

**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-2023-0008**
Approval to Change a Water and Sewer)
Infrastructure Rate Adjustment ("WSIRA"))

UNANIMOUS STIPULATION AND AGREEMENT

COME NOW Missouri-American Water Company (MAWC), the Office of the Public Counsel (OPC), and the Staff of the Missouri Public Service Commission (Staff) (together, the Parties), and submit this *Unanimous Stipulation and Agreement* (Stipulation and Agreement):

BACKGROUND

1. On September 9, 2022, MAWC filed its *Petition to Change a Water and Sewer Infrastructure Rate Adjustment (WSIRA)* (“Petition”) pursuant to the provisions of the Missouri Water and Sewer Infrastructure Act, Sections 393.1500 through 393.1509, RSMo., and Commission Rule 20 CSR 4240-2.060(1).

2. On December 8, 2022, Staff filed its *Staff Recommendation* concerning the Petition. MAWC subsequently filed its *Response to Staff Recommendation* on December 14, 2022, wherein MAWC indicated its agreement with the *Staff Recommendation*. On December 15, 2022, OPC filed its *Response to Staff Recommendation*. OPC suggested that the Commission authorize MAWC to recover an amount less than that suggested by the Staff based upon its interpretation of the statutory cap found in Section 393.1506.1, RSMo.

3. The Parties agree to a settlement and intend this *Unanimous Stipulation and Agreement* to resolve the issue of the WSIRA water and sewer revenue requirements to be approved by the Commission in the above captioned case. This settlement is the product of negotiations aimed at an amicable resolution of the present case and none of the signatories to

this *Unanimous Stipulation and Agreement* concede any issue of law or fact not expressly stated herein.

RESOLUTION

4. **WSIRA Revenue Requirements:** The Parties agree that, subject to the below paragraphs, the Commission approve WSIRA revenues of \$11,022,754 from St. Louis County water customers, and \$2,440,729 from All Other water customers, for a total of \$13,463,483 in water WSIRA revenues; and (\$1,077) from Arnold sewer customers, and \$6,786 from All Other sewer customers for a net of \$5,709 in sewer WSIRA revenues. Attached as **Appendix A** is a spreadsheet illustrating the calculation of these revenue requirements.

5. **Rate Design:** The revenue requirement shall be allocated to the rate classes pursuant to the rate design described in Staff’s December 8, 2022 Memorandum on pages 5 and 6 under the heading “The WSIRA Rate Schedules.” The WSIRA rates reflected in Appendix A1 through Appendix A4 attached to Staff’s December 8, 2022 Memorandum are superseded by the rates reflected in the proposed tariff sheets attached to this Stipulation and Agreement as Appendix B and C.

6. **Tariff:** Attached as **Appendix B and C** are exemplar tariff sheets that represent the rates associated with the revenue requirements identified in this *Unanimous Stipulation and Agreement*, which will be filed by MAWC. MAWC requests that WSIRA rates be implemented on or about January 16, 2023. OPC and Staff do not oppose this request.

GENERAL PROVISIONS

7. Unless otherwise explicitly provided herein, none of the Parties to this Stipulation and Agreement shall be deemed to have approved or acquiesced in any ratemaking or procedural principle, including, without limitation to, any other method of cost determination or cost

allocation or revenue-related methodology. Other than as explicitly provided herein, none of the Parties shall be prejudiced or bound in any manner in this or any other proceeding by the terms of this Stipulation and Agreement regardless of whether this Stipulation and Agreement is approved.

8. This Stipulation and Agreement has resulted from negotiations among the Parties and the terms hereof are interdependent. If the Commission does not approve this Stipulation and Agreement unconditionally and without modification, then this Stipulation and Agreement shall be void and no Party shall be bound by any of the agreements or provisions hereof.

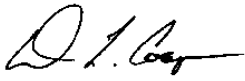
9. If the Commission does not unconditionally approve this Stipulation and Agreement without modification, and notwithstanding the provision herein that it shall become void, neither this Stipulation and Agreement nor any matters associated with its consideration by the Commission shall be considered or argued to be a waiver of the rights that any Party has for a decision in accordance with §536.080 RSMo or Article V, Section 18 of the Missouri Constitution, and the Parties shall retain all procedural and due process rights as fully as though this Stipulation and Agreement had not been presented for approval, and any suggestions, memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation and Agreement shall become privileged as reflecting the substantive content of settlement discussions and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any purpose whatsoever.

10. In the event the Commission unconditionally accepts the specific terms of this Stipulation and Agreement without modification, the Parties waive the following rights only as to the issues resolved herein: 1) their respective rights to present oral argument and written briefs pursuant to §536.080.1 RSMo; 2) their respective rights to seek rehearing, pursuant to §386.500

RSMo; and 3) their respective rights to judicial review pursuant to §386.510 RSMo. This waiver applies only to a final unappealed Commission order unconditionally approving this Stipulation and Agreement issued in this proceeding and only to the issues that are resolved hereby. It does not apply to any matters raised in any prior or subsequent Commission proceeding or any matters not explicitly addressed by this Stipulation and Agreement.

WHEREFORE, for the foregoing reasons, the undersigned Parties respectfully request that the Commission issue its Order approving the terms and conditions of this *Unanimous Stipulation and Agreement*.

Respectfully submitted,

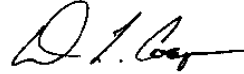
<p><u>/s/ Carolyn H. Kerr</u> Carolyn H. Kerr, Mo. Bar No. 45718 Senior Staff Counsel P.O. Box 360 Jefferson City, MO 65102 573-751-5397 (Voice) 573-526-6969 (Fax) Carolyn.Kerr@psc.mo.gov ATTORNEY FOR THE STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION</p>	<p>OFFICE OF THE PUBLIC COUNSEL By: <u>/s/ Lindsay VanGerpen</u> Lindsay VanGerpen (#71213) Associate Counsel P.O. Box 2230 Jefferson City, MO 65102 Telephone: (573) 751-5565 Facsimile: (573) 751-5562 E-mail: Lindsay.VanGerpen@opc.mo.gov</p>
<p> _____ Dean L. Cooper Mo. Bar 36592 BRYDON, SWEARENGEN & ENGLAND P.C. 312 East Capitol Avenue P.O. Box 456 Jefferson City, MO 65102-0456 Telephone: (573) 635-7166 dcooper@brydonlaw.com</p>	<p>Timothy W. Luft, MBE #40506 Rachel L. Niemeier, MBE #56073 MISSOURI-AMERICAN WATER COMPANY 727 Craig Road St. Louis, MO 63141 (314) 996-2390 (314) 997-2451 (telefax) Timothy.Luft@amwater.com Rachel.Niemeier@amwater.com ATTORNEYS FOR MISSOURI- AMERICAN WATER COMPANY</p>

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 28th day of December, 2022, to:

Office of the General Counsel
Governor Office Building
Jefferson City, MO 65101
staffcounsel@psc.mo.gov

Office of the Public Counsel
Governor Office Building
Jefferson City, MO 65101
opcservice@opc.mo.gov



Missouri-American Water Company
WSIRA Revenue Requirements Calculation

	WSIRA Revenue Requirement	STL County Water	Other Water	Arnold Sewer	Other Sewer	Total
1	WSIRA Revenue Requirement					
2						
3	Utility Plant Projects--Replacement					
4	Utility Plant in Service--Replacement	\$121,444,630	\$30,249,792	\$12,671	\$572,542	\$152,279,634
5	Net Contributions in Aid of Construction	(293,377)	(89,202)	0	0	(382,579)
6	Deferred Taxes	(11,476,400)	(3,253,016)	(1,564)	(71,274)	(14,802,254)
7	Accumulated Depreciation	(1,247,210)	(250,914)	(184)	(5,728)	(1,504,036)
8						
9	Total Net Replacement Rate Base	\$108,427,642	\$26,656,660	\$10,923	\$495,539	\$135,590,765
10						
11	Utility Plant Projects--Facilities Relocations					
12	Utility Plant in Service--Relocations	\$3,755,330	\$966,016	\$0	\$0	\$4,721,345
13	Net Contributions in Aid of Construction	(784,391)	0	0	0	(784,391)
14	Deferred Taxes	(133,044)	(121,148)	0	0	(254,192)
15	Accumulated Depreciation	(54,430)	(5,261)	0	0	(59,691)
16						
17	Total Net Relocation Rate Base	\$2,783,464	\$839,607	\$0	\$0	\$3,623,071
18						
19	Utility Plant Projects--Total					
20	Utility Plant in Service--Total	\$125,199,960	\$31,215,808	\$12,671	\$572,542	\$157,000,980
21	Net Contributions in Aid of Construction	(1,077,768)	(89,202)	0	0	(1,166,970)
22	Deferred Taxes	(11,609,445)	(3,374,164)	(1,564)	(71,274)	(15,056,446)
23	Accumulated Depreciation	(1,301,641)	(256,174)	(184)	(5,728)	(1,563,727)
24						
25	Accumulated Depreciation and Deferred Taxes on Investment in Current WSIRA					
26	Accumulated Depreciation - Prior WSIRA	(2,552,877)	(636,503)	(258)	(11,674)	(3,201,312)
27	Deferred Taxes - Prior WSIRA	(42,106)	(10,498)	(4)	(193)	(52,801)
28						
29	Total Adjustment	(\$2,594,983)	(\$647,001)	(\$263)	(\$11,867)	(\$3,254,113)
30						
31	Total WSIRA Rate Base	\$108,616,124	\$26,849,266	\$10,660	\$483,672	\$135,959,723
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	\$9,460,464	\$2,338,571	\$929	\$42,128	\$11,842,092
36	Depreciation Expense	2,212,034	527,364	378	4,810	2,744,587
37	Property Taxes	0	0	0	0	0
38						
39	Total Revenue Requirement	\$11,672,499	\$2,865,935	\$1,307	\$46,938	\$14,586,678
40						
41	Adjustments:					
42	Undercollection from WSIRA reconciliation	(124,411)	(294,226)	(2,384)	(40,152)	(461,172)
43	Revenue Cap Adjustment	(525,334)	(130,980)	0	0	(656,314)
44						
45	Total WSIRA Revenue Requirement	\$11,022,754	\$2,440,729	(\$1,077)	\$6,786	\$13,469,192
46						
47	Allocation of Revenue by Class					
48	Rate A	\$10,479,044	\$2,105,139			\$12,584,183
49	Rate B	195,377	91,894			287,271
50	Rate J	348,332	243,696			592,028
51	Sewer			(1,077)	6,786	5,709
52						
53	Total WSIRA Revenue Requirement	\$11,022,754	\$2,440,729	(\$1,077)	\$6,786	\$13,469,192

Missouri-American Water Company
WSIRA #3
WSIRA Cap

	Water	Sewer
1		
2		
3	335,240,042	12,759,958
4		
5	15.0%	15.0%
6		
7	50,286,006	1,913,994
8		
9	Prior Approved WSIRA (Excluding Reconciliation)	
10	18,794,795	207,986
11	17,609,092	203,420
12		
13		
14		
15	36,403,887	411,406
16		
17	13,882,119	1,502,588
18		
19	14,538,434	48,245
20		
21	(656,314)	0

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	\$0.12726	\$1.27262	+
Rate B	\$0.04772	\$0.47722	+
Rate J	\$0.03394	\$0.33943	+
<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: December XX, 2022 Effective Date: January XX, 2023

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>			
<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	\$0.07058	\$0.70580	+
Rate B	\$0.02274	\$0.22743	+
Rate J	\$0.02465	\$0.24646	+
<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>			

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Date of Issue: December XX, 2022 Effective Date: January XX, 2023

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

Missouri-American Water Company
Name of Issuing Corporation

For

City of Arnold and Surrounding Area
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. The WSIRA charge is calculated as a percentage of the customer’s total bill, prior to any taxes.</p> <table style="margin-left: auto; margin-right: auto; border: none;"> <tr> <td style="text-align: right; padding-right: 20px;">All Customers:</td> <td style="text-align: center; padding-right: 20px;">0.8821%</td> <td style="text-align: center; padding-right: 20px;">of the total bill</td> <td style="text-align: right; vertical-align: middle;">+</td> </tr> </table> <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>				All Customers:	0.8821%	of the total bill	+
All Customers:	0.8821%	of the total bill	+				

* Indicates new rate or text

+ Indicates change

Date of Issue: December XX, 2022 Effective Date: January XX, 2023

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 City of Arnold
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. The WSIRA charge is calculated as a percentage of the customer's total bill, prior to any taxes.</p> <p style="text-align: center;">All Customers: 5.6572% of the total bill +</p> <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>	

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