BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water Company's Request for Authority to Implement A General Rate Increase for Water and Sewer Service Provided in its Missouri Service Area.

File No. WR-2015-0301

ORDER DIRECTING STAFF TO PREPARE SCENARIOS

Issue Date: May 11, 2016

Effective Date: May 11, 2016

During its deliberations, the Commission has questioned the impact on customer rates that will result from its decisions. To answer those questions, the Commission will direct its Staff to respond to the scenarios described in this order.

- 1. Assume that Missouri-American's water service is consolidated into the three water-rate districts proposed by Staff; assume a single block volumetric design for all customers as proposed by Missouri-American; assume a state-wide customer charge of \$15.33 per month; assume the purchased power allocation in Missouri-American's class cost of service study is not modified as proposed by MIEC; assume that Missouri-American's proposal to limit allocation of Administrative and General costs to \$20 per customer for each sewer district is adopted, and finally, assume that Missouri-American's existing sewer districts are consolidated to two districts as proposed by Missouri-American. For that scenario:
 - a. If the Arnold sewer district's rates are capped at \$33.58 per month as promised by Missouri-American, is there a revenue shortfall in the Arnold district, and if so, how much is that shortfall.

- b. Assuming Missouri-American's customers will not be required to pay for any shortfall resulting from the cap on Arnold's rates, what is the effect on customer rates for each water and sewer district?
- 2. Same scenario as 1, except that Missouri-American's existing sewer districts are consolidated into five districts as proposed by Staff.

THE COMMISSION ORDERS THAT:

1. Staff shall file its response to the scenarios described in the body of this order no later than May 16, 2016.

2. Any party wishing to respond to Staff's response to the described scenarios shall do so no later than May 17, 2016.

3. This order shall be effective when issued.





Morris I Wooduff

Morris L. Woodruff Secretary

Dated at Jefferson City, Missouri, on this 11th day of May, 2016.

Woodruff, Chief Regulatory Law Judge