

**STATE OF MISSOURI
PUBLIC SERVICE COMMISSION**

At a session of the Public Service Commission held at its office in Jefferson City on the 13th day of November, 2013.

In the Matter of the Petition of Missouri-American)	
Water Company for Approval to Change its)	<u>File No. WO-2014-0055</u>
Infrastructure System Replacement Surcharge)	Tariff No. YW-2014-0109

**ORDER SETTING ISRS AMOUNTS, REJECTING TARIFF SHEET,
AND DIRECTING THE FILING OF NEW TARIFF SHEET**

Issue Date: November 13, 2013

Effective Date: November 23, 2013

The Missouri Public Service Commission is granting the petition of Missouri-American Water Company to change the Company's Infrastructure System Replacement Surcharge (ISRS). The Commission is also setting the Company's ISRS rates, rejecting the pending tariff sheets, and requiring the Company to file a new tariff sheet in compliance with the order. The petition seeks an ISRS increase to recover costs related to eligible plant placed in service from April 1, 2013 through September 30, 2013.

On August 30, 2013, the Company filed the petition with the supporting documents, a tariff sheet and affidavit. On September 6, the Commission suspended the tariff sheet until December 28, gave the required notice of the application,¹ and set a date for applications to intervene. There were no requests to intervene.

The suspension of the tariff sheet initiated a contested case.² Decisions from contested cases need not include conclusions of law and separately stated findings of fact

¹ Section 393.1015.1(2), RSMo.

² Section 393.150.1, RSMo.

if a stipulation, consent order, or agreed settlement disposes of the action.³ Such is the case in this action for the following reasons.

On August 30, 2013, the company filed its petition to change its Infrastructure System Replacement Surcharge seeking an increase of 0.9% or \$2,389,096. On October 29, the Staff of the Commission filed its Recommendation. Staff included in its recommendation an updated calculation of \$1,841,374 for under-collection of ISRS revenues from two previous cases (WO-2012-0401 and WO-2013-0406). The update was submitted to Staff by the company and attached to Staff's recommendation as Appendix A. These adjustments resulted in Staff's recommendation that the proposed ISRS amount be \$4,307,496. On November 6, the company filed a *Notice of Agreement*. In the notice, the company asks the Commission to grant the petition at its earliest convenience in accordance with Staff's recommendation. The Commission has received no other responses to Staff's recommendation within the time set by Commission rule.⁴

The Commission therefore finds that the parties⁵ consent to an order in accordance with Staff's recommendation. The Commission also independently finds and concludes that: the petition complies with the requirements of Section 393.1000 to 393.1006, RSMo;⁶ An ISRS in accordance with the recommendation is sufficient to recover appropriate pretax revenue;⁷ and, the rates as adjusted are just and reasonable.⁸

The Commission will therefore reject the pending tariff sheet, and direct the company to file a new sheet with ISRS rates as set out Staff's Recommendation. Also, the

³ Section 536.090, RSMo.

⁴ 4 CSR 240-2.080(18).

⁵ Though a party to this action under 4 CSR 240-2.010(10), the Office of the Public Counsel has exercised its option under Section 3867.71.1(2) and (3) to enter no appearance.

⁶ Section 1015.1(4), RSMo.

⁷ Section 1015.1(4), RSMo.

⁸ Section 393.150, RSMo.

Commission concludes that the absence of a dispute in this case constitutes good cause for an effective date less than 30 days from the issuance of this order.⁹

THE COMMISSION ORDERS THAT:

1. The tariff sheet, Tariff No. YW-2014-0109, is rejected. The specific sheet is:

P.S.C. MO No. 13

3rd Revised Sheet No. RT 10, Canceling 2nd Revised Sheet No. RT10

2. The Commission authorizes Missouri American Water Company to file, under this file number, a tariff sheet imposing an Infrastructure System Replacement Surcharge as set out in the Staff of the Commission's Recommendation.

3. Upon Missouri American filing the tariff sheet described in order paragraph 2, above, the Staff of the Commission shall file a recommendation advising the Commission whether the sheet is in compliance with this order.

4. This order shall become effective on November 23, 2013.



BY THE COMMISSION

A handwritten signature in cursive script that reads "Morris L. Woodruff".

Morris L. Woodruff
Secretary

R. Kenney, Chm., Stoll, W. Kenney,
and Hall, CC., concur.

Jones, Senior Regulatory Law Judge

⁹ Section 386.490.2, RSMo.