

**BEFORE THE PUBLIC SERVICE COMMISSION  
STATE OF MISSOURI**

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-2017-0285**

**AMENDED LIST OF ISSUES**

**COMES NOW** the Staff of the Missouri Public Service Commission (Staff), by and through counsel, and for this *Amended List of Issues*, and states as follows:

Following extensive negotiations, the parties have reached a settlement in principle regarding a majority of the issues involved in determining the cost of service. The parties are still in the process of drafting an agreement. The following *Amended List of Issues* identifies those items not yet resolved between the parties, for which hearing is still necessary.

1. **Allocations** – What is the appropriate method to allocate MAWC corporate costs to the water and sewer districts?
2. **Coordination with local Municipalities for Water Main Replacement** – Should MAWC's five year main replacement program approved by the Missouri Department of Natural Resources (its Owner Supervised Program) prioritize the replacement of small dimension mains in Jefferson City and other municipalities that are connected to fire hydrants?
  - a. Should MAWC be directed to provide on a regular basis the following described information to appropriate Jefferson City and other municipalities' departments:
    - i. MAWC's annual or multi-year capital expenditure or improvement plan for the Jefferson City and other municipality service areas, and any updates made to those plans
    - ii. Leak studies of the water system in the Jefferson City and other municipality service areas;
    - iii. The current pressure and volume model for the water system in the Jefferson City and other municipality service areas and the age of all facilities.
    - iv. The current and subsequent versions of MAWC's Resource Supervised Plan.

3. **Water Rate Design Issue – Private Fire Service Rates** – What is the appropriate private fire service rate?
4. **Cedar City / Jefferson City Airport and Fire Protection** – Is the proposed pressure valve replacement at the wholesale point of supply for the water system serving the Jefferson City Airport adequate to resolve water pressure losses or fluctuations in that system?
5. **Lead Service Line Replacement (LSLR) –**
  - a. **LSLR Activity** – Should MAWC continue to replace the customer-owned portion of lead service lines (LSL) while performing water main repair and replacement?
    - i. Should the Company prioritize at risk populations?
    - ii. Should the Company be required to disclose known lead service line and when should that notification take place?
    - iii. Should the Company be required to have a written plan about its LSL replacement program?
    - iv. Should the Company be required to provide test kits and what testing parameters should be in place including whether the results should be disclosed to the public?
    - v. Should the Company be required to do a cost-benefit analysis?
    - vi. Should the Company be required to comply with OSHA lead standards?
    - vii. Should the Company be required to have a plan for how they will address excess costs related to unusual site restoration work?
    - viii. Should the Company be coordinating activity with other pertinent entities?
    - ix. Should the Company be required to remove all lead service lines including vacant properties or inactive accounts?
    - x. Should the Company also be replacing worn out customer-owned service lines, copper service lines, and/or galvanized pipes?
    - xi. How should costs be allocated?
  - b. **Pilot Program** – Should the Commission order the implementation of OPC proposed LSL pilot program?
  - c. **LSLR AAO Treatment** – What recovery approach, if prudent, should be adopted for the AAO amount from WU-2017-0296?
  - d. **Future LSLR Recovery** –What the Commission authorize in this case for the recovery of future LSLR activity?
6. **Water Rate Design**
  - a. **Single Tariff Pricing / District Specific Pricing** – Should the Commission keep the current water district structure, adopt single tariff pricing for the water customers, or return to eight water districts?
  - b. **Impacts of Pricing Districts on cities/service Areas**
    - i. **Offset Mechanism** – If the Commission orders consolidated tariffs for water service, should it also order the implementation of the Coalition

City Offset Mechanism to allow certain service areas to avoid paying certain capital investment costs?

- ii. If the Commission adopts either MAWC's or Staff's rate district proposal, should the Commission establish a working group or collaborative process to determine a rate offset for cities/service areas that have borne the costs of their own system upgrades since 2000?
  - iii. If the Commission adopts either MAWC's or Staff's rate district proposal, should the Commission establish a working group or collaborative process to explore capital expenditure tracking mechanisms?
- c. Customer Classifications – Should Rate A rate be split into a Residential and a Non-residential rate?
  - d. Class Costs – What is the appropriate cost of service for each customer class?
  - e. Customer Charge – What is the appropriate customer charge for each customer classification?
  - f. Commodity Charge – What is the appropriate commodity charge for each customer classification?
  - g. Purchased-Power – What is the appropriate allocator for purchased power costs?

#### 7. Sewer Rate Design

- a. Sewer Districts – What is the appropriate rate structure for the sewer service districts?

**WHEREFORE**, Staff respectfully submits this *Amended List of Issues*.

Respectfully submitted,

**/s/ Jacob T. Westen**

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#### **CERTIFICATE OF SERVICE**

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile, or electronically mailed to all parties and or counsel of record on this 23<sup>rd</sup> day of February, 2018.

**/s/ Jacob T. Westen**