

MEMORANDUM

TO: File No. WX-2013-0488

FROM: James A. Busch
Manager – Water and Sewer Unit, Missouri Public Service Commission

SUBJECT: Review of Rule 4 CSR 240-50.050

DATE: July 6, 2015

File No. WX-2013-0448 was created on April 4, 2013 with a *Notice of Finding of Necessity*. This file was opened to propose a new rule establishing an Environmental Cost Adjustment Mechanism (ECAM). This proposed ECAM would allow for periodic rate adjustments to account for increases or decreases in a water utility's prudently incurred costs directly related to compliance with environmental laws and regulations.

The proposed rule was published on September 16, 2013. Missouri-American Water Company filed comments on October 16, 2013. A hearing was held on October 24, 2013. On October 31, 2013, a *Final Order of Rulemaking for 4 CSR 240-50.050* was filed with the Joint Committee of Administrative Rules. On January 2, 2014, an *Order of Rulemaking as Published in the Missouri Register* was submitted to the case file.

Since the rule was approved and published, no water utility has filed for an ECAM at this time. Therefore, the actual costs have not exceeded the original cost estimates.