

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

In the matter of the Petition of)
Missouri-American Water Company for) File No. WO-2022-0176
Approval to Change a Water and Sewer)
Infrastructure Rate Adjustment (WSIRA).)

NOTICE OF AGREEMENT

COME NOW Missouri-American Water Company ("MAWC"), Staff of the Missouri Public Service Commission ("Staff"), and Missouri Industrial Energy Consumers ("MIEC"), and in regard to *Notice of Agreement* ("*Notice*") state as follows to the Missouri Public Service Commission ("Commission"):

1. On March 4, 2022, MAWC filed a *Petition to Change a Water and Sewer Infrastructure Rate Adjustment* ("*Petition*") with the Commission. The *Petition* seeks to recover Water and Sewer Infrastructure Rate Adjustment ("WSIRA") investment that was placed into service for the period November 1, 2021 to January 31, 2022, with estimated WSIRA costs for February 1, 2022 through April 30, 2022, also included. The Commission assigned File Nos. WO-2022-0176 and SO-2022-0177 to the *Petition*.

2. On March 9, 2022, the Commission issued its *Order Directing Notice, Setting Deadlines, Directing Filings, Consolidating Cases, and Suspending Tariffs* ("*Order*"). The *Order*: consolidated File Nos. WO-2022-0176 and SO-2022-0177, with File No. WO-2022-0176 being the lead case; issued notice of the *Petition*; directed the Staff of the Commission to file its recommendation no later than June 2, 2022; directed the Office of the Public Counsel and any other parties to file objections, recommendations, or requests for hearing no later than June 2, 2022; and for MAWC to respond to Staff's recommendation or other objections or recommendations no later than June 13, 2022.

3. On June 2, 2022, Staff filed its recommendation for the Commission to: approve WSIRA surcharge revenues in the incremental pre-tax revenue amount of \$18,302,606 for the St. Louis County water service area, \$2,658,518 for All Other water service area, \$16,951 for Arnold sewer service area, and \$225,490 for All Other sewer service area for a total in this filing of \$21,203,565 and a total current and cumulative WSIRA surcharge of \$40,206,346; and authorize MAWC to file revised tariff sheets for each utility, service area, and customer class, as reflected in Staff's Appendix 1, to generate \$21,203,565.

4. On June 3, 2022, MIEC filed out of time the "Direct Testimony" of Greg R. Meyer objecting to the level of property taxes included in the WSIRA.

5. On June 16, 2022, MAWC filed a Response to Staff's Recommendation and MIEC's filing, stating that the Company agrees with the Staff recommendation and disagrees with MIEC's position.

6. On June 17, 2022, the Commission issued an *Order Granting Motion to File Testimony Out of Time and Order Directing Filing*, which included an order for the parties to jointly file a proposed procedural schedule by June 22, 2022.

7. On June 22, 2022, Staff filed a Joint Proposed Procedural schedule on behalf of Staff, MAWC and MIEC (the signatories).

8. MAWC, Staff and MIEC have reached an agreement on the issues involved in this matter. Attached as **Appendix A** to this Notice is the revenue requirement agreed to by the signatories.

9. The revenue requirement in **Appendix A** includes \$3,036,211 in WSIRA property taxes.

10. The amount of property taxes agreed to by parties in this case is for settlement

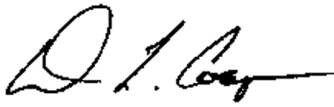
purposes only and does not prevent any party from proposing a different methodology to calculate property taxes in a future WSIRA case.

11. **Appendix B** to this *Notice* is an example of the tariff that the Company would file and seek approval as part of the agreement.

12. OPC counsel has stated to undersigned counsel that OPC does not oppose this agreement.

WHEREFORE, the signatories respectfully submit this *Notice of Agreement* and request that the Commission issue an order approving a change to MAWC's WSIRA as described herein.

Respectfully Submitted,



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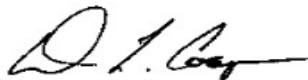
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ATTORNEY FOR MISSOURI INDUSTRIAL ENERGY CONSUMERS

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail to all counsel of record this 7th day of July 2022.



Missouri-American Water Company
WSIRA Revenue Requirements Calculation

1	WSIRA Revenue Requirement	STL County Water	Other Water	Arnold Sewer	Other Sewer	Total
2						
3	Utility Plant Projects--Replacement					
4	Utility Plant in Service--Replacement	\$137,112,847	\$19,742,026	\$144,941	\$1,719,199	\$158,719,013
5	Net Contributions in Aid of Construction	(1,170,089)	2,191	0	0	(1,167,897)
6	Deferred Taxes	(14,391,154)	(2,163,038)	(18,652)	(218,782)	(16,791,626)
7	Accumulated Depreciation	(1,142,909)	(199,527)	(1,728)	(18,986)	(1,363,150)
8						
9	Total Net Replacement Rate Base	\$120,408,695	\$17,381,652	\$124,561	\$1,481,431	\$139,396,339
10						
11	Utility Plant Projects--Facilities Relocations					
12	Utility Plant in Service--Relocations	\$2,804,609	\$476,933	\$0	\$0	\$3,281,542
13	Net Contributions in Aid of Construction	(599,745)	0	0	0	(599,745)
14	Deferred Taxes	(516,076)	(60,519)	0	0	(576,595)
15	Accumulated Depreciation	(25,062)	(2,333)	0	0	(27,395)
16						
17	Total Net Relocation Rate Base	\$1,663,726	\$414,082	\$0	\$0	\$2,077,807
18						
19	Utility Plant Projects--Total					
20	Utility Plant in Service--Total	\$139,917,456	\$20,218,958	\$144,941	\$1,719,199	\$162,000,555
21	Net Contributions in Aid of Construction	(1,769,834)	2,191	0	0	(1,767,643)
22	Deferred Taxes	(14,907,230)	(2,223,557)	(18,652)	(218,782)	(17,368,220)
23	Accumulated Depreciation	(1,167,972)	(201,859)	(1,728)	(18,986)	(1,390,545)
24						
25	Accumulated Depreciation and Deferred Taxes on Investment in Current WSIRA					
26	Accumulated Depreciation - Prior WSIRA	(1,485,646)	(214,685)	(1,539)	(18,254)	(1,720,124)
27	Deferred Taxes - Prior WSIRA	(105,384)	(15,229)	(109)	(1,295)	(122,016)
28						
29	Total Adjustment	(\$1,591,029)	(\$229,914)	(\$1,648)	(\$19,549)	(\$1,842,141)
30						
31	Total WSIRA Rate Base	\$120,481,391	\$17,565,820	\$122,913	\$1,461,882	\$139,632,006
32						
33	Overall Pre-Tax Rate Of Return per Last Order	8.71%	8.71%	8.71%	8.71%	8.71%
34						
35	Revenue Requirement on Capital	\$10,493,929	\$1,529,983	\$10,706	\$127,330	\$12,161,948
36	Depreciation Expense	2,257,545	326,361	495	29,952	2,614,353
37	Property Taxes	2,622,330	378,943	2,716	32,221	3,036,211
38						
39	Total Revenue Requirement	\$15,373,804	\$2,235,288	\$13,917	\$189,503	\$17,812,512
40						
41	Adjustments:					
42	Undercollection from WSIRA reconciliation					\$0
43	Revenue Cap Adjustment	0	0	0	0	0
44						
45	Total WSIRA Revenue Requirement	\$15,373,804	\$2,235,288	\$13,917	\$189,503	\$17,812,512
46						
47	Allocation of Revenue by Class					
48	Rate A	\$14,615,474	\$1,927,945			\$16,543,419
49	Rate B	272,499	84,159			356,659
50	Rate J	485,830	223,184			709,014
51	Sewer			13,917	189,503	203,420
52						
53	Total WSIRA Revenue Requirement	\$15,373,804	\$2,235,288	\$13,917	\$189,503	\$17,812,512

Missouri-American Water Company
 Name of Issuing Corporation

For

St. Louis County
 Community, Town or City

Rate W			
Water & Sewer Infrastructure Replacement Surcharge (WSIRA)			
<p>DESCRIPTION - Rate W is designed to recover costs associated with the Company's eligible infrastructure projects: 1) Replacement of or cleaning and relining of existing mains, hydrants, meters, service lines, laterals, sewer taps, curbstops and manholes, 2) Replacement of lead mains, goosenecks, lead service lines and associated valves and meters, 3) Replacement of booster station and lift station pumps, with equipment of similar capacity and operation, as well as related pipes, valves and meters, 4) Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain; provided that the costs related to such projects have not been reimbursed to the water or sewer corporation; 5) Replacement of water and wastewater treatment mechanical equipment with equipment of similar capacity and operation, including well and intake pumps, transfer pumps, high service or discharge pumps, and metering pumps, 6) Replacement of Supervisory Control and Data Acquisition Systems (SCADA) components necessary for the operation and monitoring of remote installations including radio and cellular communication equipment, and programmable logic controllers. The WSIRA rate is calculated and implemented in accordance with the provisions of sections 393.1500 to 393.1509 RSMO. Any future changes to this rate will also be made in accordance with those provisions.</p>			
<p>APPLICABILITY - This rate is applicable to any customer class who benefits from the subject utility plant projects eligible for WSIRA recovery. The surcharge is calculated consistent with the customer class cost-of-service study recognized by the Missouri Commission in the Company's most recent general rate proceeding.</p>			
<p>RATE COMPONENTS - In addition to the other charges provided for in the Company's tariffs, a separate charge for the WSIRA will apply for service rendered on and after the effective date.</p>			
	<u>Customer Rate Class</u>	<u>Rate per 100 Gallons</u>	<u>Rate per 1,000 Gallons</u>
	Rate A	\$0.09428	\$0.94280
	Rate B	\$0.03535	\$0.35354
	Rate J	\$0.02515	\$0.25146
			+
			+
			+
<p>RULES AND REGULATIONS – The General Rules and Regulations set forth in this tariff shall govern the supply of service under this rate.</p>			
<p>PAYMENT TERMS - All bills for service under this schedule will be rendered in arrears on a monthly or quarterly basis. The due date on the tariff shall be ten (10) days after the "date of rendition" of the bill to the customer. The customer's bill will be due and payable after this due date. The delinquent date printed on the bill will not be less than twenty-one (21) days after the date of the postmark of the bill. Any accounts remaining unpaid at the expiration of twenty-one (21) days shall be considered delinquent and the Company may take such action as specified in its filed rules and regulations.</p>			
<p>TAXES - These rates do not include any municipal, state or federal taxes computed on either billing or consumption basis. Any such taxes applicable shall be added as separate items in rendering each bill.</p>			

* Indicates new rate or text

+ Indicates change

Date of Issue: July XX, 2022 Effective Date: August XX, 2022

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

Missouri-American Water Company
 Name of Issuing Corporation

For

All Missouri Service Areas Outside of St. Louis County
 Community, Town or City

Rate W			
Water & Sewer Infrastructure Replacement Surcharge (WSIRA)			
<p>DESCRIPTION - Rate W is designed to recover costs associated with the Company's eligible infrastructure projects: 1) Replacement of or cleaning and relining of existing mains, hydrants, meters, service lines, laterals, sewer taps, curbstops and manholes, 2) Replacement of lead mains, goosenecks, lead service lines and associated valves and meters, 3) Replacement of booster station and lift station pumps, with equipment of similar capacity and operation, as well as related pipes, valves and meters, 4) Facilities relocations required due to construction or improvement of a highway, road, street, public way, or other public work by or on behalf of the United States, this state, a political subdivision of this state, or another entity having the power of eminent domain; provided that the costs related to such projects have not been reimbursed to the water or sewer corporation; 5) Replacement of water and wastewater treatment mechanical equipment with equipment of similar capacity and operation, including well and intake pumps, transfer pumps, high service or discharge pumps, and metering pumps, 6) Replacement of Supervisory Control and Data Acquisition Systems (SCADA) components necessary for the operation and monitoring of remote installations including radio and cellular communication equipment, and programmable logic controllers. The WSIRA rate is calculated and implemented in accordance with the provisions of sections 393.1500 to 393.1509 RSMO. Any future changes to this rate will also be made in accordance with those provisions.</p>			
<p>APPLICABILITY - This rate is applicable to any customer class who benefits from the subject utility plant projects eligible for WSIRA recovery. The surcharge is calculated consistent with the customer class cost-of-service study recognized by the Missouri Commission in the Company's most recent general rate proceeding.</p>			
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	<u>Customer Rate Class</u>	<u>Rate per 100 Gallons</u>	<u>Rate per 1,000 Gallons</u>
	Rate A	\$0.04710	\$0.47097
	Rate B	\$0.01518	\$0.15176
	Rate J	\$0.01645	\$0.16446
			+
			+
			+
<p>RULES AND REGULATIONS – The General Rules and Regulations set forth in this tariff shall govern the supply of service under this rate.</p>			
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<p>RATE COMPONENTS - In addition to the other charges provided for in the Company's tariffs, a separate charge for the WSIRA will apply for service rendered on and after the effective date. The WSIRA charge is calculated as a percentage of the customer's total bill, prior to any taxes.</p>			
All Customers:		0.8991%	of the total bill
			+
<p>RULES AND REGULATIONS – The General Rules and Regulations set forth in this tariff shall govern the supply of service under this rate.</p>			
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Missouri-American Water Company
 Name of Issuing Corporation

For

All Missouri Service Areas Outside of City of Arnold
 Community, Town or City

Rate W			
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All Customers:		5.5519%	of the total bill
			+
<p>RULES AND REGULATIONS – The General Rules and Regulations set forth in this tariff shall govern the supply of service under this rate.</p>			
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