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 TO PROVIDE NOTICE TO CITIES AND COUNTIES OF RATE INCREASE AS REQUIRED BY SECTION 393.275.1, RSMO

Issue Date: July 29, 2016

Effective Date: July 29, 2016

Section 393.275.1, RSMo 2000, requires the Commission to notify the governing

body of each city or county imposing a business license tax on gross receipts of any water

or sewer corporation of any approved rate increase for that water or sewer corporation that

exceeds seven percent. Further, the statute requires the Commission to:

include with such notice to any city or county the percentage increase approved for the utility, together with an estimate of the annual increase in gross receipts resulting from the tariff increase on customers residing in that city or county.

Section 393.275.2, RSMo 2000, requires the taxing authority to reduce its tax rate to

reduce the amount of revenue collected under the tax, unless it chooses to maintain its tax

rate.

On May 26, 2016, the Commission issued a report and order that allowed Missouri

American Water Company to increase the company's annual revenues from its provision of

water and sewer service by more than seven percent in certain districts. Missouri-

American's tariff sheets to implement the allowed rate increase went into effect on July 20

and 22, 2016.

As required by the statute and Commission regulations, Missouri-American submitted on July 29, 2016 a list of the cities and counties within its service territory that impose a business license tax on its gross receipts, along with an estimate of the annual increase in gross receipts resulting from the rate increase on customers residing in that city or county. That list and revenue increase estimate is attached to this order.

THE COMMISSION ORDERS THAT:

1. The Commission's Data Center shall mail a copy of this order to each city or county identified by Missouri-American Water Company.

2. This order shall be effective when issued.



BY THE COMMISSION

Orris I Woodul

Morris L. Woodruff Secretary

Morris L. Woodruff, Chief Regulatory Law Judge, by delegation of authority pursuant to Section 386.240, RSMo 2000.

Dated at Jefferson City, Missouri, on this 29th day of July, 2016.

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI

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

Case No. WR-2015-0301

MAWC'S RESPONSE TO NOTICE

COMES NOW Missouri-American Water Company (MAWC), and, in response to the Notice of Deficiency and Order Directing Missouri-American To Comply, states as follows to the Missouri Public Service Commission (Commission):

1. On July 28, 2016, the Commission issued its Notice of Deficiency and Order Directing Missouri-American To Comply. Therein, the Commission directed MAWC to "fully comply with the requirements of Section 386.275.1, RSMo 2000 (sic) and Commission Rule 4 CSR 240-10.060 no later than July 29, 2016."

2. Attached as <u>Appendix A</u> is a list of those communities where there is a tariff change designed to increase revenues by greater than 7%. Please note that the estimated change in gross receipts tax assumes no change in number of meters or usage levels from the prior year. Thus, the actual change may be greater or lesser than this estimate.

3. Lastly, MAWC notes that as to communities within St. Louis County, while base rates may increase more than 7%, the revenue increase subject to gross receipts tax will be less than one percent after taking into account the return of the Infrastructure System Replacement Surcharge rate to zero. Thus, these communities are not listed on the attached.

WHEREFORE, MAWC respectfully requests that the Commission consider this pleading to satisfy its Notice of Deficiency and Order Directing Missouri-American To Comply.

Respectfully submitted,

21.Cm

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CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the foregoing document was sent by electronic mail, on July 29, 2016, to the parties.

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Missouri-American Water Company Case No. WR-2015-0301 Case No. SR-2015-0302

Cities and Counties that Apply a Gross Receipts Tax with rate increases greater than 7%

Arnold District - Wastewater

	Current	Rate	Estimated						
County/Municipality Name	Tax Rate	Increase *	Increase	Name	Title	Address			
City of Arnold (1)	5.00000%	23.11%	\$ 43,630	5 BRYAN RICHISON	CITY ADMINISTRATOR	2101 JEFFCO BLVD	ARNOLD	MO	63010
St Joseph District									
	Current	Rate	Estimated						
County/Municipality Name	Tax Rate	Increase *	Increase	Name	Title	Address			
City of St Joseph	6.50000%	12.33%	\$ 93,800	5 J. BRUCE WOODY	CITY MANAGER	1100 FREDERICK AVE. RM 305	ST. JOSEPH	MO	64501
Warrensburg District									
	Current	Rate	Estimated						
County/Municipality Name	Tax Rate	Increase *	Increase	Name	Title	Address			
Warrensburg	6.00000%	9.20%	\$ 17,678	3 CASEY RENFROW	MAYOR	102 S HOLDEN ST	WARRENSBURG	MO	64093
* Assuming no change in meter count and usage									

Note (1): The typical City of Arnold residential customer using 5,000 gallons or less per month would see an increase of approximately 20%.

STATE OF MISSOURI

OFFICE OF THE PUBLIC SERVICE COMMISSION

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 29th day of July 2016.



Morris L. Woodruff Secretary

MISSOURI PUBLIC SERVICE COMMISSION July 29, 2016

File/Case No. WR-2015-0301

Missouri Public Service Commission

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Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).

Sincerely,

orris Z Wood

Morris L. Woodruff Secretary

Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.