

narrative describing the practices of the Company that helps provide a factual basis foundation for Exhibit A. Together, the Signatories believe this is an accurate representation of the Company's practices, and the Signatories preserve their rights to make arguments as described in Paragraph 2 above.

5. In light of this Stipulation of Fact, the Signatories move the Commission to suspend the true-up procedural schedule in this case (True-Up Rebuttal – March 27, 2018; and, True-Up Hearing – April 2, 2018). As to the “True-Up Brief,” the Signatories agree that any argument concerning the facts described herein and attached hereto can be made in the initial brief and the reply brief.

WHEREFORE, the Signatories respectfully request the Commission consider the facts stipulated to herein and attached hereto and move the Commission to suspend the true-up procedural schedule in this case as described above.

Respectfully submitted,

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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 March 26, 2018, to the following:

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Missouri American Water

EXHIBIT A

WR-2017-0285

Lead Service Line Deferred Debit True-Up Balance

1	Reported Balances		
2			
3	12/31/17 Deferred Customer Owned Lead Service Lines Provided with True Up		1,946,581
4			
5	Initial journal entry by the company to remove Company-owned portion of lead service lines that had been		
6	included in the customer-owned total. Entry inadvertently removed some customer-owned additions (see second entry)		(526,086)
7			
8	Revised 12/31/17 Balance Provided as an Update to True Up		1,420,495
9			
10	Pro-Forma adjustment to add back customer owned lead lines inadvertently removed in initial journal entry		
11	from the 12/31/17 balance & to recalculate carrying costs		337,374
12			
13	Pro-Forma 12/31/17 Deferred Customer Owned Lead Service Lines		1,757,869
14			
15	Additional Adjustments Agreed to between Company and OPC	Quantity	Amount
16			
17	Initial Workpaper Balance	240	1,757,869
18			
19	<u>1) Remove Customers with only Company Owned Replacement Costs</u>		
20		(1)	0
21		(1)	0
22	Subtotal	(2)	0
23			
24	<u>2) Remove Customers with only Lead Goosneck Replaced</u>		
25		(1)	0
26		(1)	0
27		(1)	0
28		(1)	0
29		(1)	0
30		(1)	0
31	Subtotal	(6)	0
32			
33	<u>3) Remove Customer With Full Line Replacement Done in Error</u>		
34		(1)	(8,446)
35	Reduction in Carrying Costs		(48)
36	Subtotal	(1)	(8,494)
37			
38	<u>4) Reclassify Costs Associated with Moving Inside Meters to Outside</u>		
39	3/4" Meter Yoke		(11,251)
40	Fibre Meter Box		(9,433)
41	Meter Cover or Lid		(4,945)
42	Meter Pit/Lid		(8,597)
43	Meter Pit/Lid Installation		(24,201)
44	Tax on Meter Relocations		(4,738)
45	Subtotal		(63,165)
46			
47	Revised 12/31/17 Balance with Adjustments Agreed to by Company and OPC	231	1,686,210
48			
49			
50	OPC Recommended Adjustments, Not Agreed to By the Company	Quantity	Amount
51			
52	<u>1) Remove All Costs Associated with Customers that Don't Have a Signed Agreement</u>		
53		(1)	(6,545)
54		(1)	(6,008)
55		(1)	(4,808)
56	Reduction in Carrying Costs		(53)
57	Subtotal	(3)	(17,414)
58			
59	Revised 12/31/17 Balance with additional OPC Adjustments	228	1,668,796

EXHIBIT B

1. Relevant definitions¹ when considering the replacement of lead service lines:
 - a. Full Lead Service Line Replacement: All segments of the service line that consist of lead are removed.
 - b. Partial Lead Service Line Replacement: Only a portion of the service line that consists of lead is removed. After a partial lead service line replacement, a portion of the customer's service line still contains lead.
2. In St. Louis County, the distance from the main to the T-Head varies greatly, depending on the width of the street and which side of the street the new main is located to which the customer's service will need to be reconnected. This distance can be as short as 1 foot or as long as 120 feet (or greater) in some circumstances.
3. When replacing customer owned lead service lines throughout Missouri, the Company's pattern and practice is to attempt to contact the customer at least four times to obtain consent before replacing any portion of a customer owned lead service line.
 - a. When consent is obtained, via a signed agreement, the Company does a "Full Lead Service Line Replacement." In St Louis County this could be the entire service line from the main to the shut-off valve in the house, from the main to the T-Head, or from the T-Head to the shut-off valve in the house. Outside of St. Louis County, this could be the service line from the meter box to the shut-off valve in the house, or from the T-Head to the shut-off valve in the house.
 - b. If consent is not provided, due to the customer either refusing to sign the agreement or because the customer has not responded to the repeated Company requests, the Company performs a "Partial Lead Service Line Replacement" from the main to the T-Head, if necessary in St Louis County.
 - c. The Company practice is to only replace a customer owned service line from the T-Head or meter box to the shut-off valve in the house where the customer's consent has been obtained. As noted below, there was one instance when this practice was not followed.
 - d. The Company does not have a written policy on how to proceed when customer consent is not given.
4. When seeking customer consent, there are three possible outcomes:
 - a. The customer provides consent, via the signed agreement, and receives a "Full Lead Service Line Replacement" with the costs being recorded in account 186.
 - b. The customer is non-responsive, despite the Company's attempts to contact them. This is a rare occurrence, happening only 3 times in St. Louis County.
 - i. In one instance, ** the contractor erred and replaced the entire line before obtaining consent. The Signatories agree

¹ These definitions are meant to provide clarity as to the Company's factual practices, and they are not intended to substitute for definitions in a tariff.

that cost recovery is not appropriate in this scenario. Additional details are provided on line 40 of the Attached Exhibit.

- ii. In the other two instances, the Company performed a “Partial Lead Service Line Replacement” in accordance with the practice described in item 3b above. The parties disagree about whether cost recovery is appropriate when there is not a signed agreement. These arguments are left to the briefs.
- c. The customer refuses to sign the agreement after being contacted by the Company.
 - i. The single instance in St. Louis County occurred at **
** where the customer refused replacement of their lead service line. MAWC reconnected the customer to newly installed main and removed lead portion from under pavement by replacing the service from the main to the T-Head. The parties disagree about whether cost recovery is appropriate when there is a refusal. These arguments are left to briefs.
5. In the course of a “Full Lead Service Line Replacement” that includes replacing the section from the T-Head to the shut-off valve in the house, the Company has developed a pattern and practice of offering to relocate the meters in St. Louis County from inside the customer’s home to the edge of the property near the street. The Signatories agree these costs should not be recorded as lead service line replacement costs.
6. The revisions to the Stipulation of Fact filed on March 14, 2018, include:
 - a. Removal of 8 customers from the total who had no customer lead line replacement costs (Exhibit A lines 28-38),
 - b. Adjustment to remove the costs for the customer noted in 4b(i) above (Exhibit A line 40),
 - c. Removal of meter costs included in the totals as described in section 5 (Exhibit A line 44).