

**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-2020-0190**
Approval to Change an Infrastructure System)
Replacement Surcharge (ISRS))

RESPONSE TO ORDER DIRECTING FILING

COMES NOW Missouri-American Water Company ("MAWC"), by and through the undersigned counsel, and on behalf of MAWC, Staff of the Missouri Public Service Commission ("Staff"), and the Office of the Public Counsel ("OPC"), known together herein as "the Parties," provides the following response to the Missouri Public Service Commission's ("Commission") *Order Directing Filing*. In support, MAWC on behalf of the Parties, states as follows to the Commission:

1. The Commission's *Order Directing Filing* directed the Parties to file pleadings no later than September 29, 2021, stating how they believe the Commission should proceed in this matter. The Parties requested, and were granted, extensions of the date to respond. Currently, the Parties' response is due October 20, 2021.

2. As a result of the Parties discussions, they have arrived at the following position as to how they believe the Commission should proceed:

- a. Find that the amount to be refunded to customers is \$19,172;
- b. Direct that the amount to be refunded be returned to customers in the form of a one-time bill credit to MAWC's Rate A customers in St. Louis County, beginning on January 2, 2022, on a "per customer" basis (and completed no later than March 31, 2022, in order to accommodate quarterly customers). Using the number of Rate

A customers in St. Louis County as of October 19, 2021, this one-time bill credit will be in the amount of \$0.06 per St. Louis County Rate A customer; and,

c. Make any such Order directing the refund effective on January 2, 2022.

3. In way of further explanation, MAWC has filed a request for Private Letter Ruling with the Internal Revenue Service in light of the Court action in this matter. MAWC has indicated to the other Parties that it believes that, if the IRS were to indicate that a normalization violation exists due to a rate refund or bill credit in accordance with the Court action (which MAWC hopes it will not), providing the bill credit in 2022 will provide an argument that a violation did not occur until 2022. This would potentially delay any impact to customers due to increased rate base as long as possible.

4. Section 386.520.2(2), RSMo, calls for the Commission to “issue its order” within certain time frames, but does not require a refund within any particular time frame. Thus, MAWC believes that this timing is in accordance with the statute.

5. Staff and OPC support the timing requested by this pleading.

WHEREFORE, MAWC, on behalf of the Parties, respectfully requests that the Commission consider the information provided herein, find that this response satisfies the Commission’s *Order Directing Filing*, and issue such orders as may be consistent with the above response.

Respectfully submitted,



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**ATTORNEYS FOR MISSOURI-AMERICAN
WATER COMPANY**

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 20th day of October 2021.


