immediately. As Water Service Lines are replaced on a going forward basis, MAWC will take ownership of that portion of the Service Line, to be consistent with the rest of its service territories. In the meantime, MAWC will provide maintenance to those portions of the service line, until a replacement is installed.

Over the years, Staff has been in favor of the transfer of ownership of the section of Water Service Line between the main and the meter. Staff continues to be in favor of the change in ownership and responsibility.

MAWC is a corporation in good standing, is current with annual report filings with the Commission, and is current on its annual assessment.

MAWC has a variety of cases open with the Commission. These pending cases have no impact on this proposed tariff filing, nor will approval of the proposed tariff sheets impact those cases before the Commission.

RECOMMENDATION

Based on Staff's understanding of the issue, the historical nature of this issue, the current replacement of customer's water service lines in St. Louis County under MAWC's Lead Service Line Replacement Program, Staff recommends the Commission approve the following tariffs:

P.S.C. MO No. 13, 3rd Revised Sheet No. R 4, cancelling 2nd Revised Sheet No. R 4

P.S.C. MO No. 13, 3rd Revised Sheet No. R 6, cancelling 2nd Revised Sheet No. R 6

P.S.C. MO No. 13, 3rd Revised Sheet No. R 7, cancelling 2nd Revised Sheet No. R 7

P.S.C. MO No. 13, 2nd Revised Sheet No. R 14, cancelling 1st Revised Sheet No. R 14

P.S.C. MO No. 13, 2nd Revised Sheet No. R 16, cancelling 1st Revised Sheet No. R 16

P.S.C. MO No. 13 1st Revised Sheet No. R 32, cancelling Original Sheet No. R 32

P.S.C. MO No. 13, 1st Revised Sheet No. R 45, cancelling Original Sheet No. R 45

P.S.C. MO No. 13, 2nd Revised Sheet No. R 47, cancelling 1st Revised Sheet No. R 47

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In the Matter of Missouri-American Water)
Company's Proposed Tariff Sheet Filing) File No. WT-2020-0353

AFFIDAVIT OF JAMES A. BUSCH

STATE OF MISSOURI)
) ss.
COUNTY OF COLE)

COME NOW JAMES A. BUSCH and on his oath declares that he is of sound mind and lawful age; that he contributed to the foregoing *Staff Recommendation* in memorandum form; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiants sayeth not.

/s/ James A. Busch
JAMES A. BUSCH